



City Council Regular Meeting

February 16, 2026

6:00 PM, Council Chambers - 111 E. Maple Ave.

To view a Council meeting agenda, visit <https://independencemo.portal.civicclerk.com/> and select 'Most Recent Council Agenda'.

INVOCATION

1. The invocation will be given by Rob Douglas, Elder at the East Independence Church of Christ

THE PLEDGE OF ALLEGIANCE

ROLL CALL

PROCLAMATIONS

CITIZEN REQUESTS

CONSENT AGENDA

Reports and Recommendations of the City Manager

1. Council action is requested to approve a Change Order to Purchase Order 22000956, for an additional \$33,930.00 and to authorize change orders of up to ten percent (10%) of the authorized amount, with Altec Industries Inc. for an AM50 Altec aerial bucket truck for the Power & Light (IPL) department. **Approved**
2. Council action is requested to authorize the City Manager to sign a City Council Authorization Form required to submit the 2026/27 Fiscal Year Grant Applications to the Missouri Department of Highway Safety. **Approved**
3. Council action is requested to approve a contract with Logicalis for Technology Services Department services for Fiscal Years 2025/26 through 2030/31, in a total amount not to exceed \$496,385; to authorize change orders of up to ten (10) percent

of the contract amount; and to authorize the issuance of purchase orders during the contract term, subject to annual budget appropriations. **Approved**

4. Council action is requested to issue purchase orders to 911 Custom up to \$150,000 for Emergency Vehicle Equipment and Changeovers/Installations of equipment for the Police Department for fiscal year 2025-2026. **Approved**
5. Council action is requested to authorize the City Manager to approve a construction contract with Vance Brothers, Inc., for an amount not to exceed \$2,240,818.73, and authorizing minor change orders up to ten percent (10%) of the authorized amount and/or time extensions, for the FY 26 Roadway Seals Project (No. 112201-13) as part of the Annual Pavement Maintenance Program. **Approved**
6. Council action is requested to authorize the City Manager to approve Purchase Order Change Order #1 on the design contract (PO #24000460) with Veenstra & Kimm for a revised contract amount not to exceed \$202,932, and authorizing change orders up to ten percent (10%) of the authorized amount, for additional engineering services as part of the Independence Historic Trails Phase 1 Project (No. 112404). **Approved**
7. Council action is requested to authorize the City Manager to issue a purchase order to Premier Truck Group, in the amount of \$148,992, and authorizing change orders of up to ten percent (10%) of the authorized amount, for the procurement of a replacement dump truck chassis for use by the Sanitary Collection System Division of Municipal Services (Project No. 302603). **Approved**
8. Council action is requested to authorize the City Manager to approve a one (1) year pricing agreement, with two (2), one-year renewal periods for biosolids hauling with Synagro for the Municipal Services Department. **Approved**

RESOLUTIONS

1. 26-712 A resolution appointing Ted Luce to the Public Utilities Advisory Board
Approved Res. No. 7024

REGULAR AGENDA

PUBLIC HEARING(S)

1. A public hearing for the application to rezone the properties at 724 and 726 N. Noland Road from C-2, General Commercial, to R-12, Two-Family Residential. **New Information Only.**

26-014 **2R** An ordinance approving a rezoning from District C-2 (General Commercial) to District R-12 (Two-Family Residential) for the properties located at 724 and 726 North Noland Road. **2R Item passes 7-0 Ord. No.**

19781

2. A public hearing for the Taxable Industrial Development Revenue Bonds for the Nebius Project located at M-78 and Little Blue Parkway. **Full Public Hearing.**

ORDINANCES

1. 26-009 **2R** An ordinance adopting amendments to the Fiscal Year 2025-2026 Capital Improvement Budget, which was approved by Ordinance No. 19682; and authorizing the City Manager to award a contract with TMG Utility Advisory Services, Inc., d/b/a TMG Consulting, Inc. ("TMG") for an Advanced Metering Infrastructure (AMI) Program and Performance Management Services for a period of four (4) years, and authorizing change orders of up to ten percent (10%) of the authorized amount. **2R Item passes 6-1 Ord. No. 19782**
2. 26-010 **2R** An ordinance amending Section 3.01.001 of the Independence City Code to expand the definition of a public nuisance animal **2R Item postponed indefinitely 7-0**
3. 26-011 **2R** An ordinance creating Section 12.06.021 of the Independence City Code for the prohibition of nonconsensual dissemination of private sexual images **2R Item passes 7-0 Ord. No. 19783**
4. 26-012 **2R** An ordinance creating Section 12.06.022 of the Independence City Code for the prohibition of threatening the nonconsensual dissemination of private sexual images **2R Item passes 7-0 Ord. No. 19784**
5. 26-013 **2R** An ordinance approving a Plan for an Industrial Development Project for the Surgery Center Project; authorizing the City of Independence, Missouri to issue Taxable Industrial Development Revenue Bonds in a principal amount not to exceed \$3,530,000; and authorizing certain documents and actions in connection therewith. **2R Item passes 7-0 Ord. No. 19785**
6. 26-015 **2R** An ordinance approving the Cooperative Agreement among the City of Independence, Missouri, the Blue Ridge Crossing-East Community Improvement District, and MBS Mall Investor-98, LLC. **2R Item passes 7-0 Ord. No. 19786**
7. 26-016 **2R** An ordinance amending Chapter 4 Article 11 Landlord Tenant Code and Article 15 Rental Ready of the City Code. **2R Item passes 7-0 Ord. No. 19787**
8. 22-075 **2R** An ordinance approving a rezoning from District C-1 (Neighborhood

Commercial) and District R-6 (Single-Family Residential) to District R-18/PUD (Moderate-Density Residential/Planned Unit Development) and approving a preliminary development plan for the properties at 2610 and 2612 S. Lee's Summit Road, in Independence, Missouri. **2R (1R was on 8/1/2022) Item passes 7-0 Ord. No. 19788**

FIRST READING(S)

1. 26-017 **1R** An ordinance adopting amendments to the fiscal year 2025-2026 budget, which was approved by Ordinance No. 19682 **1R Read**
2. 26-018 **1R** An ordinance approving a Rezoning from District I-1 (Industrial) and District C-2 (General Commercial) to District R-30/PUD (High Density Residential/Planned Unit Development) and approving a Preliminary Development Plan for the property located at 315, 317 and 319 S. Osage Street. **1R Read**
3. 26-019 **1R** An ordinance approving a plan for an Industrial Development Project; authorizing the City of Independence, Missouri to issue two series of Taxable Industrial Development Revenue Bonds in a combined principal amount not to exceed \$150,632,000,000; and authorizing and approving certain documents and actions in connection therewith. **1R Read**

INFORMATION ONLY

1. Municipal Court Report for January 2026
2. The City Clerk has received a certified copy of the election results for the February 2026 Primary Election for Mayor and At Large City Councilmember.
3. **Please Note:** In accordance with RSMo. 610.021, the City Council may convene in a Closed Executive Session during or after the meeting, on matters of litigation, legal action, and/or attorney client communications, as permitted by Sec. 610.021(1), on matters of personnel, as permitted by Sec. 610.021(3) and personnel records, as permitted by 610.021(13), on matters of contracts, as permitted by 610.021(12), on matters of real estate, as permitted by 610.021(2) and/or matters of labor negotiations, as permitted by 610.021(9).

COUNCILMEMBER COMMENTS

ADJOURNMENT

City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

Council action is requested to approve a Change Order to Purchase Order 22000956, for an additional \$33,930.00 and to authorize change orders of up to ten percent (10%) of the authorized amount, with Altec Industries Inc. for an AM50 Altec aerial bucket truck for the Power & Light (IPL) department. **Approved**

Recommendations:

Council approval is recommended.

Background:

The IPL Transmission & Distribution division is requesting a change order in the amount of \$33,930 to purchase order 22000956. The original amount for this purchase order was \$254,888, bringing the new PO total to \$288,818.

This truck was ordered in March 2022, and the cost of materials and chassis have increased more than estimated upon receipt in late 2025.

Approval of this item authorizes the Finance Director to issue change orders up to a total of ten percent (10%) of the revised total, so long as funds are available.

Emergency Justification:**Fiscal Impact:**

The fiscal impact on the City totals \$317,699, including contingency. Funding for this bucket truck was included in the fiscal year 2021-22 adopted budget, page 196, account number 0206123-5404, Vehicle Maintenance – Mobile Equipment, IPL Fund 020.

Council Action:

Department / Contact	Power and Light /
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REVIEWERS

Khristina Irvine
Joseph Hegendeffer

Melissa Cabrera
Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. Altec 4833 Invoice for change order

Major Unit Invoice



Please Remit To:

Altec Industries, Inc.
PO Box 11407
BIRMINGHAM AL 35246-0414

For Accounting Questions:

ARINQUIRY@ALTEC.COM
205-408-8279

BILL TO: #17394

SHIP TO:

CITY OF INDEPENDENCE (MO)
PO BOX 1019
INDEPENDENCE MO 64051

CITY OF INDEPENDENCE (MO)
21500 E TRUMAN RD
INDEPENDENCE MO 64056

Customer Order Number	Order Date	Sales Order Number	Terms	Invoice Date	Invoice Number	Customer Truck Number
verbal	12-SEP-24	8317188	CC HYBRID	13-NOV-25	26019654	
Chassis VIN	Year/Model	Unit	Unit Serial Number	Sales Rep	WIP Job Number	Body Serial
1HTEUMMN3TS370944	2026/MV607	AM50	0825DM10868	0338 Alley, Neil T	37 1034018257	856-1034064010
Item	Quantity	Part Number	Description	Amount		
1	1	37014	AM50	198,742.00		
2	1	970000212	Altec Supplied Chassis	90,076.00		
3	1	970038979	Standard Altec Warranty	0.00		
				0.000 % State Tax	0.00	
				0.000 % County Tax	0.00	
				0.000 % City Tax	0.00	

View your invoices online at www.connect.altec.com
Any payment made by a credit card may be subject to a convenience fee.

SPECIAL INSTRUCTIONS	Sub Total	Total Tax	Freight	Less Payments	Total Due
	288,818.00	0.00	0.00	0.00	288,818.00



FOR QUESTIONS
PLEASE CONTACT

205-408-8279

arinquiry@altec.com

www.altec.com

We wish to thank you for giving us the opportunity of serving you.

City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

Council action is requested to authorize the City Manager to sign a City Council Authorization Form required to submit the 2026/27 Fiscal Year Grant Applications to the Missouri Department of Highway Safety. **Approved**

Recommendations:

Council approval is recommended.

Background:

The Police Department is requesting approval to continue participation in the Missouri Highway Safety Grant Programs. In the past, the grant programs have provided funding to conduct public safety programs that include (but are not limited to) DWI Enforcement/Wolf Packs, Hazardous Moving Violations, Red Light Running, Youth Alcohol, Aggressive Driving on I-70, Occupant Protection, and Pedestrian Safety Enforcement. The proactive enforcement and educational initiatives have demonstrated their effectiveness in reducing the violations and serious consequences associated with this destructive behavior.

The Police Department would like to continue applying for these grant programs for FY 2026-2027. The applications are due in early March 2026 and require the submittal of the "City Council Authorization Form." If funded, the grant periods would run from October 1, 2026, to September 30, 2027.

Emergency Justification:**Fiscal Impact:**

The grant programs will provide additional revenue that will allow police officers to pursue traffic enforcement activities. The exact amounts of funding will not be known until grant awards are received. The Police Department will provide that information and seek additional Council approval to accept said awards at that time.

Council Action:

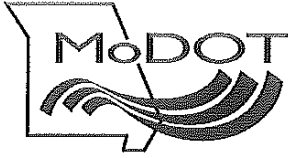
Department / Contact	Police Department /
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REVIEWERS

Dennea Leap
Jason Petersen
Doug Brinkley
Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. City Council Grant Application-Contract Authorization Form-Blank



Highway Safety Divis
P.O. Box 2
Jefferson City, MO 651
1-800-800-2358 or 573-751-41

CITY COUNCIL AUTHORIZATION

On _____, 20__ the Council of _____
_____ held a meeting and discussed the City's participation
in Missouri's Highway Safety Program.

It is agreed by the Council that the City of _____
will participate in Missouri's Highway Safety Program.

It is further agreed by the Council that the Chief of Police will investigate the
financial assistance available under the Missouri Highway Safety Program for
Traffic Enforcement and report back to the Council his/her recommendations.
When funding through the Highway Safety Division is no longer available, the
local government entity agrees to make a dedicated attempt to continue support
for this traffic safety effort.

City Manager

City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

Council action is requested to approve a contract with Logicalis for Technology Services Department services for Fiscal Years 2025/26 through 2030/31, in a total amount not to exceed \$496,385; to authorize change orders of up to ten (10) percent of the contract amount; and to authorize the issuance of purchase orders during the contract term, subject to annual budget appropriations. **Approved**

Recommendations:

Council approval is recommended.

Background:

This contract provides expanded storage to the City's server infrastructure. As the City's server infrastructure has grown, expanded storage is needed to continue IT operations. This solution provides a consumption-based model that will allow the City to easily adjust as storage needs may change.

The contract used for this purchase is OMNIA Software Solutions and Services contract R250307. Section 8.06.004, Paragraph 4 of the City Code states that competitive bidding is not required when purchases are made through a cooperative contract established by a government purchasing entity or cooperative. The cooperative bids used are established pursuant to RSMo. 70.220 or generally accepted governmental purchasing practices through competitive bidding processes.

Approval of this item shall authorize change orders up to a total of ten (10) percent of the authorized amount, provided appropriations are available.

Emergency Justification:**Fiscal Impact:**

The total estimated fiscal impact to the City over the life of the contract is \$546,023, including contingency. Funding of \$49,553 is included in the FY25/26 budget, page number 155, account number 0954220-5225, Internal Service Fund-Technology Services. Funding for future years will be included in the Internal Service Fund-Technology Services budget.

Council Action:

REVIEWERS

Melissa Cabrera
Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. Terms of Sale
2. Quote

Order and Acceptance

1. **Applicability.** Each quotation ("Quotation") and/or Statement of Work ("SOW") (collectively referred to as "Offer Documents") issued by Logicalis, Inc. ("Logicalis") is an offer to sell software, hardware, or Services Sold by Part Number ("Products"), and/or professional services, or staffing services ("Services") to purchaser, **CUSTOMER NAME ("Customer")**, for its own internal use and not for resale. Unless otherwise specified in writing, all Offer Documents are governed by these Terms and Conditions of Sale ("Terms of Sale"). As used in these Terms of Sale, the term "**Services Sold by Part Number**" refers to services, which, although ordered from Logicalis, are procured from and supplied by a third party (i.e., Logicalis does not directly perform or control the work) and are therefore considered Products. Offer Documents shall be deemed accepted by Customer upon Logicalis' receipt of a purchase order, a signed Offer Document, a signed third-party lease agreement for the purchase of Products and/or Services, or through any other conduct that evidences the existence of a contract with respect to the Products and/or Services that are the subject of the Offer Documents. Acceptance of the Offer Documents and these Terms of Sale is expressly limited to the terms contained in the Offer Documents and these Terms of Sale. Logicalis expressly rejects any terms and conditions contained in Customer's forms that are additional to or different from those set forth in the Offer Documents or in these Terms of Sale. For the avoidance of doubt, these Terms of Sale prevail over any of Customer's terms and conditions regardless of whether or when Customer has submitted its request for proposal, order, or such terms. The provision of Services and/or shipment of Products to Customer do not constitute acceptance of any of Customer's terms and conditions and do not serve to modify or amend these terms.

Additional Terms for Product Sales

2. **Order Placement.** All accepted Offer Documents are contingent upon and subject to the manufacturer or distributor acceptance of a corresponding order for such Products. Customer consents to Logicalis and the applicable manufacturer or distributor sharing Customer data with each to other to the extent required to fulfill the obligations under the Offer Document.

3. **Product Returns and Warranty Assistance.**

(a) Customer acknowledges that Logicalis is reselling all Products purchased by Customer and that Products are manufactured and/or delivered by a third party.

(b) To the extent available, Logicalis shall pass through to Customer the manufacturer's warranties for each Product and agrees to facilitate the manufacturer's return policies. In no event will Logicalis provide return or warranty coverage beyond that provided by the manufacturer. Products that are accepted for return are subject to the manufacturer's applicable restocking fees.

(c) Customer acknowledges that the terms and conditions governing the use of Products are governed by the manufacturer's applicable license agreement and are exclusively between Customer and the manufacturer of such Products.

4. **Product Use and Product Warranty Disclaimer.** Customer will not use the Products for use in life support, life sustaining, nuclear, or other applications in which failure of such Products could reasonably be expected to result in personal injury, loss of life, or catastrophic property damage. Customer agrees that Logicalis is not liable for any claim or damage arising from such use. **LOGICALIS MAKES NO WARRANTIES OF ANY KIND WITH REGARD TO THE PRODUCTS. LOGICALIS DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, AS TO THE PRODUCTS, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT.**

5. **Shipment and Risk of Loss for Product Sales.** All shipments of Products to Customer will be FOB point of shipment. Insurance coverage, freight charges, transportation costs, and all other expenses applicable to shipment to Customer's identified point of delivery will be the responsibility of Customer. Risk of loss will pass to Customer upon delivery of the Products to the common carrier (regardless of who pays such common carrier) or Customer's representative at the point of shipment.

6. **Product Security Interest.** Customer grants Logicalis a security interest in the Products detailed in the Quotation as security for payment in full. Customer authorizes Logicalis to file and/or record any documents it deems necessary to perfect this security interest.

Additional Terms for Service Sales

7. **Limited Warranty for Services.** Except for staffing Services, Logicalis represents and warrants that Services will be performed in a good and workmanlike manner according to the generally accepted standards of the industry to which the Services pertain. All Services will be deemed to be in accordance with this warranty if not rejected by Customer in a reasonably detailed writing within five (5) days of performance of the Services. In the event Services are not in conformance with this warranty, Logicalis will take the steps necessary to correct the deficiency at no charge. **THIS IS CUSTOMER'S SOLE AND EXCLUSIVE REMEDY FOR BREACH OF THIS WARRANTY.**

8. **Limited Warranty for Staffing.** For staffing Services only, Logicalis represents and warrants that any consultant provided to Customer will have the qualifications and hold the certifications represented to Customer by Logicalis. Logicalis makes no other representations or warranties with respect to the staffing Services to be provided.

9. **Service Warranty Disclaimer. EXCEPT AS PROVIDED FOR UNDER SECTIONS 6 AND 7, LOGICALIS MAKES NO WARRANTIES OF ANY KIND WITH REGARD TO THE SERVICES. LOGICALIS DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, AS TO THE SERVICES, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT. ALL SERVICE WARRANTIES ARE VOID IF THE SERVICE IS MODIFIED BY ANY PARTY OTHER THAN LOGICALIS OR ITS AUTHORIZED AGENT.**

10. **Logicalis Property.** Logicalis property, including without limitation, equipment, software, and tools which may be furnished or utilized by Logicalis in the performance of Services shall remain the property of Logicalis and shall be immediately returned to Logicalis upon its request or upon completion of the Services.

11. **Service Work Assignments.** Logicalis retains the right to assign such personnel, including subcontractors, as it deems appropriate to the performance of Services. Logicalis shall be fully responsible for the acts of all subcontractors to the same extent it is responsible for the acts of its own employees.

12. **Customer Coordination for Service Sales.** Customer will provide a primary point of contact and make available all technical matter, data, information, operating supplies, and computer system(s), as reasonably required by Logicalis. Where applicable, Logicalis will assign a primary contact person for the Services

13. **Ownership.** Each party retains all rights, title, and interest in and to its pre-existing intellectual property. Nothing in these Terms of Sale transfers ownership of any pre-existing intellectual property between the parties. During Logicalis' performance of the Services, if Logicalis creates any documentation, training materials, software scripts, or knowledge transfer ("Documentation") such materials are the exclusive property of Logicalis. Upon receipt of payment in full for the Services, Customer is granted a non-exclusive, non-sublicensable license to use the Documentation, solely for internal business purposes in connection with Customer's use of the Services.

Terms Applicable to All Sales

14. **Price and Payment.** The prices set forth in any Offer Documents are exclusive of all taxes, duties, licenses, and tariffs, payment of which shall be Customer's obligation. Prices quoted are firm for thirty (30) days unless otherwise specified in the Offer Documents. Payment is due thirty (30) days from the date of invoice. In the event Customer chooses to finance their purchase using a third party, Customer remains liable for payment to Logicalis until Logicalis receives payment in full from such third party. Customer shall provide Logicalis with updated credit information upon request and further agrees Logicalis may order a credit report in connection with a prospective Offer Document. Where the Offer Documents include the purchase of both Products and Services, the

transactions shall be deemed to be separate for the supply of Products and the supply of Services. No default or delay in the delivery of Products shall relieve Customer's payment obligation for Services delivered by Logicalis and no default or delay in the delivery of Services shall relieve Customer's payment obligation for Products delivered by Logicalis. Logicalis may invoice Customer separately for Products and Services. For multi-year license sales, annual billing is for convenience only and does not alter the full-term commitment as stated in the Offer Document. Unless otherwise agreed, Products shall be invoiced upon shipment, and Services shall be invoiced as set out in the Offer Documents. All payments will be made in US currency. Out-of-pocket expenses will be charged as incurred. Estimates are not binding. Customer will pay interest in the amount of one and one half percent (1.5%) per month, or the maximum allowed by law, whichever is lower, on any outstanding balance owed.

15. **Confidential Information.** All information that is not generally known to the public that is disclosed by one party (the "**Disclosing Party**") to the other party (the "**Receiving Party**") or that is otherwise learned by the Receiving Party in the course of its discussions or business dealings with, or its physical or electronic access to the premises of, the Disclosing Party, that by the nature of the circumstances surrounding the disclosure or receipt ought to be treated as confidential, shall be considered "**Confidential Information**" which shall be held in strict confidence by the Receiving Party for three (3) years from the date of disclosure and shall be used only for purposes of the delivery of Products or Services. Except as required by law, no Confidential Information shall be disclosed to a third party without the prior written consent of the Disclosing Party. If the Receiving Party is legally required to disclose any of the Disclosing Party's Confidential Information, the Receiving Party shall notify the Disclosing Party immediately in writing, provide the Disclosing Party with a copy of such order, and shall cooperate in seeking a reasonable protective order. If a protective order is not granted, the Receiving Party will disclose only such Confidential Information as is legally required and will use its best efforts to obtain confidential treatment for any Confidential Information that is so disclosed. This Section shall not apply to information which is (i) in the public domain, (ii) already known to the Receiving Party, (iii) developed independently, or (iv) received from a third party without similar restriction and without breach of this or a similar agreement. Customer consents to Logicalis and the manufacturer and/or distributor of the Products sharing Customer data with each other to the extent required to perform its obligations under an Offer Document, and further, authorizes Logicalis to share personal information necessary to enable Customer's access or use of certain Products. Customer shall comply with applicable data protections laws, including providing notice and properly obtaining the consent of the users to provide said personal information to Logicalis as needed for the purpose of fulfilling the transaction.
16. **Export.** Customer agrees to comply with all export and re-export control laws and regulations as may be applicable to any transaction hereunder, including, without limitation, the Export Administration Regulations promulgated by the United States Department of Commerce, the International Traffic in Arms Regulations promulgated by the United States Department of State, and any of the regulations promulgated by the Office of Foreign Assets Control of the United States Department of the Treasury. Customer covenants that it will not, either directly or indirectly, sell, (re)export (including, without limitation, any deemed (re)export as defined by applicable law), transfer, divert, or otherwise dispose of any Product or Service deliverable, or related software or technology, to: (i) any country or region of a country (or nationals thereof) subject to antiterrorism controls, or a U.S. embargo, (ii) any destination prohibited (without a valid export license or other authorization) by the laws or regulations of the United States, or (iii) any person, entity, vessel, or aircraft identified on the Consolidated Screening List, a downloadable file of which is accessible at http://export.gov/ecr/eg_main_023148.asp (or utilize any such person, entity, vessel, or aircraft in connection with the activities listed above), without obtaining prior authorization from the competent government authorities, as required by the above-mentioned laws and regulations. Customer certifies, represents, and warrants that no Product or Service shall be used for any military or defense purpose, including, without limitation, being used to design, develop, engineer, manufacture, produce, assemble, test, repair, maintain, modify, operate, demilitarize, destroy, process, or use military or defense articles. Notwithstanding any sale of Products or provision of Services by Logicalis, Customer acknowledges that it is not relying on Logicalis for any advice or counseling on export control requirements. Customer agrees to indemnify, to the fullest extent permitted by law, Logicalis from and against any fines, penalties, and reasonable attorney fees that may arise as a result of Customer's breach of this Section 15.
17. **Limitation of Liability. NO MONETARY RECOVERY IS AVAILABLE FROM LOGICALIS FOR WARRANTY CLAIMS. IN ADDITION, IN NO EVENT WILL LOGICALIS' LIABILITY ARISING OUT OF THESE TERMS OF SALE EXCEED THE PURCHASE PRICE PAID OR PAYABLE FOR THE PRODUCT OR SERVICE THAT IS THE BASIS FOR THE PARTICULAR CLAIM UNDER THE APPLICABLE OFFER DOCUMENT. LOGICALIS WILL NOT, IN ANY EVENT, BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, EXEMPLARY, OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS, LOST REVENUES, LOST OR DAMAGED DATA, AND LOSS OF BUSINESS OPPORTUNITY), HOWEVER CAUSED, ARISING OUT OF THE USE OF OR INABILITY TO USE THE PRODUCT OR SERVICE, OR IN ANY WAY CONNECTED TO THESE TERMS OF SALE, EVEN IF LOGICALIS HAS BEEN ADVISED OF SUCH DAMAGES AND EVEN IF DIRECT DAMAGES DO NOT SATISFY A REMEDY. THE FOREGOING LIMITATION OF LIABILITY WILL APPLY WHETHER ANY CLAIM IS BASED UPON PRINCIPLES OF CONTRACT, WARRANTY, NEGLIGENCE, INFRINGEMENT OR OTHER TORT, BREACH OF ANY STATUTORY DUTY, PRINCIPLES OF INDEMNITY, CONTRIBUTION, OR OTHERWISE.**
18. **Encryption.** Customer shall encrypt at the application level all data that is considered sensitive data or that must be treated as confidential under state or federal law or under Customer's contractual obligations to others, which is provided to Logicalis or to which Logicalis is otherwise granted access. This includes, but is not limited to, Social Security Numbers, financial account numbers, driver's license numbers, state identification numbers, Protected Health Information (as that term is defined in Title II, Subtitle F of the Health Insurance Portability and Accountability Act, as amended (HIPAA) and regulations promulgated thereunder), and Nonpublic Personal Information (as that term is defined in Financial Services Modernization Act of 1999 (Gramm-Leach-Bliley) and regulations promulgated thereunder). In the event that Customer fails to comply with this Section 17 and a security breach results in the dissemination of unencrypted sensitive data, Logicalis disclaims all liability for said breach. Customer agrees to indemnify, to the fullest extent permitted by law, Logicalis from and against any fines, penalties, and reasonable attorney fees that may arise as a result of Customer's breach of this Section 17.
19. **Term and Cancellation/Termination.** The term of these Terms of Sale shall commence on the date it is fully executed and remain in effect until terminated by either party with 30 days' prior written notice to the other party; provided, that such termination shall not affect Offer Documents in effect or quoted prior to the effective date of termination that reference this agreement. The purchase of Products may be canceled by Customer only upon written approval of Logicalis and upon terms that indemnify Logicalis against all losses related to such cancellation. Services may be terminated by either party upon written notice in the event of a material breach of these Terms of Sale by the other party which is not cured within thirty (30) days of receipt of such notice. In addition, if Customer defaults in performance of any obligation under these Terms of Sale, including the failure to pay Logicalis in full when due, Logicalis may, at its option, suspend performance, require prepayment, accelerate remaining amounts due under an Offer Document, terminate or suspend access to licensed Products, withhold or suspend the delivery of future Products and Services, and/or utilize any other remedy at law or equity.
20. **Attorney Fees.** Customer shall reimburse Logicalis for any and all expenses including, without limitation, reasonable attorney fees and legal expenses, that Logicalis pays or incurs in protecting and enforcing its rights under these Terms of Sale.
21. **Publication.** Nothing contained in these Terms of Sale shall be interpreted so as to prevent Logicalis from publicizing its business relationship with Customer or the nature of the Products sold to or Services performed for Customer.
22. **Credits.** In the event that Logicalis issues Customer Credits resulting from or in connection with an Offer Document, unless otherwise explicitly stated in an Offer Document, such Credits automatically expire (without notice) one (1) year from: (a) the prepared by date for Quotations or (b) the execution date for SOWs. As used herein, the term "Credits" shall mean any of the following: (i) any monetary credit amount issued to Customer in connection with a Product sale or the acceptance of a Product return; (ii) virtual IT hours allocated to the Customer pursuant to an Offer Document, project change request, or otherwise, regardless of whether the same were prepaid; (iii) Logicalis training or support hours; (iv) a credit amount awarded to Customer as a result of disputes relating to the Services, whether monetary or hours allocated for future services to be performed; (v) Services included at no additional cost as part of a Product resale transaction under any Offer Document; or (vi) any other form of credit, whether monetary or service-based, specifically provided by Logicalis to Customer. Credits are non-transferable and cannot be redeemed for cash.

- 23. **No Solicitation.** Customer agrees not to solicit for employment or to employ any Logicalis employee during the term of these Terms of Sale and for a period of twelve (12) months following the conclusion of Services performed under these Terms of Sale.
- 24. **Notices.** Notices given to Logicalis hereunder shall be sent via certified mail to 2600 W. Big Beaver Rd., Ste. 150, Troy, MI 48084 Attn: General Counsel. Notice shall be deemed given to Customer at the address stated below, the Customer's last known address, or via email address identified in any Offer Document.
- 25. **Indemnification.** Customer agrees to defend, at its expense, and to indemnify Logicalis against any award of damages and costs based on a claim that any materials or documentation provided by Customer infringes a U.S. patent, copyright, or other intellectual property right of any third party or in the event of a claim that Customer violated its end user or license terms with the applicable manufacturer of the Products.
- 26. **Governing Law and Jurisdiction.** The validity, construction, and interpretation of these Terms of Sale, and the rights and duties of the parties hereto, shall be governed by and construed in accordance with the laws of the State of Michigan, excluding its conflict of laws principles. Any legal action or proceeding arising under these Terms of Sale will be brought either in the federal court in the Eastern District of Michigan or state courts located in Oakland County, Michigan, and the parties hereby irrevocably consent to the personal jurisdiction and venue therein. The U.N. Convention on the International Sale of Goods (UNCISG) shall not apply to these Terms of Sale.
- 27. **No Waiver.** The failure of either party to insist upon strict performance of any of the provisions of these Terms of Sale will not be deemed a waiver of any breach or default. The remedies provided to Logicalis hereunder are not a waiver of the remedies of Logicalis under applicable law.
- 28. **Severability.** If any provision of these Terms of Sale is unenforceable as a matter of law, all other provisions will remain in effect.
- 29. **Excusable Delay.** Logicalis will not be liable for any delay or failure of performance whatsoever due to acts of God, earthquakes, shortage of supplies, transportation difficulties, labor disputes, riots, war, fire, epidemics, or other circumstances beyond Logicalis' reasonable control.
- 30. **Time for Bringing Claims.** Any claim by Customer against Logicalis arising from or in connection with Logicalis' sale of Products and/or Services cannot be filed, made, or maintained unless filed within one (1) year after shipment or provision of the Products and/or Services in question.
- 31. **Understanding of the Parties.** These Terms of Sale supersede all prior or current written or oral statements, representations, negotiations, agreements, and understandings between the parties.
- 32. **Amendment.** These Terms of Sale may be amended or modified only with the written consent of the parties.
- 33. **Third Party Beneficiaries.** These Terms of Sale do not confer any enforceable rights or remedies upon any person or party other than the parties.
- 34. **Compliance with Laws.** The parties will comply with all applicable federal, state, and local laws, statutes, rules, and regulations.
- 35. **Independent Contractors.** The parties are independent contractors and these Terms of Sale shall not create or imply an agency relationship between the parties.
- 36. **Survival.** Those provisions that by their nature should survive termination will survive.

The parties have executed these Terms of Sale as of the date last signed below.

LOGICALIS, INC.

CUSTOMER NAME

By: _____
Name: _____
Title: _____
Date: _____
Address: _____
2600 W. Big Beaver Road
Suite 150
Troy, MI 48084
Attn: General Counsel
Email: legalservices@us.logicalis.com
Ph: 248-957-5600

By: _____
Name: _____
Title: _____
Date: _____
Address: _____

Attn: _____
Email: _____
Ph: _____

Dell Storage Expansion Quotation # 2026-227471v1

Prepared By Logicalis for: City of Independence

*To the attention of :
Jason Newkirk
City of Independence
111 E Maple Ave
Independence, MO 64050-3066
Tel: 8163257046
Email: jnewkirk@indepmo.org*

January 13, 2026

Pricing Summary

The following is a price summary of Logicalis' proposed solution.

Price Summary	Amount
Hardware	\$340,260.00
Professional Services	\$17,453.00
Grand Total	\$357,713.00



Logicalis offers a range of services, from helping you define and design a cloud strategy to assisting with server and storage selection for your current environment. We provide a variety of assessments and health checks, perfect for those who need help determining what the next steps are. Find out more at www.us.logicalis.com

Dell Storage Expansion

Quotation # 2026-227471v1

Customer Name & Address	Logicalis Account Executive
Jason Newkirk City of Independence 111 E Maple Ave Independence, MO 64050-3066 8163257046 jnewkirk@indepmo.org	Caitlin Rozell +1 5137077070 caitlin.rozell@us.logicalis.com
Bill To Address	Ship to Address
City of Independence PO Box 1019 Independence, MO 64051-0519	

Quotation expiration date: January 26, 2026

This Quotation adheres to the pricing requirements of the OMNIA Partners Contract #R250307 contract.

Item	Qty	Part Number	Description	Unit Price	Extended Price
Products					
1	1	Prod	Prod	Subtotal:	\$16,050.00
2	1	Apex	February 1st 2026 - June 30th 2026 - Dell Apex Subscription PowerStore 1200T Dell Customer Racked, ProSupport Plus: Mission Critical 4-Hour 7x24 On-Site Medium Capacity SSD Add-On, 5 Years	\$16,050.00	\$16,050.00
3	1	DR	DR	Subtotal:	\$16,050.00
4	1	Apex	February 1st 2026 - June 30th 2026 - Dell Apex Subscription PowerStore 1200T Dell Customer Racked, ProSupport Plus: Mission Critical 4-Hour 7x24 On-Site Medium Capacity SSD Add-On, 5 Years	\$16,050.00	\$16,050.00
<i>Products Subtotal</i>					\$32,100.00
Logicalis Professional Services - Fixed Fee					
5	1	PS	Project Initiation (CIDPNDSEPI-LOG)	\$8,726.50	\$8,726.50
6	1	PS	Project Completion (CIDPNDSEPC-LOG)	\$8,726.50	\$8,726.50
<i>Logicalis Professional Services Fixed Fee Subtotal</i>					\$17,453.00

Item	Qty	Part Number	Description	Term (Months)	Invoicing Frequency	Recurring Charge	Extended Price
Products Annuity							

1	1	Prod	Prod			Subtotal:	\$154,080.00
2	1	Apex	Dell Apex Subscription PowerStore 1200T Dell Customer Racked, ProSupport Plus: Mission Critical 4-Hour 7x24 On-Site Medium Capacity SSD Add-On, 5 Years Est. Start Date: 07-01-2026 Est. End Date: 06-30-2030	48	Annual	\$38,520.00	\$154,080.00
3	1	DR	DR			Subtotal:	\$154,080.00
4	1	Apex	Dell Apex Subscription PowerStore 1200T Dell Customer Racked, ProSupport Plus: Mission Critical 4-Hour 7x24 On-Site Medium Capacity SSD Add-On, 5 Years Est. Start Date: 07-01-2026 Est. End Date: 06-30-2030	48	Annual	\$38,520.00	\$154,080.00
<i>Products Annuity Total</i>						\$77,040.00	\$308,160.00

Grand Total	
Products and Services Subtotal:	\$357,713.00
Grand Total:	\$357,713.00

Solution Summary

City of Independence (COI) has engaged Logicalis to assist them with adding storage to their production and DR environments. Logicalis will install (2) new Dell PowerStore 1200T arrays and configure VMware connectivity to the arrays utilizing iSCSI connectivity through a VMware Distributed Switch. Logicalis will complete this work with a mix of onsite and remote work.

Prior to hardware being installed, Logicalis will work with COI to fill out the pre-installation checklists. These documents will gather all needed information to install the equipment such as IP addressing, hostnames, network configuration, etc. Once the documents have been completed and agreed upon by both Logicalis and COI, physical installation will occur. A Logicalis resource will come onsite to unbox, rack, and cable all equipment in a customer provided rack. Basic initialization will be completed and Logicalis will ensure all equipment is accessible on the network. Once this step has been completed Logicalis will remotely complete configuration of the PowerStore(s) and ESXi hosts.

Professional Services Statement of Work

Data Center Services - VMware

Tasks and Activities

- 1 Plan
 - 1.1 Implementation Planning
 - 1.1.1 Verify that the needed hardware and software components are ready for the implementation
 - 1.1.2 Review current system configuration and develop an installation plan and server inventory worksheet
 - 1.1.3 Create intallation and validation plans
 - 1.1.4 Finalize implemetnation plan and conduct a customer review meeting for approval of the installation and validation plans
- 2 Implement
 - 2.1 Configuration
 - 2.1.1 Configure (2) VMware Distributed Virtual Switch(es) (DVS)
 - 2.1.2 Connect ESXi servers to (12) FC, iSCSI, or NFS datastores and validate connectivity
- 3 Support
 - 3.1 Knowledge Transfer and Documentation
 - 3.1.1 Complete (2) hours of system admin knowledge transfer including content creation
 - 3.1.2 Create as-built documentation and review with customer staff

Data Center Services - Dell PowerStore - Prod

Tasks and Activities

- 1 Implement
 - 1.1 PowerStore Implementation
 - 1.1.1 Rack and cable the PowerStore array, complete initialization of the array and configure to customer requirements.

Data Center Services - Dell PowerStore - DR

Tasks and Activities

- 1 Implement
 - 1.1 PowerStore Implementation
 - 1.1.1 Rack and cable the PowerStore array, complete initialization of the array and configure to customer requirements.

Deliverables

- Implementation Plan
- As Built Document

Project Management

The assigned Logicalis Project Manager will be responsible for providing the following Project Management Services:

Project Management (L1)

Planning

- Project initiation phone call
- Resource scheduling
- High-level milestone timeline

Execution

- Tracking of Products relating to this SOW ordered through Logicalis, if applicable
- Project status meetings up to 2 hours*
- Resource schedule management
- Oversight of project activities
- Serves as the Customer Service point of contact

Monitoring & Controlling

- Project Deliverables management
- Scope of Services and Project Schedule management
- Document Project Change Requests (PCRs), if applicable
- Project budget estimates vs. actual reporting (for Time & Material engagements)

Closing

- Project closure and Acceptance processing

*If the Project is priced as a Fixed Price, the Price includes up to two (2) cumulative resource hours dedicated for status meetings. Any additional time spent on status meetings in excess of these two (2) hours are considered out of scope. Such additional meetings require a mutually agreed upon PCR. If the Project is priced on a Time and Material basis, then Customer will be billed according to the rates set forth herein.

Professional Services Assumptions / Customer Responsibilities

Client Responsibilities

- Ensure that proper power is available, any necessary rack space has been allocated, and proper environmental requirements are met for any new equipment installations.
- Unless otherwise specified in this Statement of Work, the Customer is responsible for any equipment racking and cabling.
- Have any required server/host hardware and supported Operating Systems in good health with required service packs and/or patches applied. Systems requiring additional updates not specified in the Statement of Work will be out-of-scope and a project change request will need to be completed.
- Customer is responsible for ensuring they have a full backup of systems and data of their existing environment.
- Provide remote access connectivity as required to complete this Statement of Work.
- Ensure appropriate Subject Matter Experts are available to participate in the installation, configuration, and knowledge transfer with Logicalis.
- Provide access to relevant documentation, site access and sign off on the implementation plan.
- Document deliverables will be reviewed within three (3) working days of submission. Should no written feedback be received, the deliverable will be deemed accepted.
- Manage internal change control processes.
- Manage all vendor or third-party communication.
- All business verification testing will be carried out during agreed timeframes.
- The customer will designate a single point of contact to whom all communications from Logicalis may be addressed and who has the authority to act on all aspects of the services.
- The customer will not make changes to the technology being implemented prior to project handover.

Assumptions

This proposal submitted with the following assumptions applied. Should these assumptions be incorrect, Logicalis reserves the right to modify this document.

- Document deliverables will be submitted on Logicalis templates and accepted following a maximum of two iterations of change. Changes more than this will potentially incur additional charges.
- Logicalis will conduct all work during business hours 8:00 am to 5:00 pm Monday to Friday. Any additional work required outside of these hours or on public holidays will potentially incur additional charges.
- The As-Built document captures the final technical project configurations and any deviations from the detailed design, including IP details, device names, storage allocation etc.; it is not a process/how-to manual.
- A technical test plan confirms the environment is built as per the detailed design document. The document does not include test cases or traceability matrices. These types of documents can be produced as a variation if requested.

Exclusions

This proposal is submitted with the following exclusions applied:

- No after-hours effort has been included in the costs
- No formal industry or vendor training is included
- Troubleshooting of existing issues
- Configuration of third-party devices, services, or software
- Application-level testing
- Removal and / or disposal of systems

Contiguous Delivery

Logicalis has selected, designed, and quoted the Services to be performed and (as applicable) Deliverables to be provided under this SOW with an understanding that they will be delivered on a contiguous schedule in accordance with the timeline set forth herein. Adherence to this contiguous timeline enables Logicalis to deliver maximal value to Customer in the most timely and efficient manner. Customer acknowledges and agrees that a Project Change Request, setting forth any applicable adjustments to the project timeline and pricing, including but not limited to hourly, recurring, and flat fee pricing (depending on the impact on Logicalis' efficiencies and resource allocations), will need to be made and executed in any of the three (3) following events:

1. Customer requests a change of the SOW timeline or scheduling of Services for convenience; or
2. Customer is the precipitating reason, either by its own action or inaction or that of its contractors, agents, employees, or (as applicable) users of Services performed under this SOW, cause a delay in the performance of Services by Logicalis; or
3. Customer requests a project hold (i.e., a pause in Logicalis' performance of Services).

Terms and Conditions

Terms Applicable to All Sales

1. In the event Customer chooses to lease the Products and/or Services from a third party leasing company, Customer remains liable for payment to Logicalis for all Products and/or Services purchased until Logicalis receives payment from such leasing company.
2. All items not specifically included in this document are out of scope.
3. Prices are valid for 30 days from date of the document unless otherwise stated.
4. The information in this document is considered proprietary and confidential to Logicalis. By acceptance of this Quotation, Customer agrees to maintain this confidentiality and use such information for internal purposes only.

Terms Applicable for Product Sales

1. To the extent applicable, the terms of the OMNIA Partners Contract #R250307 are incorporated herein by reference. For all other terms not addressed in the previously stated contract, Logicalis Terms of Sale, found on our website at www.us.logicalis.com/tcsales apply and are incorporated herein by reference.
2. Any variation in quantity or requested delivery may result in price changes.
3. Prices are subject to change without notice in the event the Product's manufacturer/distributor changes the price to Logicalis.
4. Shipping and taxes are added at time of invoice. Shipping charges are subject to handling fees for specifying carriers and same day shipments.
5. Logicalis collaborates with the OEM/distributor to schedule delivery to Customer's loading dock; inside delivery is available upon request and may increase the cost of delivery.
6. This Quotation is provisional and conditioned upon Customer signing the following documents: (a) APEX Subscription Order and (b) the Dell APEX Rider. Notwithstanding anything to the contrary in Section 1 of the Terms and Conditions of Sale, Logicalis will not accept or process any order for the Products unless and until the two foregoing documents have been signed by the Customer and provided to Logicalis. Once executed by the Customer, by accepting this Quotation, Customer agrees the APEX Subscriptions Order and the Dell APEX Rider are hereby incorporated herein by reference and shall govern the sale of the Products together with this Quotation.
7. Aftermarket IBM products are not acquired through an IBM new product distribution channel, and are not covered by a new product warranty.

Terms Applicable for Professional Services Sales

1. To the extent applicable, the terms of the OMNIA Partners Contract #R250307 are incorporated herein by reference. For all other terms not addressed in the previously stated contract, Logicalis Terms of Sale, found on our website at www.us.logicalis.com/tcsales apply and are incorporated herein by reference.
2. General customer responsibilities, project assumptions, change management processes, and other terms applicable to the delivery and receipt of services (as applicable to this Quotation), found at us.logicalis.com/gcr, are incorporated herein by reference.

3. Travel expenses are included in the Services prices above.

Quotation Acceptance

By signing below, the undersigned accepts this offer and confirms that he/she is authorized to purchase these items on behalf of Customer. This offer may be accepted by purchase order or other acknowledgement of acceptance, including, without limitation, by signing this document. Any reference to a Customer's Purchase Order or P.O. number does not indicate Logicalis' acceptance of terms and conditions referenced on/attached to any such P.O.

Accepted By:
City of Independence

Accepted By:
Logicalis, Inc.

Signature

Signature

Printed Name

Printed Name

Title

Title

Date

Date

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City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

Council action is requested to issue purchase orders to 911 Custom up to \$150,000 for Emergency Vehicle Equipment and Changeovers/Installations of equipment for the Police Department for fiscal year 2025-2026. **Approved**

Recommendations:

Council approval is recommended.

Background:

Total estimated expenses for the 2025-26 fiscal year with 911 Custom are \$150,000.00. The Police Department is requesting approval to continue utilizing the Sourcewell Contract with 911 Custom for the purchase and installation of vehicle equipment. This amount will include emergency equipment to outfit new vehicles (all of which were received during the past two fiscal years), equipment needing to be replaced in vehicles that have been wrecked, plus the labor required to install the equipment in the vehicles.

Per section 8.06.004, paragraph 4 of the city code states that competitive bidding is not required when purchases are made through a cooperative contract established by a government purchasing entity or cooperative. The cooperative bids used will have been established pursuant to RSMo, 70.220 or generally accepted governmental purchasing practices through the competitive bidding process.

Approval of this item authorizes change orders up to ten (10) percent of the authorized amount, providing appropriations are available.

Emergency Justification:**Fiscal Impact:**

The fiscal impact to the City totals \$165,000 including contingency. Funding is included in the 2025/26 FY Adopted Budget, Fund 016 - Police Sales Tax, Equipment Line Item (0164564-5404), page 302.

Council Action:

**Department /
Contact**

Police Department /

REVIEWERS

Dennea Leap
Jason Petersen
Doug Brinkley
Melissa Cabrera
Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. Whelen Authorized Reseller - 911 Custom - Screenshot
2. WHELEN SOURCEWELL 911 CUSTOM
3. Sourcewell Contract 090122 Vehicle Equip

Thank you for reaching out with your interest in utilizing the Sourcewell contract with Whelen Engineering #090122-WHL.

If you are looking for the list of authorized dealers for this contract, I would direct you to their Sourcewell landing page here, [Whelen Engineering Contract 090122-WHL | Sourcewell](#). This is also where you will find the full contract as well as the associated documents if needed. From there you can find the link at the top of the page going to their direct webpage that then breaks down their authorized dealers by state. I have copied it for you to save time - [Sourcewell - Whelen Engineering](#). Searching to Missouri, it does list 911 custom as being authorized:



All ProductsLightbars ▾Lightheads ▾Control Systems & Sirens ▾Specialty Products ▾Beacons ▾

Emergency Equipment Professionals

6441 HWY 51

Horn Lake, MS 38637-3200

(601) 473-1232

dlyle@eeproinc.com

Missouri

Authorized Managing Sales Representative

Busch & Associates

15661 S Keeler Street

Olathe, KS, 66062

(913) 390-1777

amsr14@whelen.com

Distributor

Kevin Beck

911 Custom LLC, Kansas

6970 West 152nd Terrace

Overland Park, KS, 66223

(913) 390-8540

kevin@911custom.com

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Whelen Engineering Company, Inc. #090122-WHL

Pricing for contract #090122-WHL offers Sourcewell participating agencies:

Automotive Products

US customers:

- Discount: 41% off list/MSRP (PL25.0WL & PL25.0PAWL)
- Installation: \$122 per hour cap
- Miscellaneous Supplies: \$174 per Vehicle

US customers - Whelen Cloud Platform WCP

- Discount: None, pricing is Net, no discounts allowed.

Canadian customers:

- 35% off list/MSRP (multiplied by the exchange rate at time of order) (PL25.0WL & PL25.0PAWL)
- Installation: \$122 USD per hour cap (multiplied by the exchange rate at time of order)
- Miscellaneous Supplies: \$174 USD per Vehicle (multiplied by the exchange rate at time of order)

Mass Notification Products

US customers:

- Discount: 10% off list/MSRP (Mass Notification List Price 2025)
- Freight: Prepay and Add to the Invoice



Solicitation Number: 090122

CONTRACT

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Whelen Engineering Company, Inc., 51 Winthrop Road, Chester, CT 06412 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Law Enforcement Equipment from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

- A. **EFFECTIVE DATE.** This Contract is effective upon the date of the final signature below.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires November 7, 2026, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended one additional year upon the request of Sourcewell and written agreement by Supplier.
- C. **SURVIVAL OF TERMS.** Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All other rights will cease upon expiration or termination of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

- A. **EQUIPMENT, PRODUCTS, OR SERVICES.** Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above.

Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. **WARRANTY.** Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. **DEALERS, DISTRIBUTORS, AND/OR RESELLERS.** Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. **SHIPPING AND SHIPPING COSTS.** All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be

returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. SALES TAX. Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;

- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Request Form will become an amendment to this Contract and will be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell

contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM. Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum, the terms of which will be negotiated directly between the Participating Entity and the Supplier or its authorized dealers, distributors, or resellers, as applicable. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. TERMINATION OF ORDERS. Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. GOVERNING LAW AND VENUE. The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

7. CUSTOMER SERVICE

A. PRIMARY ACCOUNT REPRESENTATIVE. Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, performance issues, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcewell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Supplier will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Supplier will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased

by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. **AUDIT.** Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Contract are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. **ASSIGNMENT.** Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

C. **AMENDMENTS.** Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

D. **WAIVER.** Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

E. **CONTRACT COMPLETE.** This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. **RELATIONSHIP OF THE PARTIES.** The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. INDEMNITY AND HOLD HARMLESS

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell or its Participating Entities, arising out of any act or omission in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

12. GOVERNMENT DATA PRACTICES

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, maintained, or disseminated by the Supplier under this Contract.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:

- a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.
- b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.

2. *Limited Right of Sublicense.* The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers,

resellers, marketing representatives, and agents (collectively “Permitted Sublicensees”) in advertising and promotional materials for the purpose of marketing the Parties’ relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. *Use; Quality Control.*

- a. Neither party may alter the other party’s trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.
- b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party’s trademarks only in good faith and in a dignified manner consistent with such party’s use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. *Termination.* Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party’s name or logo (excepting Sourcewell’s pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell’s written directions.

B. PUBLICITY. Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. MARKETING. Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

D. ENDORSEMENT. The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.

14. GOVERNING LAW, JURISDICTION, AND VENUE

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. **PERFORMANCE.** During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending.* Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. **DEFAULT AND REMEDIES.** Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. REQUIREMENTS. At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*

Workers' Compensation: As required by any applicable law or regulation.

Employer's Liability Insurance: must be provided in amounts not less than listed below:

Minimum limits:

\$500,000 each accident for bodily injury by accident

\$500,000 policy limit for bodily injury by disease

\$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.

Minimum Limits:

\$1,000,000 each occurrence Bodily Injury and Property Damage

\$1,000,000 Personal and Advertising Injury

\$2,000,000 aggregate for products liability-completed operations

\$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:

\$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:

\$2,000,000

5. *Network Security and Privacy Liability Insurance*. During the term of this Contract, Supplier will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Supplier's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:

\$2,000,000 per occurrence

\$2,000,000 annual aggregate

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other

insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. LAWS AND REGULATIONS. All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. LICENSES. Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcwell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcwell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcwell in writing.

Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcwell if this certification changes at any time.

21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all

references to “federal” should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier’s Equipment, Products, or Services with United States federal funds.

A. **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of “federally assisted construction contract” in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 C.F.R. § 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” The equal opportunity clause is incorporated herein by reference.

B. **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

C. **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708).** Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of

not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of \$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any

person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier cannot use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by a Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

22. CANCELLATION

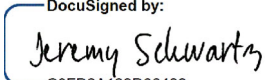
Sourcewell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's

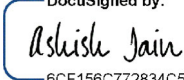
090122-WHL

Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

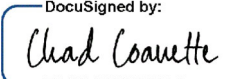
Sourcewell

Whelen Engineering Company, Inc.

DocuSigned by:

By: C0FD2A139D06489...
Jeremy Schwartz
Title: Chief Procurement Officer
Date: 11/2/2022 | 3:59 PM CDT

DocuSigned by:

By: 6CF156C772834C5...
Ashish Jain
Title: CFO
Date: 11/7/2022 | 9:22 AM CST

Approved:

DocuSigned by:

By: 7E42B8F817A64CC...
Chad Coauette
Title: Executive Director/CEO
Date: 11/7/2022 | 10:35 AM CST

RFP 090122 - Law Enforcement Equipment

Vendor Details

Company Name: Whelen Engineering Company Inc.
Address: 51 Winthrop Rd
Chester, CT 06412
Contact: Craig Szymanski
Email: cszymanski@whelen.com
Phone: 860-718-2304
Fax: 860-718-2304
HST#: 06-0725110

Submission Details

Created On: Tuesday August 09, 2022 07:06:18
Submitted On: Thursday August 25, 2022 10:35:18
Submitted By: Craig Szymanski
Email: cszymanski@whelen.com
Transaction #: ea713e75-467f-4e16-ac4b-14db9d44919c
Submitter's IP Address: 73.227.80.204

Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	Whelen Engineering Company, Inc.	*
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	Whelen Engineering Company, Inc.	*
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	Whelen Engineering Company, Inc.	*
4	Provide your CAGE code or Unique Entity Identifier (SAM):	Cage Code: 10402	*
5	Proposer Physical Address:	51 Winthrop Road Chester, CT 06412	*
6	Proposer website address (or addresses):	www.whelen.com	*
7	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Ashish Jain, CFO Whelen Engineering Company, Inc. 51 Winthrop Road Chester, CT 06412 ajain@whelen.com 860-718-2099	*
8	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Craig Szymanski Director of Sales Administration Whelen Engineering Company, Inc. 51 Winthrop Road Chester, CT 06412 cszymanski@whelen.com 860-790-1080	*
9	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	None, please contact: Craig Szymanski Director of Sales Administration Whelen Engineering Company, Inc. 51 Winthrop Road Chester, CT 06412 cszymanski@whelen.com 860-790-1080	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *	
10	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	In 1952 George Whelen invented the first rotating anti-collision beacon for aircraft, and by 1956 this beacon was mounted on emergency vehicles, such as police and fire trucks. Today Whelen is the leader and has the majority of the Police, Amber, Fire and EMS markets in the US and Canada. Whelen vision is to continue to manufacture products for the police/amber/fire/EMS markets in the US, create innovative products that increase the safety of the users. We have a host of volunteer first responders that work throughout the organization which gives us an edge on developing products and technology.	*
11	What are your company's expectations in the event of an award?	This contract will allow Whelen to support the members of Sourcewell with great service and pricing. It's a great opportunity to reach new customers and new avenues of potential business with our vast sales network throughout the US and Canada.	*
12	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	Whelen is a privately held company and this information is not available. However, Whelen's assets include approximately 1 million square feet of production, engineering, sales and corporate offices in New England while its liabilities do not have any third-party debt.	*
13	What is your US market share for the solutions that you are proposing?	~50% of the Law Enforcement market, 80-90% of the warning lights and siren used on Fire Trucks are Whelen equipment. ~75% of the State DOTs use Whelen warning systems.	*
14	What is your Canadian market share for the solutions that you are proposing?	~75% of the Law Enforcement, 90% of the warning lights and siren used on Fire Trucks, are Whelen equipment.	*
15	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No	*
16	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	Whelen is a US Manufacturer. We have over 110 factory sales personnel and independent sales representative throughout the US & Canada promoting the Whelen product line. Couple that with over 900 distributors in the US & Canada. There isn't a stronger sales force in our market, as shown by the percent of the law enforcement business we hold.	*
17	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	Whelen is a US manufacturer. We have ISO and an AMECA accredited lab on site to test our product for SAE, triple K and NFPA compliance.	*
18	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	None	*

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *	
19	Describe any relevant industry awards or recognition that your company has received in the past five years	The market we are in does not have an industry recognized award. We have revived many awards from our customers.	*
20	What percentage of your sales are to the governmental sector in the past three years	90+%. The majority of our end users are state, city or towns.	*
21	What percentage of your sales are to the education sector in the past three years	Being the request is for law enforcement products, the percent of sales to the education sector is under 10%.	*
22	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	New Jersey, We hold the contract, but sales are reported by the participating distributors. Est. over \$2,000,000 per year. Tennessee, We hold the contract, but sales are reported by the participating distributors. New contract, est value \$700,000 per year Vermont, Est \$100,000 per year New Hampshire, est value \$250,000 per year NASPO ValuePoint, Est value \$4,000,000 per year	*
23	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	We have received a GSA contract in Q2 of 2021. We are estimating 2022 sales at ~\$500,000. This number will continue to increase as continue to promote our contract.	*

Table 4: References/Testimonials

Line Item 24. Supply reference information from three customers who are eligible to be Sourcwell participating entities.

Entity Name *	Contact Name *	Phone Number *	
Avon Police Department (Avon Public Works)	Alex Trajilio	860-409-4200	*
South Windsor Police Department, CT	Michael Kowalezyk	860-648-6251	*
Hartford Police Department	Anthony Pia	860-757-4000	*

Table 5: Top Five Government or Education Customers

Line Item 25. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
Texas DPS	Government	Texas - TX	Lightbars, Lightheads, Speakers, Intelligent Control Systems	Est. 2500 Vehicles	Est. \$9,000,000	*
Michigan State Police	Government	Michigan - MI	Lightbars, Lightheads, Speakers, Intelligent Control Systems	Est. 1200 Vehicles	Est. \$4,000,000	*
Illinois State Police	Government	Illinois - IL	Lightbars, Lightheads, Speakers, Intelligent Control Systems	Est. 500 Vehicles	Est. \$2,000,000	*
Dallas Police Dept.	Government	Texas - TX	Lightbars, Lightheads, Speakers, Intelligent Control Systems	Est. 450 Vehicles	Est. \$2,000,000	*
Detroit Police Dept.	Government	Michigan - MI	Lightbars, Lightheads, Speakers, Intelligent Control Systems	Est. 300 Vehicles	Est. 1,500,000	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
26	Sales force.	100+ independent Sales Representatives across the US and Canada. 40+ full time factory sales personnel.	*
27	Dealer network or other distribution methods.	900+ distributors across the US and Canada.	*
28	Service force.	Service is handled by the factory, reps and distributors. The warranty is factory direct, with the support of the reps and factory sales personnel. Most distributors also assist with warranty support. We have a warranty/service center in Canada to avoid long lead time due to customs. The Chester CT warranty center is also available for all customers. Most in warranty or out of warranty repairs are handle with an advanced exchange program, or the user can return to Whelen for repair or replacement. We have made this process very easy and customer friendly. Repaired products are normally returned to the user within 24 hours of receipt.	*
29	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	Customers work with Whelen representatives and participating distributors on product selection. Then the customer emails their purchase order to the distributor or Whelen, where the order is entered, processed, built and shipped.	*
30	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	This starts with the manufacturing process. Our return rate is less than a 1/2 of 1%. As stated in #28 above, we have Reps, Factory Personnel and Distributor throughout US and CA. We also staff a world class customer service department in CT that is available to assist end users. If they are on the other line, a call back will happen within a few business hours.	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	We are excited to have this opportunity and believe this will help build a stronger brand name and increase our sales volume. We have a vast sales network that will be calling on users and promoting the benefits of this contract.	*
32	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	As with the US side, we are excited for this opportunity to expand our sales in Canada. With our pricing proposal and the ability to sell in Canada through participating distributors we will be able to increase our market share. Our sales team will be able to advise members of the benefits of this agreement and the Whelen's vast product line.	*
33	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	Canada: Yukon, Nunavut, and North West Territory we will be able to ship product, but there are currently no local distribution. Freight charges would be added to the invoice. US: Alaska and Hawaii will have a minimum order of \$1,000 for free freight, orders under \$1,000 will have the freight charges added to the invoice.	*
34	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	We can't think of any customer that we would not sell to, however, like Canada, there may be states that Whelen would need to service by distribution. Whelen prefers to sell through participating distributor. When awarded we will reach out to our distributors and supply a list of participants that will agree to supply all the sales data required.	*
35	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	For Yukon, Nunavut, NW Territory, Alaska, Hawaii and other members outside of the contiguous 48 States and Canada, freight charges will be added to the invoice/pricing. Any other fees (import, Tax, Duty, etc.) will be the responsibility of the end user.	*

Table 7: Marketing Plan

Line Item	Question	Response *	
36	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	Whelen will market through the vast distribution network, Reps and factory sales teams. This will allow the end user easy access to the product line and simplifies the purchasing efforts. The distributor will promote this contract, as they are more likely to receive a purchase order if they are working with the user. The reps and factory sales will have a list of participating distributors for any given region, and they will advise the members on who they can purchase from. We can also add a page to our website dedicated to the Sourcewell contract. Listing participating distributors.	*
37	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	Whelen promotes through our social media networks, such as, Facebook, Instagram, Linkedin, YouTube, etc ... We are constantly creating new product videos and marketing materials to increase the awareness of the benefits to Whelen US manufactured products.	*
38	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	Sourcewell should promote the contract on their social media, emails and trade shows. Adding an email and phone number to the member list would be helpful in promoting the contract, as it will give us a starting point when reaching out to new business opportunities. If it's available already, I couldn't find it. This may be because we don't have a contract at this point. Each salesperson will be given the details of the contract, including the members list, terms and conditions of the sale, and the participating distributors for their area of coverage. Distributors, reps and factory sales will continue to promote the contract to end users.	*
39	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	Whelen promotes sales through our distribution network. We will have a list of participating distributors for each state. Some will have web sites that the user can purchase commodity products from. Some of our product line requires drawing, such as: lightbars, Inner Edge, etc. therefore it requires a more hands on approach. Our strength is the ability to work with the end user to insure they are getting the best possible product for their individual requirements.	*

Table 8: Value-Added Attributes

Line Item	Question	Response *	
40	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcwell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	Our sales teams will help specify the correct equipment for the application, may times this includes a visit to the customer. Our offering is straight forward and doesn't require training, however, should a member have questions, and it can't be answered by a phone call, video call, our reps, factory personnel or distributors may be able to visit to solve any issue the user may have. Our field solution engineers will work with accounts on programming, if it's not done at the distributor level. There is no cost for training, user travel expenses excluded. Most end user training is done either at the department or within the state, to reduce the financial impact on the department.	*
41	Describe any technological advances that your proposed products or services offer.	We are an engineering company and are continuously making product improvements. We manufacturer from the printed circuit board up, including populating the PC board, molding lenses, hard coating lenses, making the molds for the plastic parts, bend and cut our own metal parts/brackets, and final assembly. We are the leader in our industry. Whelen offers a suite of intelligent control products to help increase the safety of first responders. This is integrated into the vehicle's CAN bus signals, so the Whelen system controls the vehicle warning lights and sirens automatically based on vehicle speed, etc., so the officer can pay attention to ever-changing situations. Whelen has releasing a cloud platform that can perform over-the-air vehicle updates, Geo Fencing, vehicle tracking, etc... This will allow for updating the control system and monitoring the emergency equipment operation while tracking the vehicle.	*
42	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	The green initiatives that relate to the company would be converting 90% of the building's lighting to low energy LED lighting, and solar panels are on both facilities. The certifying agent for these green initiatives is Eversource.	*
43	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	We don't have any, as this is not available for our product line.	*
44	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	We do not fall into any of these categories.	*
45	What unique attributes does your company, your products, or your services offer to Sourcwell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcwell participating entities?	State of the art manufacturing facility and a product line that is second to none. We have our own sound chamber, and light tunnels for testing our products and these are AMECA certified labs. We are the most self-sufficient company in our industry, as we build our products from the ground up, we don't import assemblies for use in our products. Also, as stated previously, we have a vast sales channel that covers the US and Canada.	*

Table 9: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
46	Do your warranties cover all products, parts, and labor?	Our warranty covers the product and include factory labor. See the Warranty statement located in the price list and included in the attached section for complete details.	*
47	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	No, as long as they are used for the intended purpose. See Whelen's warranty statement attached for complete details.	*
48	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	This is not offered, as the majority of the time the customer sends the product or part back for warranty consideration. Our reps, factory and distribution can handle most warranty issues on their scheduled visit, if requested by the end user.	*
49	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	Remote locations may require the user to return the product, if we can't assist them over the phone or on a Teams, Zoom or other communication. Our return rate is extremely low. We also sell all over the world, and this hasn't been an issue. We do have a Whelen certified repair facility in Canada.	*
50	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	We are only able to warranty our products. We do not have the knowledge or access to other suppliers' parts to properly fix their problems.	*
51	What are your proposed exchange and return programs and policies?	Exchanges are processed through the seller. If the agency purchased direct from Whelen, we have an RMA that needs to be completed, a simple process. Return policy will be at the discretion of the distributor who the member purchased from. If it's a common use item, they may exchange or take back with no restocking fee. Whelen has a 25% restock fee, and requires an RMA form to be completed, if the member want to return for credit.	*
52	Describe any service contract options for the items included in your proposal.	We are only offering product, and do not have any service contract for our offering.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
53	Describe your payment terms and accepted payment methods.	Net 30 Days'. Check, wire transfer or credit card.	*
54	Describe any leasing or financing options available for use by educational or governmental entities.	This is not standard in our industry and is not an option.	*
55	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	We do not have any standard ordering forms. We accept customers Purchase Orders by email, fax or mail. Please see Whelen's Standard Terms and Conditions which are attached. We have included our commercial Warranty statement.	*
56	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	We will accept credit cards; this may vary by distributor. There is no cost to member by paying Whelen with a credit card. This may vary by distributor.	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *	
57	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	For US customers, a 41% discount off of List/MSRP is being offered. For Canadian customers, a 35% discount off of (List/MSRP Multiplied by the exchange rate) at time of order is being offered. The product selection will include all items listed in the price lists which are attached for your review.	*
58	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	For US customers, a 41% discount off of List/MSRP is being offered. For Canadian customers, a 35% discount off of (List/MSRP Multiplied by the exchange rate) at time of order is being offered. The product selection will include all items listed in the price lists which are attached for your review.	*
59	Describe any quantity or volume discounts or rebate programs that you offer.	There are no standard quantity discounts being offered. The sales team or participating distributor may offer discounted pricing to a particular customer based on the individual circumstances.	*
60	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	If the item is not on the attached or current price list at the time of the order, a quote can be supplied at the member's request.	*
61	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	We are only quoting on the items. We are not quoting on service training, etc.(Installation is being offered through participating distributors only, see attached.) This is no different than buying pencils at Staples. Our sales team is motivated to insure a positive buying experience. For Canadian members, we adjusted the price calculation and discount to include the exchange rate, Goods and Service Tax and Customs and Duty. See # 57 and #58 above. Some participating distributors may offer installation at a rate not to exceed \$115 an hour, with miscellaneous supply (cable, wires, connectors, cable ties, etc ..) charge not to exceed \$165 per vehicle. If states require a Participating Addendum "PA", we will subtract any administration fees from our discount. Example: A state has a 1% administration fee, we will adjust their discount to 40% (41%-1%) for US customers.	*
62	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	Minimum order for free freight is \$50. See #63. Freight is pre-paid to the US and Canada (Canada by participating distributors, only), Except Yukon, Nunavut, NW Territory, HI and AK and offshore deliveries, by UPS Ground or similar, at Whelen's or the participating distributor's discretion.	*
63	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Customer will be responsible for freight charges to AK, HI (unless the order for AK or HI is \$1,000 or more) and offshore deliveries. Canada customers: See adjusted discount in #57, #58 & #62 above.	*
64	Describe any unique distribution and/or delivery methods or options offered in your proposal.	We will survey our distributors once we have a contract, so they can review and determine if they can meet all the requirements of this agreement and if they'd like to participate in this opportunity. They will need to agree to all of the terms and conditions. Having participating distributors across North America will ensure prompt attention to your member's needs. Distributors will have commodity items in stock for quick delivery.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
65	d. other than what the Proposer typically offers (please describe).	Contracts vary, pending requirements contained in the agreement. The discount quoted is in-line with other similar contracts.

Table 13: Audit and Administrative Fee

Line Item	Question	Response *	
66	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	We have a quote program that will calculate all sales under this agreement. We will require our participating Distributor to agree to the terms and conditions of the agreement and file quarterly reports with us. This has been done successfully before.	*
67	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	Sales dollars that are generated under this agreement. Increase in market share. Number of customers that utilize this agreement. Participation by Whelen distributors. Customer satisfaction.	*
68	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	Whelen and its participating distributors will pay 1 % of the total sales of products sold under this contract to Sourcewell, less any returns or credits. This excludes freight charges and other non-product related charges.	*

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *	
69	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	Whelen is a US manufacture of emergency warning lights and siren systems for the Law Enforcement, DOT, Utility, Fire and EMS markets. Our product line includes vehicle roof mounted lightbars, interior lightbars, Interior vehicle lighting, dash lights, beacons, peripheral body lighting, sirens, control systems, speakers and white illumination lighting.	*
70	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	I do not see any subcategories in this proposal.	*

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments	
71	Law Enforcement duty gear	☐ Yes ☒ No	We are not offering this item.	*
72	Traffic safety enforcement equipment, devices, and instruments	☒ Yes ☐ No	Lights are sirens are key equipment for the law enforcement agencies.	*
73	Crime scene management and evidence collection equipment and supplies	☐ Yes ☒ No	We are not offering this item.	*
74	Tactical and EOD equipment (with the exception of those items excluded in subsections 2. or 3. of RFP)	☐ Yes ☒ No	We are not offering this item.	*
75	Services related to the offering of the solutions in subsections above, such as training, installation, testing, maintenance, warranty programs, and technical support	☒ Yes ☐ No	Installation of our products is being offered at the participating distributor level.	*

Table 15: Exceptions to Terms, Conditions, or Specifications Form

Line Item 76. NOTICE: To identify any exception, or to request any modification, to the Sourcwell template Contract terms, conditions, or specifications, a Proposer must submit the exception or requested modification on the **Exceptions to Terms, Conditions, or Specifications Form** immediately below. The contract section, the specific text addressed by the exception or requested modification, and the proposed modification must be identified in detail. Proposer's exceptions and proposed modifications are subject to review and approval of Sourcwell and will not automatically be included in the contract.

Contract Section	Term, Condition, or Specification	Exception or Proposed Modification

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.
2. Documents should NOT have a security password, as Sourcwell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcwell.
3. Sourcwell may reject any response where any document(s) cannot be opened and viewed by Sourcwell.
4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."

- [Pricing](#) - PL22.2WL & PL22.2PAWL.pdf - Thursday August 11, 2022 07:30:58
- [Financial Strength and Stability](#) - Financeial Strenghte and Stability 9 2022.pdf - Tuesday August 16, 2022 11:09:17
- [Marketing Plan/Samples](#) - Marketing Plan Samples 9 2022.pdf - Tuesday August 16, 2022 12:39:23
- [WMBE/MBE/SBE or Related Certificates](#) - WMBE.MBE.SBE or Related Certificates 9 2022.pdf - Tuesday August 16, 2022 11:11:26
- [Warranty Information](#) - Warranty PL22.2.pdf - Thursday August 11, 2022 08:11:29
- [Standard Transaction Document Samples](#) - Standad Transaction Documents 9 2022.pdf - Tuesday August 16, 2022 11:12:19
- [Upload Additional Document](#) - Whelen Installation Pricing 9 2022.pdf - Tuesday August 16, 2022 11:10:49

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.
2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.
3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.
4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.
5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.
6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.
7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.
8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
11. Proposer its employees, agents, and subcontractors are not:
 1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>;
 2. Included on the government-wide exclusions lists in the United States System for Award Management found at: <https://sam.gov/SAM/>; or
 3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated

by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☒ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Ashish Jain, CFO, Whelen Engineering Company, Inc.

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

☒ Yes ☐ No

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "**I have reviewed this addendum**" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_5_Law_Enforcement_Equipment_RFP_090122 Wed August 24 2022 02:56 PM	☒	1
Addendum_4_Law_Enforcement_Equipment_RFP_090122 Wed August 17 2022 04:20 PM	☒	2
Request clarification between Table 4: References/Testimonials and Table 5: Top Five Government or Education Customers. If a vendor's service offering falls within this category, they could all be the same type of references. Answer 1: In the competitive process, Sourcwell will not advise a proposer on the content of the proposal. It is left to the discretion of each proposer to determine how to best demonstrate their experience in serving the types of entities that would be eligible for Sourcwell membership and in satisfying all the requirements included in the questionnaire tables. Tue August 16 2022 09:33 AM	☒	1
Addendum_2_Law_Enforcement_Equipment_RFP_090122 Wed August 10 2022 07:59 AM	☒	1
Addendum_1_Law_Enforcement_Equipment_RFP_090122 Mon July 18 2022 04:34 PM	☒	2

**AMENDMENT #1
TO
CONTRACT # 090122-WHL**

THIS AMENDMENT is effective upon the date of the last signature below by and between **Sourcewell** and **Whelen Engineering Company, Inc.** (Supplier).

Sourcewell awarded a contract to Supplier to provide Law Enforcement Equipment to Sourcewell and its Participating Entities, effective November 7, 2022, through November 7, 2026 (Contract).

Supplier wishes to amend the Contract's Proposal to modify its discount structure.

NOW, THEREFORE, the parties amend the Contract as follows:

1. Line item 57 in "Table 11: Pricing and Delivery" of the Proposal is deleted in its entirety and replaced with the following:

"For US customers, a 0% to 41% discount off list/MSRP is being offered. Whelen Cloud Platform will carry a 0% discount, Mass Notification Product will carry a 10% discount, while Automotive hardware will carry a 41% discount. For Canadian customers, a 35% discount off LIST/MSRP (Multiplied by the exchange rate) at time of order is being offered. Refer to the applicable price list."

2. Line item 58 in "Table 11: Pricing and Delivery" of the Proposal is deleted in its entirety and replaced with the following:

"For US customers, a 0% to 41% discount off list/MSRP is being offered. Whelen Cloud Platform will carry a 0% discount, Mass Notification Product will carry a 10% discount, while Automotive hardware will carry a 41% discount. For Canadian customers, a 35% discount off Automotive hardware LIST/MSRP (Multiplied by the exchange rate) at time of order is being offered. Refer to the automotive price list. (Note: Mass Notification and Whelen Cloud Platform is not being offered in Canada)."

Except as amended by this Amendment, the Contract remains in full force and effect.

Sourcewell

Signed by:
By: Jeremy Schwartz
C0FD2A139D06489...
Jeremy Schwartz
Chief Procurement Officer

Date: 10/30/2024 | 3:34 PM CDT

Whelen Engineering Company, Inc.

DocuSigned by:
By: Craig Szymanski
7741AE9E980F46C...
Craig Szymanski
Director of Sales Administration

Date: 10/30/2024 | 2:40 PM CDT

City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

Council action is requested to authorize the City Manager to approve a construction contract with Vance Brothers, Inc., for an amount not to exceed \$2,240,818.73, and authorizing minor change orders up to ten percent (10%) of the authorized amount and/or time extensions, for the FY 26 Roadway Seals Project (No. 112201-13) as part of the Annual Pavement Maintenance Program. **Approved**

Recommendations:

Council approval is recommended.

Background:

This is a contract for the FY 26 Roadway Seals portion of the Annual Pavement Maintenance Program. There was 1 construction bid for this project:

Vance Brothers, LLC: \$2,240,818.73

Vance Brothers, LLC has successfully and satisfactorily completed similar projects for the City. Their bid is recommended for approval of this contract.

The Annual Pavement Maintenance Program (No. 112201) funds annual contracted pavement maintenance, including overlaying, sealing, and crack-filling. This contract is specifically for roadway sealing and will provide maintenance to approximately 41 lane miles of City roads.

This is a budgeted capital expense.

Emergency Justification:**Fiscal Impact:**

The fiscal impact to the City is \$2,464,900.60, including a ten percent (10%) contingency. The Annual Pavement Maintenance Program (No. 112201) is fully funded by Street Sales Tax and is included in the Fiscal Year 2025-2026 adopted budget, on page 244, in account number 112201-C-0517051-5406.

Council Action:

Department / Contact	Municipal Services /
---------------------------------	----------------------

REVIEWERS

Mike Jackson
Melissa Cabrera
Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. Official Bid Tab Summary- ITB #25075 - FY26 Roadway Seals - Project No. 112201-13
2. Management Analyst Frazier Roadway Seals Project 112201_13 Memo
3. Construction Contract - Vance Brothers - FY 26 Seals Project - No. 112201-13

Invitation to Bid #25075 - Bid Tabulation Results	
FY26 Roadway Seals	
CITY PROJECT NO. 112201-13	
27-Jan-26	
Contractor	Base Bid
Vance Brothers	\$ 2,240,818.73



MEMORANDUM



DATE: February 2nd, 2026
TO: Honorable Mayor & Members of the City Council
FROM: Andrew R. Frazier, Management Analyst
SUBJECT: Roadway Seals Project No. 112201-13

I have reviewed the contract information to ensure compliance with the contracting process per Section 1.43.007(D) of the City Code: The Management Analyst shall audit all proposed City contracts anticipated to cost in excess of \$2,000,000.00 prior to the proposed contracts being submitted to the City Council.

The Agenda includes a consent item authorizing the Interim City Manager to execute a contract with Vance Brothers, LLC in the amount of \$2,240,818.73 for the Roadway Seals Project (No. 112201-13). This contract encompasses site preparation, pavement sealing, concrete work, traffic control, and all appurtenant work associated with this project.

The project's total financial impact on the City is \$2,240,818.73, plus a 10% contingency for future minor change orders and/or time extensions (any additional change orders will be approved by the City Council). The project's funding will be through a designated line item in Municipal Service's adopted FY 2025–2026 budget.

Per Section 34.040 of the Missouri Revised Statutes regarding Competitive Bidding and Chapter 8, Article 6 of the Independence Code, the Municipal Services Department received only one bid after being published on the public purchase website for 30 days. Municipal Services staff reviewed the firm's qualifications and decided to pursue the complete Vance Brothers, LLC bid of \$2,240,818.73.

Vance Brothers, LLC is headquartered in Kansas City, MO. They have provided professional references, personnel qualifications, a list of past projects (to include projects in or around the City of Independence), certificate documentation of authority allowing business in Missouri, OSHA Safety Program affidavit, and bid bond.

City staff has provided me with all the relevant information, and I did not identify any provisions that would be detrimental or unacceptable to the City.

20201 EAST JACKSON DR. • INDEPENDENCE, MO 64057
INDEPENDENCEMO.ORG



Please let me know if you should have any further questions regarding this matter.

Respectfully,

A handwritten signature in black ink, appearing to read "Andrew R. Frazier".

Andrew R. Frazier, MPA,
Management Analyst

- C. Lisa Reynolds, Interim City Manager
Mike Jackson, Director of Municipal Services
Susanne Holland, City Clerk

CONTRACT AGREEMENT

THIS AGREEMENT, made and entered into this 16th day of February of 2026, by and between the CITY OF INDEPENDENCE, MISSOURI, acting through the City Manager, thereunto duly authorized to do so, Party of the First Part and hereinafter called the Owner; and
Vance Brothers, LLC,
a LLC of the State of Missouri, Party of the Second Part hereinafter called the Contractor, WITNESSETH:

THAT WHEREAS the Owner has caused to be prepared, in accordance with the law, specifications, plans and other contract documents for the work herein described, and has approved and adopted said documents, and has caused to be published in the manner for the time required by law, an advertisement for and in connection with the construction of items in accordance with the terms of this contract; and,

Whereas the said Contractor, in response to such advertisement, has submitted to the Owner in the manner and at the time specified, a sealed Proposal in accordance with the terms of said advertisement; and,

Whereas the Owner, in the manner prescribed by law, has publicly opened, examined and canvassed the Proposals submitted in response to the published invitation therefore, and as a result of such canvass has determined and declared the aforesaid Contractor to be the lowest or best bidder for the said work and has duly awarded to the said Contractor a contract therefore, for the sum or sums named in the Contractor's Proposal, a copy therefore being attached to and made a part of this contract agreement.

NOW, THEREFORE, in consideration of the compensation to be paid to the Contractor and of the mutual agreements herein contained, the Parties to these presents have agreed and hereby agree, the Owner for itself and it's successors, and the Contractor for itself or themselves, or it's, or their successors and assigns, or it's or their executors and administrators, as follows:

ARTICLE 1. That the Contractor shall

- a. furnish all tools, equipment, supplies, insurance, superintendence, transportation and other construction accessories, services and facilities;
- b. furnish all materials, supplies and equipment specified and required to be incorporated in and form a permanent part of the completed work;
- c. provide and perform the necessary labor and, in a good, substantial and workmanlike manner, in accordance with the general provisions and technical specifications of this contract, which are attached hereto and made a part hereof, and in conformity with the contract plans and specifications designated and identified therein;
- d. make payment of all wages in conformance with the official schedule of wage rates

as determined by the Labor and Industrial Relations Commission of the Missouri Department of Labor and Industrial Relations, and in compliance with the Prevailing Wage Law of Missouri, all as set forth in the general provisions which are attached hereto and made a part hereof by reference, perform and observe all of the terms, agreements, requirements and conditions contained in the general provisions and technical specifications which are attached hereto and made a part hereof by reference;

- e. execute, construct and complete all work included in and covered by the Owner's official award of this contract to the said Contractor, such award being based on the acceptance by the Owner of the Contractor's Proposal (or part thereof if Owner so elects).

ARTICLE 2. That the Owner shall pay to the Contractor for the performance of the work embraced in this contract, and the Contractor will accept as full compensation therefore, a sum (subject to change orders approved by the City Council) not to exceed Two million, two hundred forty thousand, eight hundred eighteen dollars and 73/100 Dollars (\$ 2,240,818.73) for all work covered by and included in the contract award and designated in the foregoing Article 1; payment thereof to be made in the manner provided in the general provisions hereto attached.

ARTICLE 3. That the Contractor shall start work on, or within ten (10) days following the date of a written order from the Owner to the Contractor to proceed with the work to be performed under the provisions of this contract, or on a subsequent date designated and authorized by the Owner in said order, and that the Contractor shall complete said work within (60) working days from and after the date of, or subsequent date authorized in, said order by the Owner to proceed.

ARTICLE 4. This Contract Agreement shall be governed by the laws of the State of Missouri. The Owner and the Contractor agree that performance of this Contract Agreement will be deemed to have occurred in the State of Missouri and that Contractor's performance under this Contract Agreement will be deemed the transaction of business in Missouri. Jurisdiction and venue for any claim or cause of action arising under this Contract Agreement shall be exclusively in the Sixteenth Judicial Circuit of Missouri and the Contractor submits to personal jurisdiction of and waives any personal jurisdiction or inconvenient forum objection to, that court.

IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day and year first above written.

CITY OF INDEPENDENCE MISSOURI

Party of the First Part (Owner)

By _____
Lisa Reynolds , City Manager

ATTEST:

Susanne Holland, City Clerk

Party of the Second Part
(Contractor)

By _____

SEAL:

Address

ATTEST:

City & State

Corporate Secretary

The foregoing contract and bond(s) are in due form according to law and are hereby approved.

ATTORNEY FOR OWNER:

Jeremy Cover, City Counselor

City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

Council action is requested to authorize the City Manager to approve Purchase Order Change Order #1 on the design contract (PO #24000460) with Veenstra & Kimm for a revised contract amount not to exceed \$202,932, and authorizing change orders up to ten percent (10%) of the authorized amount, for additional engineering services as part of the Independence Historic Trails Phase 1 Project (No. 112404). **Approved**

Recommendations:

Council approval is recommended.

Background:

Approval of this item will authorize additional funds through Change Order #1 on the design contract (PO#24000460) with Veenstra & Kimm for additional engineering services as part of the Independence Historic Trails Phase 1 Project (No. 112404).

During initial utility coordination and conflict discussions, it was discovered that additional design considerations are needed due to the age and condition of the electrical conduit beneath Liberty St., between Lexington Ave. and Walnut St., where streetlight replacements are planned as part of this project. Additional design considerations are also requested to avoid future utility conflicts due to the proximity of this project to the Historic Independence Square, where utilities are densely grouped and where, along some properties, sidewalks double as ceilings for subbasements.

Staff have obtained a quote from Veenstra & Kimm for these additional engineering services, totaling \$37,690, bringing the revised contract price to \$202,932:

Original Contract Total:	\$165,242
Change Order #1:	\$ 37,690
Revised Contract Total:	\$202,932

The Historic Trails Phase 1 Project (No. 112404) has been awarded federal funding through a Federal Lands Access Program (FLAP) grant. This project is eligible for 100% reimbursement by federal funds.

This is a budgeted capital project.

Emergency Justification:**Fiscal Impact:**

The fiscal impact to the City is \$223,225.20, including a ten percent (10%) contingency. Funding for the Independence Historic Trails Phase 1 Project (No. 112404) is included in the Fiscal Year 2025-2026 adopted budget, on page number 245, in account number 112404-C-0517051-5406.

Council Action:

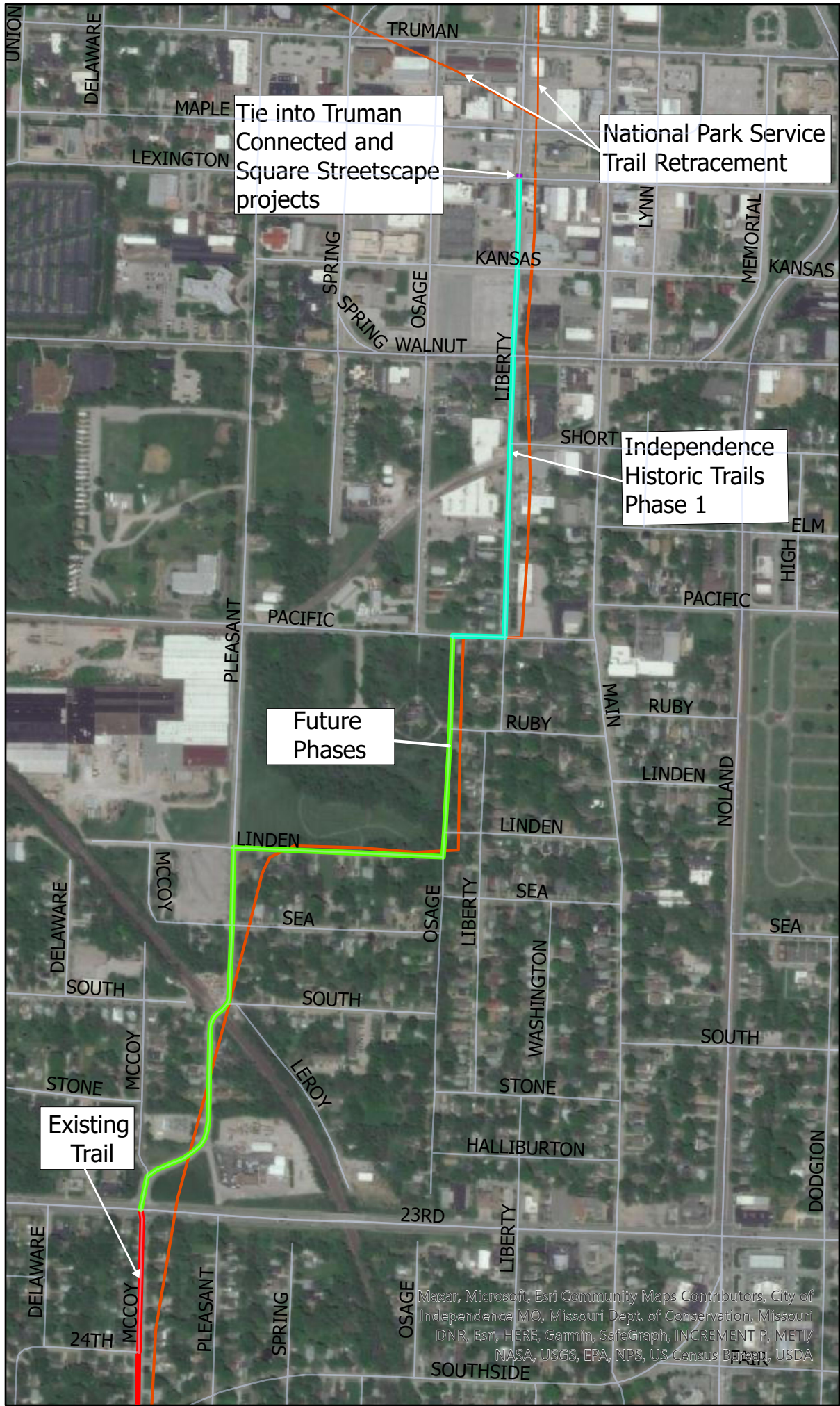
Department / Contact	Municipal Services /
---------------------------------	----------------------

REVIEWERS

Mike Jackson
Melissa Cabrera
Jeremy Cover
Lisa Reynolds
Susanne Holland

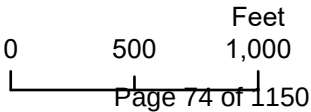
ATTACHMENTS:

1. Independence_Historic_Trails_Phase_1_-_Location_Map
2. CO #1 - Historic Trails Engineering Services - Supplemental - Veenstra & Kimm - Project No. 112404



Legend

- Independence Historic Trails Phase I
- Future Phases
- Existing Trail
- National Park Service Trail Retracement
- Independence Streets
- Tie into Truman Connected and Square Streetscape Projects



VEENSTRA & KIMM, INC.

HISTORIC TRAIL PHASE 1 - SUPPLEMENTAL 1

INDEPENDENCE, MISSOURI - MUNICIPAL SERVICES

PROJECT HOURS ESTIMATE		Project Hours							
		Engineer III-A	Engineer III-C	Engineer V	Engineer VIII	Engineer X	Tech II	Clerical III	Total
Item Description									
1	Project Management and Administration	8	8	4	2	2		2	26
2									0
3	Review of Existing Information		1	2	2	2	2		9
4									0
5	Field Reconnaissance		1	2	2	2			7
6									0
7	Utility Coordination		1	2	2		2	1	8
8									0
9	Preliminary Design and Plans	2	4	8	16	20	24	2	76
10									0
11	Preliminary Quantities and Estimate	1	2		4	6	6	2	21
12									0
13	Preliminary Design Submittal		1	2	2		2	1	8
14									0
15	Final Design and Plans	2	4	8	16	20	32	2	84
16									0
17	Final Quantities, Estimate, and Design	1	2	2	4	4	2	1	16
18									0
19	Final Design Submittal		1	2	2		2	1	8
20									0
21	Right of Way Plans	1	2	2	4		4	2	15
22									0
23	Legal Descriptions/Easement Preparation	1	2	2	4		4	1	14
24									0
25	Shopdrawing Reviews (Additional)		1	2	2		2	1	8
26									0
TOTAL ESTIMATE		16	30	38	62	56	82	16	300

VEENSTRA & KIMM, INC.
 HISTORIC TRAIL PHASE 1 - SUPPLEMENTAL 1
 INDEPENDENCE, MISSOURI - MUNICIPAL SERVICES
 DESIGN COST ESTIMATE

DIRECT LABOR

<u>Discipline</u>	<u>Total Hours</u>	<u>Rate</u>	<u>Total</u>	
Engineer III-A	16	\$68.00	1088	
Engineer III-C	30	\$62.50	1875	
Engineer V	38	\$56.50	2147	
Engineer VIII	62	\$48.00	2976	
Engineer X	56	\$38.75	2170	
Technician II	82	\$48.00	3936	
Clerical III	16	\$29.50	472	
TOTAL DIRECT LABOR	300			\$14,664
TOTAL ESTIMATED DIRECT LABOR COST				\$14,664
DIRECT NON-SALARY AND INDIRECT OVERHEAD COSTS @ 122.96%				\$18,031
TOTAL ESTIMATED LABOR COSTS				\$32,695

DIRECT EXPENSES**Sub-Consultant Services:**

Total Estimated Cost for All Sub-Consultant's **\$0**

Mileage	\$50
Printing & Reproduction	\$20
Lodging	\$0
Meals	\$0
Engineering Supplies	\$21

TOTAL ESTIMATED DIRECT EXPENSES	\$91
TOTAL ESTIMATED COSTS	\$32,786
FIXED FEE 15.00%	\$4,904
MAXIMUM AMOUNT PAYABLE	\$37,690

Plan Sheets	
Removals	3
Site Plan	3
Plan Profile	3
Cross Sections	4
Intersections	2
Electrical	1
Electrical Detials	1
	17

City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

Council action is requested to authorize the City Manager to issue a purchase order to Premier Truck Group, in the amount of \$148,992, and authorizing change orders of up to ten percent (10%) of the authorized amount, for the procurement of a replacement dump truck chassis for use by the Sanitary Collection System Division of Municipal Services (Project No. 302603). **Approved**

Recommendations:

Council approval is recommended.

Background:

Approval of this item will authorize the issuance of a purchase order, in the amount of \$148,992, to Premier Truck Group of Kansas City for the purchase of a Freightliner 114SD Plus tandem axle chassis by the Sanitary Collection Systems Division of Municipal Services. This truck will replace a 2007 model that will ultimately be auctioned as surplus.

The pricing of this purchase is based on a Johnson County, Kansas cooperative contract (No. 2024-068). Purchases under cooperative agreements are authorized by Section 8.06.004, Paragraph 5 of the Independence City Code, which states that when cooperative bids or contracts are used, they will have been established pursuant to generally accepted governmental purchasing practices and the competitive bidding process.

This is a budgeted capital expense.

The installation and purchase of the body for this truck was previously made from Viking-Cives Midwest through a Sourcewell cooperative contract (#062222-VCM) for an amount not to exceed \$52,994.40. This makes the overall cost of this dump truck \$201,986.40, prior to contingencies.

Emergency Justification:**Fiscal Impact:**

The fiscal impact to the City is \$163,891.20, including a ten percent (10%) contingency. Funding for the purchase of a dump truck (No. 302603) is included in the Fiscal Year 2025-2026 adopted budget, on page number 245, in account number 302603-C-0317031-5404.

Council Action:

**Department /
Contact**

Municipal Services /

REVIEWERS

Mike Jackson
Melissa Cabrera
Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. PTG 2024-068_Metro_Vehicle_Bid_-_Premier_Truck_Group_Renewal_1
2. SMD Freightliner PTG SMD Chassis Quote Purchase Agreement DE-69617 12_12_2025

MODIFICATION OF CONTRACT
JOHNSON COUNTY, KANSAS

1. Contract Renewal No. 1 Effective Date: 1/17/2026	2. Contract No.: 2024-068 Effective Date: 1/17/2025
3. Purchasing Administrator: Nicole Averell Telephone Number: 913.715.0595 E-Mail: nicole.averell@jocogov.org	5. Contractor-Name and address: Premier Truck Group of Kansas City 8001 NE Parvin Rd. Kansas City, MO 64161 Attn: Lee Setser lsetser@premiertruck.com 816-413-7518
4. Issued By: Johnson County, Kansas Financial Management and Administration, Purchasing Division County Administration Building 111 South Cherry Street, Suite 2400 Olathe, KS 66061-3486 913-715-0525	
6. SPECIAL INSTRUCTIONS: Contractor is required to sign Block 8 showing acceptance of the written modification. A final copy will be available when all signatures are obtained and should be attached to the original contract.	
7. DESCRIPTION OF MODIFICATION: Pursuant to the Contract, the County hereby exercises its option to renew for a twelve (12) month period, with an effective date of 1/17/2026 and ending on 1/16/2027 (Renewal No. 1 of 4). The parties agree that all other terms and conditions of the Contract shall remain in full force and effect. Renewal #1 Pricing for this renewal term is attached for reference.	
8. Contractor's Signature <u>Lee Setser</u> Lee Setser (01/06/2026 13:29:09 CST) Name _____ Commercial Truck Salesman _____ Title _____ 01/06/2026 _____ Date _____	9. Johnson County, Kansas By: <u></u> Robin Lynn (01/06/2026 15:08:52 CST) Purchasing Manager _____
10. Distribution: Original - Bid File Copies - Departments as applicable	This day <u>01/06/2026</u>

7 Group 1 Heavy Duty Trucks. Item No. 7 - Type: 25,500 GVWR CAB & CHASSIS. State Make & Model									
Supplier		QTY	UOM	Estimated	Unit Price	Extended	Supplier Notes / Alternate Description		State Make, Model and Model Year
Premier Truck Group of Kansas City		1	EA		\$85,962.00	\$85,962.00	27MY Freightliner M2106+ snow plow application is not available Dump only		27MY M2106+
8 Group 1 Heavy Duty Trucks. Item No. 8 - Type: 29,000 GVWR CAB & CHASSIS. State Make and Model									
Supplier		QTY	UOM	Estimated	Unit Price	Extended	Supplier Notes		State Make, Model and Model Year
Premier Truck Group of Kansas City		1	EA		\$94,126.00	\$94,126.00	27MY Freightliner 108SD+ 29K Tariff Fees are locked in until 1-1-26		27MY Freightliner 108SD+ 29K
9 Group 1 Heavy Duty Trucks. Item No. 9 - Type: 34,000 GVWR CAB & CHASSIS. State Make and Model									
Supplier		QTY	UOM	Estimated	Unit Price	Extended	Supplier Notes / Alternate Description		State Make, Model and Model Year
Premier Truck Group of Kansas City		1	EA		\$96,466.00	\$96,466.00	Freightliner 108SD+ 27MY Tariff Fees are locked in until 1-1-26		Freightliner 108SD+ 27MY
10 Group 1 Heavy Duty Trucks. Item No. 10 - Type: 56,000 GVWR CAB & CHASSIS. State Make and Model									
Supplier		QTY	UOM	Estimated	Unit Price	Extended	Supplier Notes / Alternate Description		State Make, Model and Model Year
Premier Truck Group of Kansas City		1	EA		\$107,776.00	\$107,776.00	Freightliner 108SD+ 27MY Tariff Fees are locked in until 1-1-26		Freightliner 108SD+ 27MY
11 Group No. 1 Heavy Duty Trucks. Item No. 11 - Type: 66,000 GVWR CAB & CHASSIS. State Make and Model									
Supplier		QTY	UOM	Estimated	Unit Price	Extended	Supplier Notes / Alternate Description		State Make, Model and Model Year
Premier Truck Group of Kansas City		1	EA		\$114,103.00	\$114,103.00	Freightliner 108SD+ 27MY Tariff Fees are locked in until 1-1-26		Freightliner 108SD+ 27MY
65 Delivery Price - Outside of a 30- mile radius from dealership									
Supplier		QTY	UOM	Estimated	Price	Extended	Supplier Notes		
Premier Truck Group of Kansas City		1	PER MILE		\$3.00	\$3.00	No charge for deliveries within 100 miles. After 100 miles charge of \$2.25 per mile.		
66 Guaranteed Not To Exceed Total Delivery Price - Outside of a 30 mile radius from dealership									
Supplier		QTY	UOM	Estimated	Price	Extended	Supplier Notes		
Premier Truck Group of Kansas City		1	PER VEHICLE		\$1,200.00	\$1,200.00	Outside of 100 miles only.		
67 Discount off MSRP list price for Options.									

Supplier	QTY	UOM	Estimated	Percent Off	Extended	Supplier Notes
Premier Truck Group of Kansas City	1	PERCENT DISCOUNT		22.0%		

Purchase Agreement and Acknowledgement



Premier Truck Group of Kansas City

8001 Parvin Road
Kansas City MO 64161
Phone: (816) 453-4400

Department: NEW

Contract Date: 12/12/2025

Deal Packet: DE-69617

Branch: 805

Salesperson: Ryan Huff

Bill To: 369900

CITY OF INDEPENDENCE, MISSOURI
14909 E TRUMAN RD
INDEPENDENCE MO 64050-3049
P:(816) 325-7174

Ship To:

CITY OF INDEPENDENCE, MISSOURI
14909 E TRUMAN RD
INDEPENDENCE, MO 64050-3049

Stock#: **TBD-1**

VIN:

New 2027 FREIGHTLINER 114SD PLUS

Documentary Fee Credit

Price: \$148,992.00

\$-400.00

Per Unit: \$148,592.00

Total Price \$148,592.00

Documentary Fee \$400.00

Total \$148,992.00

Net Total \$148,992.00

Quote Per Specification: 27MY Independence TA Dump Truck X12 No Plow 12_12_2025

Prices subject to change and may include surcharges/fees relating to raw material prices, tariffs, or government mandated requirements (see attached Terms and Conditions). License & Registration costs are not included.

Initials:

A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO PURCHASERS FOR HANDLING DOCUMENTS RELATING TO THE SALE. A DOCUMENTARY FEE MAY NOT EXCEED A REASONABLE AMOUNT AGREED TO BY THE PARTIES. THIS NOTICE IS REQUIRED BY LAW.

The Dealer's Inventory Tax charge is intended to reimburse the Dealer for ad valorem taxes on its motor vehicle inventory. The charge, which is paid by the Dealer to the county tax assessor-collector, is not a tax imposed on a Purchaser by the government, and is not required to be charged by the Dealer to the Purchaser.

THE UNDERSIGNED PURCHASER HEREBY OFFERS TO PURCHASE FROM YOU, THE DEALER, FOR THE STATED PRICE THE NEW VEHICLE(S) DESCRIBED HEREIN, SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THIS PURCHASE AGREEMENT AND ACKNOWLEDGEMENT.

IMPORTANT: Read additional Terms and Conditions attached to this agreement.

EXECUTED BY THE PARTIES IN DUPLICATE, ONE COPY OF WHICH HAS BEEN DELIVERED TO THE PURCHASER WHO ACKNOWLEDGES AND ACCEPTS, SUBJECT TO LIMITED WARRANTY, WARRANTY DISCLAIMER AND LIMITATIONS OF LIABILITY AS SHOWN ON THE NEW VEHICLE OWNER'S WARRANTY REGISTRATION FORM.

Your business is always appreciated!

PURCHASER'S SIGNATURE

TITLE

DATE

ACCEPTED BY

CO-SIGNER'S SIGNATURE

TITLE

DATE

AUTHORIZED SIGNATURE

Purchase Agreement Terms and Conditions

1. **TRADE(S).** Purchaser shall deliver trade(s) in the same condition as at time of inspection and appraisal by Dealer, other than reasonable wear and tear, except as disclosed in this Agreement. Purchaser represents that each truck shall be free and clear of all liens and encumbrances and warrants that the trade(s) be that type and condition described in this Agreement, including attachments hereto.

2. **PRICING.** If after the date of this Agreement, the manufacturer of a vehicle set forth above ("Vehicle") imposes any increase in the price of any Vehicle or imposes any surcharges, incremental fees or other increases to the factory invoices (whether relating to commodities, government mandated requirements, raw materials, tariffs, or otherwise), Dealer may make corresponding changes to the Pricing set forth above for the affected Vehicle and Purchaser shall be responsible for paying any applicable surcharges, fees or other increases. As a result, Purchaser acknowledges that the total prices for vehicles not in stock are estimated.

3. **TERMS OF PAYMENT.** Unless otherwise agreed, net payment shall be due on delivery. Late payments shall bear interest at the rate of 18% per annum, or the maximum permitted under law, whichever is less. If acceptance of delivery is delayed by Purchaser, payment shall become due on the date when Dealer is prepared to deliver. If the financial condition of Purchaser at any time does not, in the judgment of Dealer, justify continuance of the work to be performed by Dealer hereunder on the terms of payment as agreed upon, Dealer may suspend such work, or postpone delivery, and require such assurances of Purchaser's performance as Dealer deems adequate, including payment in advance, or Dealer may cancel this order and shall receive reimbursement for its reasonable and proper cancellation charges. In the event of bankruptcy or insolvency of Purchaser, voluntary or involuntary, Dealer shall be entitled to cancel any order then outstanding at any time and seek reimbursement for its reasonable and proper cancellation charges.

4. **CANCELLATION.** Purchaser may cancel this order only if Dealer is able to cancel said order with the manufacturer, and only upon written notice. Upon any cancellation or failure to accept delivery, Purchaser shall pay Dealer reasonable and proper cancellation charges and expenses.

5. **TRANSFER LIMITATION.** Purchaser represents and warrants that it is the intended end user of the Vehicle(s). Purchase further represents and warrants that the Vehicle(s), for a period of 12 months from the date of delivery of the Vehicle(s), will not be resold, re-leased, or otherwise transferred to another owner in any manner without the prior written consent of Dealer.

6. **SALES AND OTHER TAXES.** Unless otherwise specified herein, Dealer's price does not include federal excise, sales, use, or other taxes. Consequently, in addition to the price specified herein, the amount of any other excise, sales, use, or other tax applicable to the sale or use of the Vehicle(s) purchased hereunder shall be paid by Purchaser, or in lieu thereof, Purchaser shall provide Dealer with a tax exemption certificate acceptable to the taxing authorities.

7. **DELIVERY.** All Vehicle(s) furnished hereunder shall be delivered to Purchaser at the Dealer's dealership location or other location as designated in this Agreement. Unless otherwise provided, delivery will be made via carriers and routes designated by manufacturer with freight charges to be included in the purchase price. Delivery dates are approximate and are based upon receipt of all necessary information from Purchaser. Dealer shall not be liable for delays in delivery or manufacturing, or other causes beyond Dealer's control.

8. **TECHNICAL CHANGES.** Purchaser acknowledges that the manufacturer and Dealer reserve the right to change the specifications of the Vehicle(s) at any time without obligation to make such changes in other trucks previously delivered to Purchaser. In addition, manufacturer and Dealer reserve the right to make design changes and substitutions of materials subsequent to the receipt of the order which, in manufacturer's or Dealer's opinion, are necessary to improve the Vehicle. Purchaser agrees to accept any such changes as fulfillment of Dealer's obligations under this order.

9. **REQUIRED EQUIPMENT.** This order shall be deemed to include, whether or not specified herein, all equipment or accessories required by the National Highway Traffic Safety Act or other regulations in effect at the time of order receipt. It is agreed that any additional or different equipment not specified which is required at the time of delivery to meet the foregoing Act or other regulations will be added and the costs shall be paid by Purchaser.

10. **TITLE AND REMEDIES.** Until full payment by Purchaser of all amounts due hereunder, Dealer reserves the title to all Vehicle(s) furnished hereunder. If Purchaser defaults in payment or performance hereunder or becomes subject to insolvency, receivership, or bankruptcy proceedings, or makes an assignment for the benefit of creditors, or without the consent of Dealer voluntarily or involuntarily sells, transfers, leases, or permits any lien or attachment on the Vehicle(s) delivered hereunder, Dealer may treat all amounts then or thereafter owing hereunder by Purchaser as immediately due and payable (subject only to credits required by law) and Dealer may repossess said Vehicle by any means available by law and shall enjoy any and all other remedies of a secured creditor under the Uniform Commercial Code. Purchaser shall execute and deliver to Dealer such financing statements and other documents as Dealer may deem appropriate to evidence, perfect, and protect the priority of its security interest in the Vehicle(s) subject to this order.

11. GENERAL

- Any assignment by Purchaser of this order or any rights hereunder, without written consent of Dealer, shall be void.
- Clerical errors in this order may be automatically corrected by giving written notice thereof to Purchaser by a duly authorized representative of Dealer.
- No waiver, alteration, or modification of any of the provisions hereof shall be binding unless and until in writing and signed by a duly authorized representative of Dealer.
- To the extent not covered by other terms herein, including terms of warranty and limitation of liability, etc., the provisions of the Uniform Commercial Code shall govern this sale.
- This Agreement (including by reference the provisions set out in manufacturer's standard warranty or warranties) shall constitute the entire Agreement between Purchaser and Dealer, and no understandings or obligations not expressly set forth herein or in manufacturer's standard warranty or warranties are binding upon Purchaser or Dealer.
- In the event that any provision of this Agreement is judicially deemed unenforceable under applicable law, the validity or enforceability of the remaining provisions will be interpreted, where possible, to sustain its legality and enforceability.

ALL WARRANTIES, IF ANY, BY A MANUFACTURER OR SUPPLIER OTHER THAN DEALER ARE THEIRS, NOT DEALER'S AND ONLY SUCH MANUFACTURER OR OTHER SUPPLIER SHALL BE LIABLE FOR PERFORMANCE UNDER SUCH WARRANTIES. DEALER HEREBY DISCLAIMS ALL WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Upon Dealer delivering or causing a Vehicle to be delivered to Purchaser, Purchaser assumes the entire risk of loss of, or damage to, such Vehicle from any and every cause whatsoever. Purchaser agrees to indemnify, defend, and hold harmless Dealer from and against any and all claims, actions, issues, costs (including reasonable attorney's fees) and liabilities (including without limitation Dealer's negligence) arising out of: (a) Purchaser's or others' use of the Vehicle(s) after Purchaser takes possession thereof, or (b) any injuries suffered by Purchaser's employees or drivers related to the Vehicle(s).

The Purchaser Agrees to the Terms and Conditions and Warranty Acknowledgement Listed Above:

Initials:

Trade Terms and Conditions

DOCUMENTATION:

- A valid certificate of title in the name of the Dealer must be provided with each vehicle being traded in.
- The above title must show all liens filed against the truck which can be verified at time of trade.
- A valid copy of Form 2290 (Federal Highway Use Tax) showing proof of payment of all past and current taxes must be provided with each vehicle.
- If major repairs have been performed recently, copies of invoices or repair orders will be required for repair verification to prospective purchaser.

TIRES, WHEELS & BRAKES:

- Matched tread steer tires will be required to have at least 50% (11/32") original tread depth with normal tread wear patterns.
- Matched tread drive tires must be: ☐ original tread only (no re-caps). ☐ Re-cap or original tread tires are acceptable.
- Matched tread drive tires will be required to have a minimum of 11/32" if original tread or 15/32" tread depth if recaps. Tires must exhibit even tread wear patterns.
- All tires and wheels must be of the same size and be capable of passing at State and Federal DOT inspections.
- Brakes must have a minimum of 50% lining remaining. Vehicle braking system must be capable of passing all State and Federal DOT inspections.

EXTERIOR CONDITION:

- Vehicle's cab, hood, bumper, and air fairings (top and side) should be free of damage. If damage exists, the maximum allowable (including paint) will be \$250.00.
- All cab glass must be serviceable and capable of passing all State and Federal DOT inspections.
- Frame rails must be capable of passing all State and Federal DOT inspections.

INTERIOR CONDITION:

- Cab interior controls should be in good operating condition. Seats, carpet, and upholstery should be in good condition and show no more than normal wear and tear based on the age and mileage of the vehicle.

MECHANICAL COMPONENTS:

- Engine should be free from defects and oil leaks and be capable of passing a dynamometer test for power and blow by based on specific engine manufacturers published standards.
- Vehicles electrical, HVAC, and if applicable, auxiliary power unit (APU), should be in good working order.
- Transmission, clutch, drivelines, and rear axles should be in good working condition and be capable of passing all State and Federal DOT inspections.

PAYOFF ADJUSTMENTS:

- If the payoff balance of the trade(s) should exceed the approximate payoff amount used for this transaction, the Purchaser agrees to pay the difference between the approximate payoff and the actual payoff amount of the vehicle(s) traded. If the payoff balance of the trade(s) is less than the approximate payoff amount used for this transaction, the Dealer agrees to refund the difference to the Purchaser.

DELIVERY OF TRADE(S):

☐ The Purchaser will deliver the trade(s) to: _____

☐ The Dealer will pick up the trade(s) from: _____

- This transaction will not be complete unless the trade(s) has been received per the trade terms and conditions listed above.
- The Terms of Payment conditions on Pg. 2, Section 2 of this Agreement will apply if the delivery of the trade(s) is late or delayed due to trade terms.
- Delivery of the new vehicle(s) will coincide with receipt of the trade(s) unless other delivery arrangements have been agreed to by both parties.

☐ Other delivery arrangements: _____

The Purchaser Agrees to the Terms and Conditions and Warranty Acknowledgement Listed Above:

Initials:

City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

Council action is requested to authorize the City Manager to approve a one (1) year pricing agreement, with two (2), one-year renewal periods for biosolids hauling with Synagro for the Municipal Services Department. **Approved**

Recommendations:

Council approval is recommended.

Background:

The Rock Creek Waste Treatment Facility utilizes contracted transportation services for land application of all biosolids resulting from the wastewater treatment process. These biosolids are the result of wastewater being filtered to approximately 30% solid content and treated with lime to stabilize for safe handling and reuse. This is a necessary step in the treatment process, which supports high water quality standards and ensures environmental compliance. A third-party for biosolids transport is essential to provide reliable, compliant, and cost-effective removal of several tons of material generated daily. The current pricing agreement for these services expires in February 2026.

On December 16, 2025, the City issued an Invitation to Bid (ITB 25074) through the public purchase website for biosolids hauling services for the next calendar year, including two (2) one-year renewal options. Bids were opened and reviewed by City Staff on January 6, 2026.

There were 4 bids for this contract:

Vendor Name	Year One	Year Two	Year Three
Midwest Injection	\$61.35/ton	61.35/ton	\$61.35/ton
Reed Environmental	\$39.50/ton	\$41.50/ton	\$43.50/ton
Synagro	\$39.50/ton	\$41.08/ton	\$42.72/ton
Hodges Farms & Dredging	\$33.90/ton	\$35.90/ton	\$37.90/ton

While Hedges Farms & Dredging is the lowest bidder, City staff does not find them to be the most responsive, citing documented issues with previous City contracted work at the Courtney Bend Water Treatment Plant. Therefore, staff considers Synagro to be the lowest and most responsive bidder. Synagro has completed similar work satisfactorily for the City's Rock Creek Wastewater Treatment Plant. Their bid is being recommended for this pricing agreement.

This pricing agreement and subsequent contracts are supported by budgeted operating expenses.

Emergency Justification:

Fiscal Impact:

The fiscal impact to the City for use of year one (1) of this pricing agreement is estimated at \$276,500. Funding for biosolids hauling is included in the Fiscal Year 2025-2026 adopted budget, on page number 223, in account 0305220-5233.

Council Action:

Department / Contact	Municipal Services /
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REVIEWERS

Mike Jackson
Melissa Cabrera
Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. Official Bid Tab Summary - ITB #25074 - Sludge Hauling

Invitation To Bid #25074 - Sludge Hauling

Bid Closing Date - January 6, 2026

Vendor

Hodges Farms and Dredging LLC						
Item Code	Item Name	Item Description	Qty	Unit	Unit Price	Total Price
Year One (1)	Biosolid Lime Application and Sludge Hauling Services	Biosolid Lime Application and Sludge Hauling Services in accordance with 40 CFR 503 abiding with CSR 20 standards.	7000	Tons	\$33.90	\$237,300.00
Year Two (2)	Biosolid Lime Application and Sludge Hauling Services	Biosolid Lime Application and Sludge Hauling Services in accordance with 40 CFR 503 abiding with CSR 20 standards.	7000	Tons	\$35.90	\$251,300.00
Year Three (3)	Biosolid Lime Application and Sludge Hauling Services	Biosolid Lime Application and Sludge Hauling Services in accordance with 40 CFR 503 abiding with CSR 20 standards.	7000	Tons	\$37.90	\$265,300.00
Total						\$753,900.00

* Synagro *						
Item Code	Item Name	Item Description	Qty	Unit	Unit Price	Total Price
Year One (1)	Biosolid Lime Application and Sludge Hauling Services	Biosolid Lime Application and Sludge Hauling Services in accordance with 40 CFR 503 abiding with CSR 20 standards.	7000	Tons	\$39.50	\$276,500.00
Year Two (2)	Biosolid Lime Application and Sludge Hauling Services	Biosolid Lime Application and Sludge Hauling Services in accordance with 40 CFR 503 abiding with CSR 20 standards.	7000	Tons	\$41.08	\$287,560.00
Year Three (3)	Biosolid Lime Application and Sludge Hauling Services	Biosolid Lime Application and Sludge Hauling Services in accordance with 40 CFR 503 abiding with CSR 20 standards.	7000	Tons	\$42.72	\$299,040.00
Total						\$863,100.00

Reed Environmental, LLC						
Item Code	Item Name	Item Description	Qty	Unit	Unit Price	Total Price
Year One (1)	Biosolid Lime Application and Sludge Hauling Services	Biosolid Lime Application and Sludge Hauling Services in accordance with 40 CFR 503 abiding with CSR 20 standards.	7000	Tons	\$39.50	\$276,500.00
Year Two (2)	Biosolid Lime Application and Sludge Hauling Services	Biosolid Lime Application and Sludge Hauling Services in accordance with 40 CFR 503 abiding with CSR 20 standards.	7000	Tons	\$41.50	\$290,500.00
Year Three (3)	Biosolid Lime Application and Sludge Hauling Services	Biosolid Lime Application and Sludge Hauling Services in accordance with 40 CFR 503 abiding with CSR 20 standards.	7000	Tons	\$43.50	\$304,500.00
Total						\$871,500.00

Midwest Injection						
Item Code	Item Name	Item Description	Qty	Unit	Unit Price	Total Price
Year One (1)	Biosolid Lime Application and Sludge Hauling Services	Biosolid Lime Application and Sludge Hauling Services in accordance with 40 CFR 503 abiding with CSR 20 standards.	7000	Tons	\$61.35	\$429,450.00
Year Two (2)	Biosolid Lime Application and Sludge Hauling Services	Biosolid Lime Application and Sludge Hauling Services in accordance with 40 CFR 503 abiding with CSR 20 standards.	7000	Tons	\$61.35	\$429,450.00
Year Three (3)	Biosolid Lime Application and Sludge Hauling Services	Biosolid Lime Application and Sludge Hauling Services in accordance with 40 CFR 503 abiding with CSR 20 standards.	7000	Tons	\$61.35	\$429,450.00
Total						\$1,288,350.00

Award Determination

Lowest responsive bid: Hodges Farms and Dredging LLC (\$753,900)

Reason for disqualification: Documented unsatisfactory performance on a prior contract with the city.

Recommended award: Synagro (\$863,100) as the lowest responsive and responsible bidder.

PUAB
Appt. T. Luce
2/16/26 - SH

BILL NO. _____
RESOLUTION NO. _____

A RESOLUTION APPOINTING TED LUCE AS A MEMBER OF THE PUBLIC UTILITIES
ADVISORY BOARD OF THE CITY OF INDEPENDENCE, MISSOURI.

WHEREAS, the City Council of the City of Independence, Missouri, did pursuant to Ordinance No. 427, passed on the 27th day of September, 1963, as amended (Section 1.14.001 of the City Code), and the City Charter, Article 3, Section 3/15, create the Public Utilities Advisory Board (PUAB) of the City of Independence, Missouri; and,

WHEREAS, one resignation of a term limit has created a vacancy; and

WHEREAS, the City Council deems it necessary and advisable to appoint Ted Luce to said Public Utilities Advisory Board to fill said vacancy because of their qualities of leadership, temperance and judgment; and,

WHEREAS, said individual is duly qualified to so serve, according to the Charter and ordinances of this City, and the City Council wishes to affirm this appointment by Councilmember Brice Stewart.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. That the City Council of the City of Independence, Missouri, hereby appoints the following individual(s) to the Public Utilities Advisory Board, to serve without compensation for the indicated term or until duly succeeded by another person properly appointed and qualified:

Name	Address	Term Expiration	Appointed By
Ted Luce	3605 S. Liberty	7/01/2030	Brice Stewart

PASSED THIS ____ DAY OF FEBRUARY 2026, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED AS TO FORM AND LEGALITY:

City Counselor

REVIEWED BY:

Interim City Manager

City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

A public hearing for the application to rezone the properties at 724 and 726 N. Noland Road from C-2, General Commercial, to R-12, Two-Family Residential. ***New Information Only.***

Recommendations:**Background:****Emergency Justification:****Fiscal Impact:****Council Action:**

Department / Contact	Community Development /
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REVIEWERS

Tom Scannell
Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. 1-13-26 Public Notice Proof

Notice of Public Hearing

Notice is hereby given that a public hearing will be held by the Independence City **Planning Commission** at 6 p.m., Tuesday, January 13, 2026, in the Independence City Hall City Council Chambers (lower level, north entrance) 111 E. Maple Avenue, in Independence, Missouri, and before the **City Council** at 6:00 p.m., Monday, March 2, 2026 at a location that will be advertised at least 15 days prior to the meeting, on the following matter(s):

Case 26-125-01 – Rezoning/ PUD – 315, 317 and 319 S. Osage Street - A request by Adam Sheffield to rezone property from I-1 (Industrial) and C-2 (General Commercial) to R-30/ PUD (High Density Residential/ Planned Unit Development) and approving a preliminary development plan.

The following case will have a public hearing before City Council at 6:00 p.m., Monday, February 16, 2026, in the Independence City Hall City Council Chambers (lower level, north entrance) 111 E. Maple Avenue, in Independence, Missouri:

Case 26-100-01 – Rezoning – 724 and 726 N. Noland Road - A request by Matt Brown to rezone property from C-2 (General Commercial) to R-12 (Two-Family Residential).

The Planning Commission will conduct full public hearing on this application. The City Council will only hear new information that was not presented at the Planning Commission's public hearing if such facts were not reasonably available at the time of the Planning Commission hearing. Any new information proposed to be presented to the City Council must be submitted in writing to the Community Development Department and Law Department at least seven (7) days prior to the City Council meeting.

Witness my hand this 23rd day of December, 2025.

Tom Scannell, Community Development Director
The City of Independence, Missouri is an Equal Opportunity Employer/Contractor/MFD

Published in the Examiner, Dec 27, 2025

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City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

26-014 **2R** An ordinance approving a rezoning from District C-2 (General Commercial) to District R-12 (Two-Family Residential) for the properties located at 724 and 726 North Noland Road. **2R Item passes 7-0 Ord. No. 19781**

Recommendations:

Commissioner Ashbaugh made a motion to recommend approval to rezone 724-726 N Noland Rd from C-2 (General Commercial) to R-12 (Two-Family Residential). A second was made by Commissioner Nesbitt. The Independence Planning Commission voted as follows:

Commissioner Nesbitt – Yes

Commissioner Ferguson – Yes

Commissioner Ashbaugh – Yes

Commissioner O'Neill – Yes

Commissioner Torres – Yes

Commissioner Young – Yes

Commissioner Wiley – Yes

The motion passed, and such application is forwarded to the City Council for its consideration. Staff recommends approval of this application.

Background:

A request by Matthew Brown to rezone the property from C-2 (General Commercial) to R-12 (Two-Family Residential).

PROPERTY'S HISTORY:

The subject site is comprised of two tax parcels defined as a portion of Lot 21 and 23 of Flournoy's Addition recorded in 1879. The area was annexed to Independence in 1851. Jackson County property records indicate the subject site was developed in 1954.

Upon adoption of the Zoning Ordinance in 1965, the city assigned a C-3 (Commercial) zoning district designation to the subject site. Since the adoption of the Zoning Ordinance, the subject site has been assigned a commercial zoning district classification.

PROPOSAL:

The applicant has submitted a separate application for a minor subdivision to replat the two properties part of this rezoning request. Prior to approval of a minor subdivision, the zoning district classification will need to match the land use.

PHYSICAL CHARACTERISTICS OF THE PROPERTY:

The two properties part of this request consist of +/-13,880 ft² in area. The existing duplexes contain +/-1,230 ft² of building area each and feature stone facades and gable roofs.

CHARACTERISTICS OF THE AREA:

The subject site is located at the intersection of Noland Road and Nettleton Avenue. They are part of a mixed-use corridor along Noland Road, containing a variety of zoning district classifications and land uses, including various residential uses, medical services, personal services, and food establishments.

Consistency with *Independence for All*, Strategic Plan:

The proposed rezoning is supported by the Independence for All Strategic Plan to stabilize and revitalize neighborhoods. Rezoning the property to match its current land use will ensure its continued maintenance.

Comprehensive Plan Tools and Policies for the Current Designation:

Imagine Independence 2040 designates a residential future land use classification for the subject site. This future land use classification matches the current land and proposed land use. Additionally, this rezoning proposal is supported by Imagine Independence 2040's guiding principle to, "Improve and maintain housing stock in established neighborhoods."

Sub-Area Plans:

The subject site is not located within any sub-area plans.

Zoning:

The subject site does not conform with its zoning district designation and was developed before the city adopted the Zoning Ordinance. This proposed rezoning will correct the existing nonconformity.

Historic and Archeological Sites:

There are no apparent historic or archeological issues with this property.

Public Utilities:

Utilities already exist and are available on the subject site.

Floodplain/Stream Buffer:

The subject site is not affected by floodplains or stream buffers.

CIP Investments:

The city's Noland Multimodal Corridor project is scheduled for the 2026-2027 and 2027-2028 fiscal years. It will create 1.7 miles of multimodal transportation corridor along Noland Road from 24 Highway to Fair Street. This project includes adding dedicated North and South bound bike lanes, upgrading more than three miles of derelict sidewalks into ADA compliance, and adding updated push pedestrian signals buttons.

1. Conformance of the requested zoning with the Comprehensive Plan.

The Comprehensive Plan envisions residential uses for the area. Imagine Independence 2040 provides a guiding principle to, "Improve and maintain housing stock in established neighborhoods." Approval of this rezoning request will ensure the maintenance of housing stock.

- 2. Conformance of the requested zoning with any adopted neighborhood or sub-area plans in which the property is located or abuts.**

The subject site is not located within any sub area plans.

- 3. The compatibility of the proposed zoning with the zoning and use of nearby property, including any overlay zoning.**

A variety of zoning district classifications and land characterize the corridor. The proposed rezoning is compatible with the zoning and use of nearby properties.

- 4. The compatibility of the proposed zoning and allowed uses with the character of the neighborhood.**

The proposed R-12 zoning is compatible with the area's existing neighborhoods to west and east.

- 5. The suitability of the subject property for the uses to which it has been restricted under the existing zoning regulations.**

The subject site historically has been occupied as two-family dwellings. This corrective rezoning will correct the contradiction between land use and zoning classification.

- 6. The length of time the subject property has remained vacant as zoned.**

The subject site is currently occupied.

- 7. The extent to which approving the rezoning will detrimentally affect nearby properties.**

The rezoning should have no detrimental effect on area properties. This rezoning aims to correct the contradictory land use and zoning classification.

- 8. The gain, if any, to the public health, safety, and welfare due to denial of the application, as compared to the hardship imposed upon the landowner, if any, as a result of denial of the application.**

If rezoning is denied, the nonconformity will remain.

Draft Planning Commission minutes are attached.

Emergency Justification:

Fiscal Impact:

Council Action:

Department / Contact	Community Development /
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REVIEWERS

Tom Scannell
Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. Draft Ordinance 26-100-01
2. Rezoning Staff Report-26-100-01
3. Cover Letter
4. Application_Redacted
5. Notification Letter
6. Notification Addresses
7. Notification Area Map
8. Affidavit
9. Comprehensive Plan
10. Zoning Map
11. Draft Minutes
12. Ord. No. 19781

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE APPROVING A REZONING FROM DISTRICT C-2 (GENERAL COMMERCIAL) TO DISTRICT R-12 (TWO-FAMILY RESIDENTIAL) FOR THE PROPERTIES LOCATED AT 724 AND 726 NORTH NOLAND ROAD.

WHEREAS, a request by the City of Independence to rezone the properties located at 724 and 726 North Noland Road from District C-2 (General Commercial) to District R-12 (Two-Family Residential) was referred to the Planning Commission as required by the Unified Development Ordinance; and,

WHEREAS, the Unified Development Ordinance provides for the approval of a rezoning following public hearings by the Planning Commission and City Council; and,

WHEREAS, after due public notice in the manner prescribed by law, the Planning Commission held a public hearing for the consideration of the request on January 13, 2026, and rendered a report to the City Council recommending the rezoning be approved by a vote of 7-0; and,

WHEREAS, in accordance with the Unified Development Ordinance, it was determined that the rezoning was consistent with the review criteria in Section 14-701-02; and,

WHEREAS, after due public notice in the manner prescribed by law, the City Council held a public hearing and rendered approval for the Rezoning of the said property; and,

WHEREAS, no legal protests were signed, acknowledged, and presented for the application.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. That the following legally described property is hereby rezoned from District C-2 (General Commercial) to District R-12 (Two-Family Residential) and shall be subject to the regulations of said district:

FLOURNOYS ADD S 36.34' OF E 150' OF LOT 21; AND
FLOURN0YS ADD E 150' LOT 23 (EX NOLAND RD ROW)

SECTION 2. Nonseverability. All provisions of this ordinance are so essentially, and inseparable connected with, and so dependent upon, each other that no such provision would be enacted without all others. If a court of competent jurisdiction enters a final judgement on the merits that is not subject to appeal and that declares any provision or part of this ordinance void, unconstitutional, or unenforceable, then this ordinance, in its collective entirety, is invalid and

shall have no legal effect as of the date of such judgement.

SECTION 3. Scrivener's Errors. Typographical errors and other matters of a similar nature that do not affect the intent of this ordinance, as determined by the City Clerk and City Counselor, may be corrected with the endorsement of the City Manager without the need to come before City Council.

SECTION 4. That failure to comply with all the provisions contained in this ordinance shall constitute violations of both this ordinance and Chapter 14, the Unified Development Ordinance, of the Code of the City of Independence, Missouri.

PASSED THIS _____ DAY OF _____, 2026, BY THE CITY COUNCIL
OF THE CITY OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED AS TO FORM AND LEGALITY:

City Counselor

REVIEWED BY:

Interim City Manager

MEETING DATE: January 13, 2026

STAFF: Gabe Glaser, Planner

PROJECT NAME: Rezoning – 724-726 N. Noland Road

CASE NUMBER/REQUEST: Case 26-100-01 – Rezoning – 724 and 726 N. Noland Road - A request to rezone property from C-2 (General Commercial) to R-12 (Two-Family Residential).

APPLICANT: Matthew Brown

PROPERTY LOCATION: 724-726 N Noland Rd

SURROUNDING ZONING/LAND USE:

North: C-2 (General Commercial) / Vacant
East: C-2 (General Commercial / Residential, Personal Services, Medical Services, and Day Care
South: C-2 (General Commercial) and R-30/PUD (High Density Residential/Planned Unit Development) / Apartments
West: C-2 (General Commercial) and R-12 (Two-Family Residential) / Religious Assembly

PUBLIC NOTICE:

- Letters to property owners – December 9, 2025
- Public Notice published in the Independence Examiner – December 27, 2025
- Signs posted on property – December 26, 2025

FURTHER ACTION:

Following action by the Planning Commission, this rezoning request is scheduled for first reading by the City Council on February 4, 2026 and the public hearing/second reading on February 16, 2026

RECOMMENDATION

Staff recommends **APPROVAL** of this rezoning request.

PROJECT DESCRIPTION & BACKGROUND INFORMATION

PROJECT DESCRIPTION: A request by Matthew Brown to rezone the property from C-2 (General Commercial) to R-12 (Two-Family Residential).

Current Zoning: C-2 (General Commercial) **Proposed Zoning:** R-12 (Two-Family Residential)

Current Use: Duplex **Proposed Use:** Duplex

Zoning History: 1965 – 1980: C-3 (Commercial)

1980 - 2009: C-2 (General Commercial)

2009 - Present: C-2 (General Commercial)

Property History:

The subject site is comprised of two tax parcels defined as a portion of Lot 21 and 23 of Flournoy's Addition recorded in 1879. The area was annexed to Independence in 1851. Jackson County property records indicate the subject site was developed in 1954.

Upon adoption of the Zoning Ordinance in 1965, the city assigned a C-3 (Commercial) zoning district designation to the subject site. Since the adoption of the Zoning Ordinance, the subject site has been assigned a commercial zoning district classification.

Proposal:

The applicant has submitted a separate application for a minor subdivision to replat the two properties part of this rezoning request. Prior to approval of a minor subdivision, the zoning district classification will need to match the land use.

Physical Characteristics of Property:

The two properties part of this request consist of +/-13,880 ft² in area. The existing duplexes contain +/-1,230 ft² of building area each and feature stone facades and gable roofs.

Characteristics of the Area:

The subject site is located at the intersection of Noland Road and Nettleton Avenue. They are part of a mixed-use corridor along Noland Road, containing a variety of zoning district classifications and land uses, including various residential uses, medical services, personal services, and food establishments.

ANALYSIS

Consistency with *Independence for All*, Strategic Plan:

The proposed rezoning is supported by the Independence for All Strategic Plan to stabilize and revitalize neighborhoods. Rezoning the property to match its current land use will ensure its continued maintenance.

Comprehensive Plan Tools and Policies for the Current Designation:

Imagine Independence 2040 designates a residential future land use classification for the subject site. This future land use classification matches the current land and proposed land use.

Additionally, this rezoning proposal is supported by Imagine Independence 2040's guiding principle to, "Improve and maintain housing stock in established neighborhoods."

Sub-Area Plans:

The subject site is not located within any sub-area plans.

Zoning:

The subject site does not conform with its zoning district designation and was developed before the city adopted the Zoning Ordinance. This proposed rezoning will correct the existing nonconformity.

Public Utilities:

Utilities already exist and are available to the subject site.

Floodplain/Stream Buffer:

The subject site is not affected by floodplains or stream buffers.

CIP Investments:

The city's Noland Multimodal Corridor project is scheduled for the 2026-2027 and 2027-2028 fiscal years. It will create 1.7 miles of multimodal transportation corridor along Noland Road from 24 Highway to Fair Street. This project includes adding dedicated North and South bound bike lanes, upgrading more than three miles of derelict sidewalks into ADA compliance, and adding updated push pedestrian signals buttons.

REVIEW CRITERIA

Recommendations and decisions on rezoning applications must be based on consideration of all the following criteria:

1. Conformance of the requested zoning with the Comprehensive Plan.

The Comprehensive Plan envisions residential uses for the area. Imagine Independence 2040 provides a guiding principle to, "Improve and maintain housing stock in established neighborhoods." Approval of this rezoning request will ensure the maintenance of housing stock.

2. Conformance of the requested zoning with any adopted neighborhood or sub-area plans in which the property is located or abuts.

The subject site is not located within any sub area plans.

3. The compatibility of the proposed zoning with the zoning and use of nearby property, including any overlay zoning.

A variety of zoning district classifications and land characterize the corridor. The proposed rezoning is compatible with the zoning and use of nearby properties.

4. The compatibility of the proposed zoning and allowed uses with the character of the neighborhood.

The proposed R-12 zoning is compatible with the area's existing neighborhoods to west and east.

5. The suitability of the subject property for the uses to which it has been restricted under the existing zoning regulations.

The subject site historically has been occupied as two-family dwellings. This corrective rezoning will correct the contradiction between land use and zoning classification.

6. The length of time the subject property has remained vacant as zoned.

The subject site is currently occupied.

7. The extent to which approving the rezoning will detrimentally affect nearby properties.

The rezoning should have no detrimental effect on area properties. This rezoning aims to correct the contradictory land use and zoning classification.

8. The gain, if any, to the public health, safety, and welfare due to denial of the application, as compared to the hardship imposed upon the landowner, if any, as a result of denial of the application.

If rezoning is denied, the nonconformity will remain.

EXHIBITS

1. Cover Letter
2. Application
3. Notification letter
4. Address List
5. Notification Area Map
6. Affidavit
7. Comprehensive Plan map
8. Zoning map

To Whom It May Concern,

I have lived here in this city my whole life. I have bought a couple rentals now and then and managed to fix them up and help better the city. I bought the properties at 724 to 726 N Noland Road while overseas for Military. I cleaned them up and had to kick some unsavory tenants out. My original intent was to be able to get them cleaned up which I did and then look at selling one or both of them in the future. I managed to get some tenants in to the property one I even went to High School with now. These properties are clearly intended to be duplexes and with the intent to hopefully sell one day down the road I am asking for it to be rezoned to residential and also have the two plats split.

I appreciate your assistance and please let me know if there are any other questions, thank you.



Matthew Brown

Application Type (check all that apply)

Land Use	Land Subdivision	Site Development	Use Permit	Other
☒ Rezoning ☐ PUD Rezoning	☐ Preliminary Plat ☐ Final Plat ☐ Minor Subdivision	☐ Final Site Plan ☐ Preliminary Dev Plan ☐ Final Dev Plan (PUD)	☐ Special Use ☐ Homebased Business	☐ Admin. Adjustment ☐ Variance ☐ Street Name Change ☐ Special Sign Permit

Project Information and Location

724-726N. Noland			
Project Name			
724-726N. Noland			
Project Address/Location			
2,460 Ft ²	± 14,000 Ft ²	2	No
Sq. Ft. of Building	Acreage	Number of Lots/Tracts	Stream Buffer (Yes or No)
C-2	R-12	Duplex	Duplex
Existing Zoning	Proposed Zoning	Existing Land Use	Proposed Land Use

Basic Application Requirements (See the Planning & Zoning Application Guide for additional requirements)

☐ Completed & Signed Application Form ☐ Application Fee ☐ Cover Letter Describing Details of Project	☐ One 24" x 36" set of plans for Land Sub. & Site Dev. ☐ One PDF copy of a plat map or site plan ☐ Legal Description of the property in question
---	---

Contact Information

Applicant		Owner	
Matt Brown EMB Real Estate Ventures			
Name	Company	Name	Company
			Email

Architect/Engineer/Surveyor/Other: _____		Architect/Engineer/Surveyor/Other: _____	
Owner Contracting			
Name	Company	Name	Company
Address		Address	
Phone	Email	Phone	Email

The applicant hereby agrees that the information provided above is accurate.

Applicant's Signature 11/24/25 Date _____ Owner's Signature _____ Date _____

Property Owner Notification Letter

City of Independence, Missouri

Date: 12/09/2025

Case No. 26-100-01

Dear Property Owner:

This letter is to notify you that an application has been submitted for consideration by the Planning Commission and City Council. A full public hearing will be held by the Planning Commission and the City Council will consider new information on the dates and times below.

Proposed Case Type (Check One):

- ☒ Rezoning ☐ Rezoning/PUD ☐ Special Use Permit
☐ Preliminary Development Plan

Proposed project description: Rezoning from Commercial to Residential to better conform to the existing land use

Applicant: Matthew Brown

Location of Property: 724-726 N Noland Rd

Planning Commission Meeting Date: January 13, 2026, at 6:00 p.m.

City Council Meeting Date: February 16, 2026, at 6:00 p.m.

Location of public hearings: City Council Chambers, City Hall
111 E Maple Ave, Independence, Missouri, 64050

All interested persons are invited to attend and will have an opportunity to be heard at the full public hearing (Planning Commission).

REZONINGS ONLY: You may file a protest petition with the Community Development Department. For more information or to get copies of a petition, please contact Planning staff at 816-325-7421.


Applicant (or Owner/Agent)

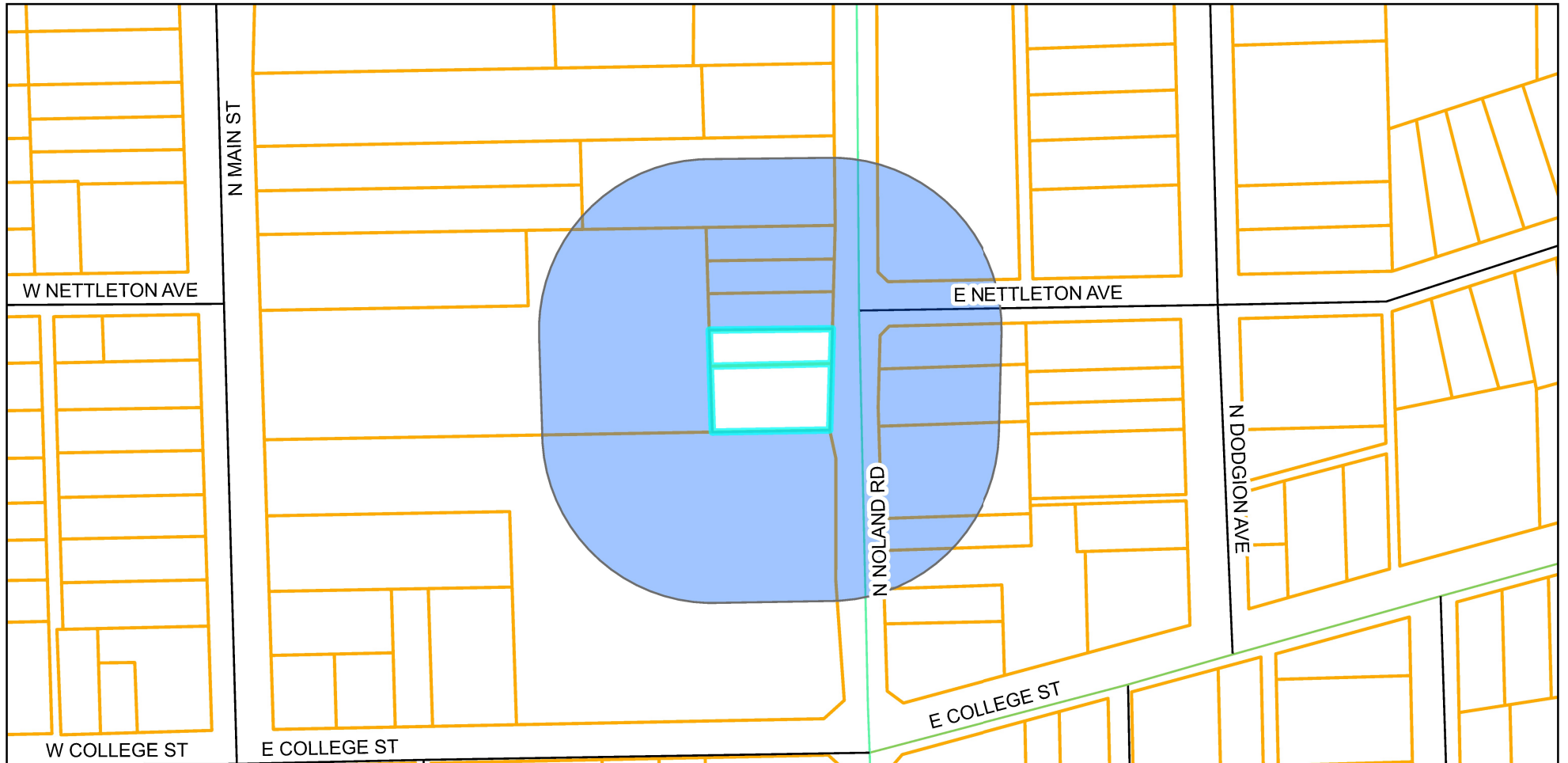
For more information, contact the Community Development Department at 816-325-7421.

Property Address	Property Owner	Owner Address	City	State	ZIP Code
130 E COLLEGE AVE APT 151	SAMANTHA HEIGHTS LP	250 NE MULBERRY ST STE 201	LEES SUMMIT	MO	64086
210 E COLLEGE ST	RAYNOR NICCOLAS	91-807 KAUWILI ST	EWA BEACH	HI	96706
701 N NOLAND RD	CHURCHS FRIED CHICKEN INC	980 HAMMOND DR NE STE 1100	ALTANTA	GA	30328
711 N NOLAND RD	VAN LEEUWEN FELIX F & WANDA K	6405 PROCTOR AVE	KANSAS CITY	MO	64133
724 N NOLAND RD APT B	EMB REAL ESTATE VENTURES LLC	724 N NOLAND RD APT B	INDEPENDENCE	MO	64050
727 N MAIN ST	UNITED CHURCH OF CHRIST	727 N MAIN	INDEPENDENCE	MO	64050
805 N MAIN ST	BATES JONAH & MORGAN	805 N MAIN ST	INDEPENDENCE	MO	64050
808 N NOLAND RD	SLOAN KELLY	734 N NOLAND RD	INDEPENDENCE	MO	64050
815 N NOLAND RD 1	NOLAND SHOPS LLC	7500 NW 25TH ST UNIT 257	MIAMI	FL	33122

Notification Area Map

724-726 N Noland Rd

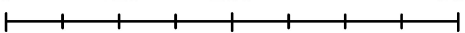
Case #26-100-01



Legend

-  Notification Area
-  Parcels

0 125 250 500 US Feet



Prepared For: Planning Commission
Meeting Date: January 13, 2026



Property Owner Notification Affidavit

STATE OF MISSOURI

COUNTY OF JACKSON

Case No. 26-100-01

I, Matthew L Brown, of lawful age being first duly sworn upon oath, state:

That I am the (agent, owner, attorney) for the property for which the application was filed and did, not later than fifteen (15) days prior to the date of the public hearing scheduled before the Planning Commission, mail notices to all persons owning property within 185 feet of the subject property. **The list of property owners to whom notice has been mailed is attached.**

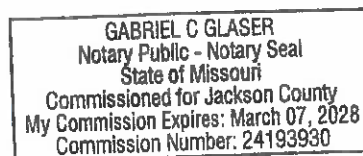
These notices were mailed on the 9th day of Dec, 2025.


Signature of Agent, Owner or Attorney

Subscribed and sworn to before me this 12th day of December, 2025.


Notary Public

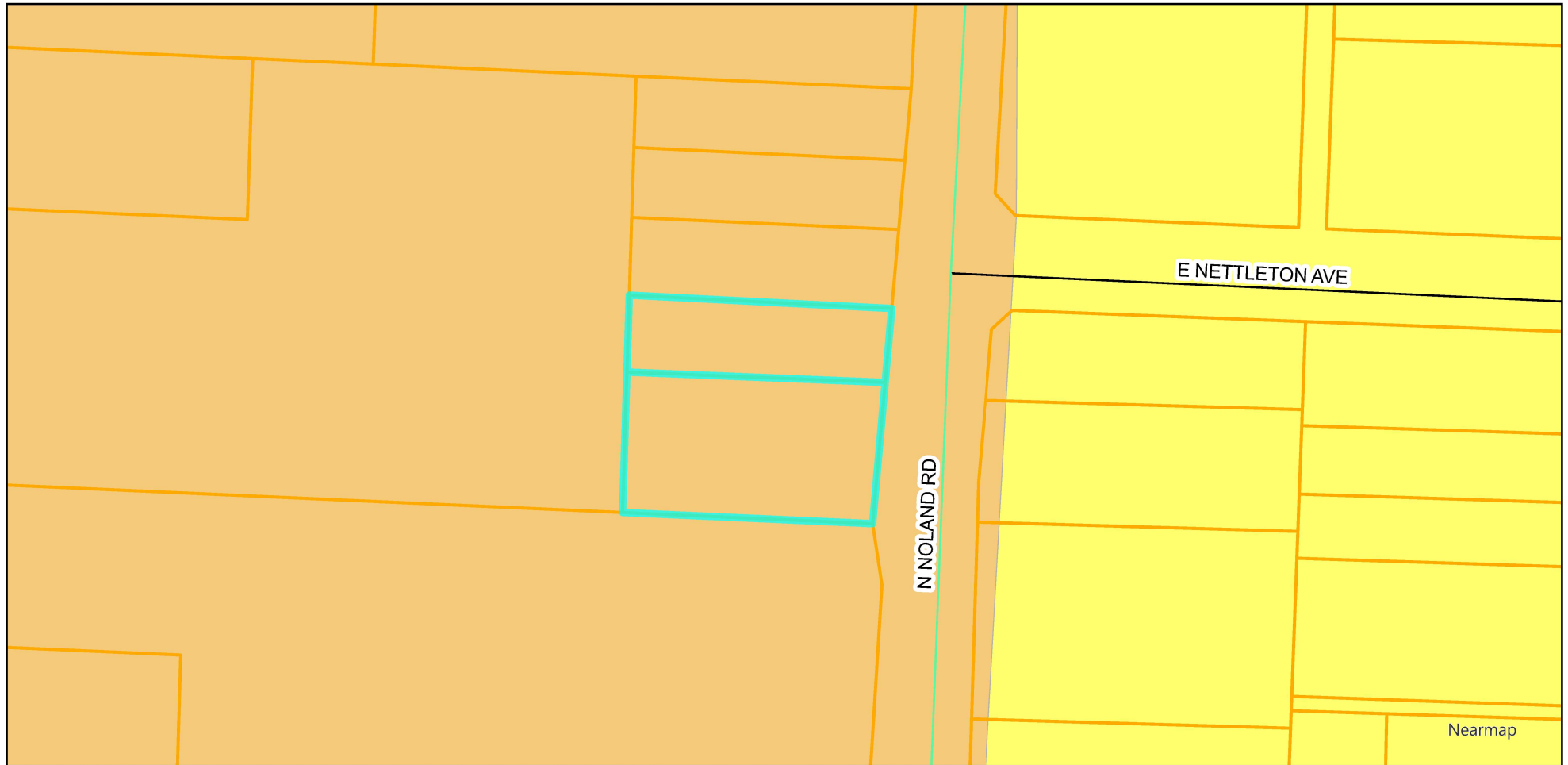
03/07/2028
Commission Expiration Date



Comprehensive Plan

724-726 N Noland Rd

Case #26-100-01



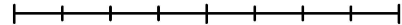
Legend

 Parcels

Comprehensive
Plan

 Residential
Neighborhoods

 Residential
Urban
Neighborhoods

0 50 100 200 US Feet


Prepared For: Planning Commission
Meeting Date: January 13, 2026



Zoning Map

724-726 N Noland Rd

Case #26-100-01



Legend

Parcels

Zoning District

C-2
R-12

R-30/PUD
R-6

0 50 100 200 US Feet

Prepared For: Planning Commission
Meeting Date: January 13, 2026



PUBLIC HEARINGS

1. **Case 26-100-01 – Rezoning – 724 and 726 N. Noland Road** - A request to rezone property from C-2 (General Commercial) to R-6 (Single-Family Residential).

Staff Presentation

Gabe Glaser presented the case. Mr. Glaser presented the Commission with a vicinity map, noting the area and surrounding zoning. He presented the Commission with an aerial map indicating the project area and explained the surrounding land uses. In response to Chairwoman Wiley's question, Mr. Glaser stated this is a corrective rezoning.

In response to Commissioner Nesbitt's question, Mr. Arroyo stated the street project is only in the design phase and the City wouldn't know if this property would be affected.

Applicant Comments

Matthew Brown, 2709 S. Maybrook, purchased this house while in the military and his intent is to fix up the property. Mr. Brown stated he was not aware of the CIP project planned.

Public Comments

No public comments.

Motion

Commissioner Eric Ashbaugh made a motion to approve the case. Commissioner Edward Nesbitt seconded the motion. The motion was approved Yes 7, No 0, Abstained 0.

BILL NO. 26-014

ORDINANCE NO. 19781

AN ORDINANCE APPROVING A REZONING FROM DISTRICT C-2 (GENERAL COMMERCIAL) TO DISTRICT R-12 (TWO-FAMILY RESIDENTIAL) FOR THE PROPERTIES LOCATED AT 724 AND 726 NORTH NOLAND ROAD.

WHEREAS, a request by the City of Independence to rezone the properties located at 724 and 726 North Noland Road from District C-2 (General Commercial) to District R-12 (Two-Family Residential) was referred to the Planning Commission as required by the Unified Development Ordinance; and,

WHEREAS, the Unified Development Ordinance provides for the approval of a rezoning following public hearings by the Planning Commission and City Council; and,

WHEREAS, after due public notice in the manner prescribed by law, the Planning Commission held a public hearing for the consideration of the request on January 13, 2026, and rendered a report to the City Council recommending the rezoning be approved by a vote of 7-0; and,

WHEREAS, in accordance with the Unified Development Ordinance, it was determined that the rezoning was consistent with the review criteria in Section 14-701-02; and,

WHEREAS, after due public notice in the manner prescribed by law, the City Council held a public hearing and rendered approval for the Rezoning of the said property; and,

WHEREAS, no legal protests were signed, acknowledged, and presented for the application.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. That the following legally described property is hereby rezoned from District C-2 (General Commercial) to District R-12 (Two-Family Residential) and shall be subject to the regulations of said district:

FLOURNOYS ADD S 36.34' OF E 150' OF LOT 21; AND
FLOURNOYS ADD E 150' LOT 23 (EX NOLAND RD ROW)

SECTION 2. Nonseverability. All provisions of this ordinance are so essentially, and inseparable connected with, and so dependent upon, each other that no such provision would be enacted without all others. If a court of competent jurisdiction enters a final judgement on the merits that is not subject to appeal and that declares any provision or part of this ordinance void, unconstitutional, or unenforceable, then this ordinance, in its collective entirety, is invalid and

shall have no legal effect as of the date of such judgement.

SECTION 3. Scrivener's Errors. Typographical errors and other matters of a similar nature that do not affect the intent of this ordinance, as determined by the City Clerk and City Counselor, may be corrected with the endorsement of the City Manager without the need to come before City Council.

SECTION 4. That failure to comply with all the provisions contained in this ordinance shall constitute violations of both this ordinance and Chapter 14, the Unified Development Ordinance, of the Code of the City of Independence, Missouri.

PASSED THIS 16th DAY OF Feb., 2026, BY THE CITY COUNCIL
OF THE CITY OF INDEPENDENCE, MISSOURI.



Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:



City Clerk

APPROVED AS TO FORM AND LEGALITY:



City Counselor

REVIEWED BY:



Interim City Manager



City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

A public hearing for the Taxable Industrial Development Revenue Bonds for the Nebius Project located at M-78 and Little Blue Parkway. ***Full Public Hearing.***

Recommendations:**Background:****Emergency Justification:****Fiscal Impact:****Council Action:**

Department / Contact	Community Development /
---------------------------------	-------------------------

REVIEWERS

Tom Scannell
Melissa Cabrera
Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. Nebius260210164316
2. Nebius x Independence MO 2.16.26 Presentation

Taxation Division
Post Office Box 453
Jefferson City, Missouri 65105-0453



Missouri
DEPARTMENT OF REVENUE

(573) 751-5900

E-mail: Countyfees@dor.mo.gov

City Clerk
City of Independence
111 E Maple Ave
Independence, MO 64050

February 3, 2026

Dear City Official:

The Department of Revenue acknowledges receipt of your letter concerning the public hearing on February 16, 2026, regarding the proposed industrial development project for the Nebius Project.

The Department respectfully declines comment on the above hearing.

If you require any additional information or assistance, please contact County Tax at Post Office Box 453, Jefferson City, MO 65105-0453, by telephone at (573) 751-5900 during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, or by email at countyfees@dor.mo.gov.

Sincerely,

County Tax

LG

NEBIUS

NEBIUS x INDEPENDENCE

City Council Meeting

February 16, 2026

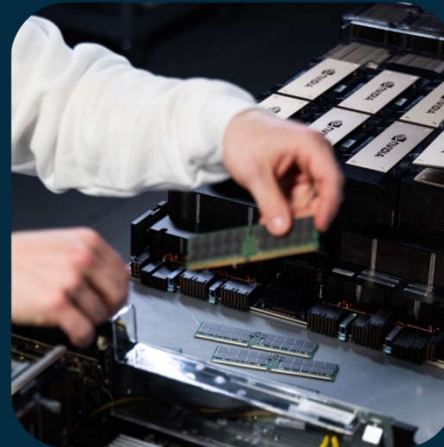
Representative:

Mark R. Coulter, Attorney

Rouse Frets White Goss Gentile Rhodes, P.C.

AGENDA

- INTRODUCTION OF PROJECT
- PROJECT SITE AND ARCHITECTURAL ELEMENTS
- TECHNICAL DETAILS: WATER, POWER, AIR EMISSIONS, ACOUSTICS
- COMMUNITY BENEFITS
- Q&A



NEBIUS

Introduction to Nebius and Purpose of AI Factories



How Nebius Operates Differently

	Other Data Center Developers	Nebius' AI Factory
Ownership	Multi-tenant facility leasing racks and power	Owned, designed & operated by Nebius
Function	General purpose cloud and data storage	AI-specific chips, high-performance computing to train and run AI models
Land Used	Large greenfield footprint, often with massive physical scale and buildings	Efficient, purpose-built 4-building design
Power Consumption	Extremely high total power demand	Targeted, optimized power use
Water Consumption	Major daily withdrawals often totaling hundreds of millions of gallons annually	Closed-loop system designed for maximum efficiencies
Air Impact	Require a significant number of permanent backup generators	Limited generators for emergency; considered a minor source of air emissions compliant with state, federal regulations

The Delivery Team



Vision for Independence

Why Independence?

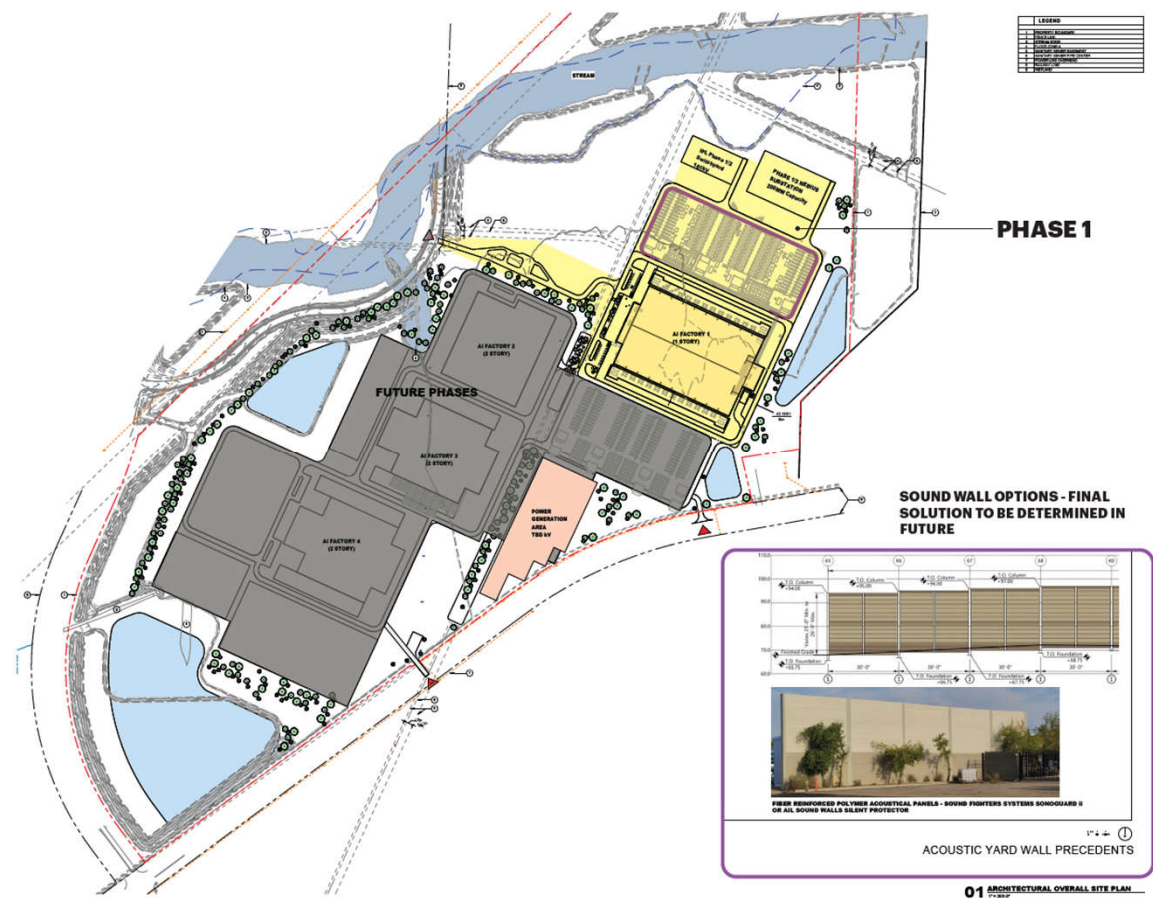
As a company with existing operations in the Kansas City area, we believe in the growth opportunities at its doorstep. What drew us to Independence is a convergence of key factors: a thriving and emerging tech ecosystem, talent across all disciplines needed for an AI factory, industrial-zoned properties ready for development, and the robust power infrastructure.

We continue to operate transparently, are listening and assessing community needs, and will be the trusted long-term partner Independence deserves.

Catalyst for Growth

By establishing a state-of-the-art AI factory, we enable businesses, startups, and local governments to harness the power of data and cloud technologies, fueling innovation across industries like tech, healthcare, finance, and beyond.

Project Site and Architectural Elements: Development of Master Plan



The images presented here reflect early-stage development and may be revised.

Project Site and Architectural Elements: Design Development

OPTION 1



OPTION 2



OPTION 3



The images presented here reflect architectural design proposals representing a conceptual direction and may be revised.

Technical Details Overview

Acoustics & Sound Attenuation

- Nebius will meet the city's noise requirements (50-60dBA at receiving residential; 62dBA at commercial)
- Acoustical study is underway to assess and design the most effective sound mitigation strategy (e.g., walls & canopies at equipment yards, enclosures for generators, filters on the equipment, vegetation)

Lighting

- Nebius will meet or exceed all applicable codes and city requirements, including but not limited to Chapter 14-508 which is Independence's current industrial lighting standards.

Power (Site)

- Evaluating a potential on-site power gen. solution to deliver additional 400MW
- Back-up generation for emergencies and infrastructure requirements
- Expect no more than 4 back-up generators for first facility

Power (Utility)

- Derived from Independence Power & Light (IPL) and IPL's participation in the Southwest Power Pool (SPP)
- IPL to deliver 200MW late Q3 2026, and launching a study to deliver 600MW by early 2029

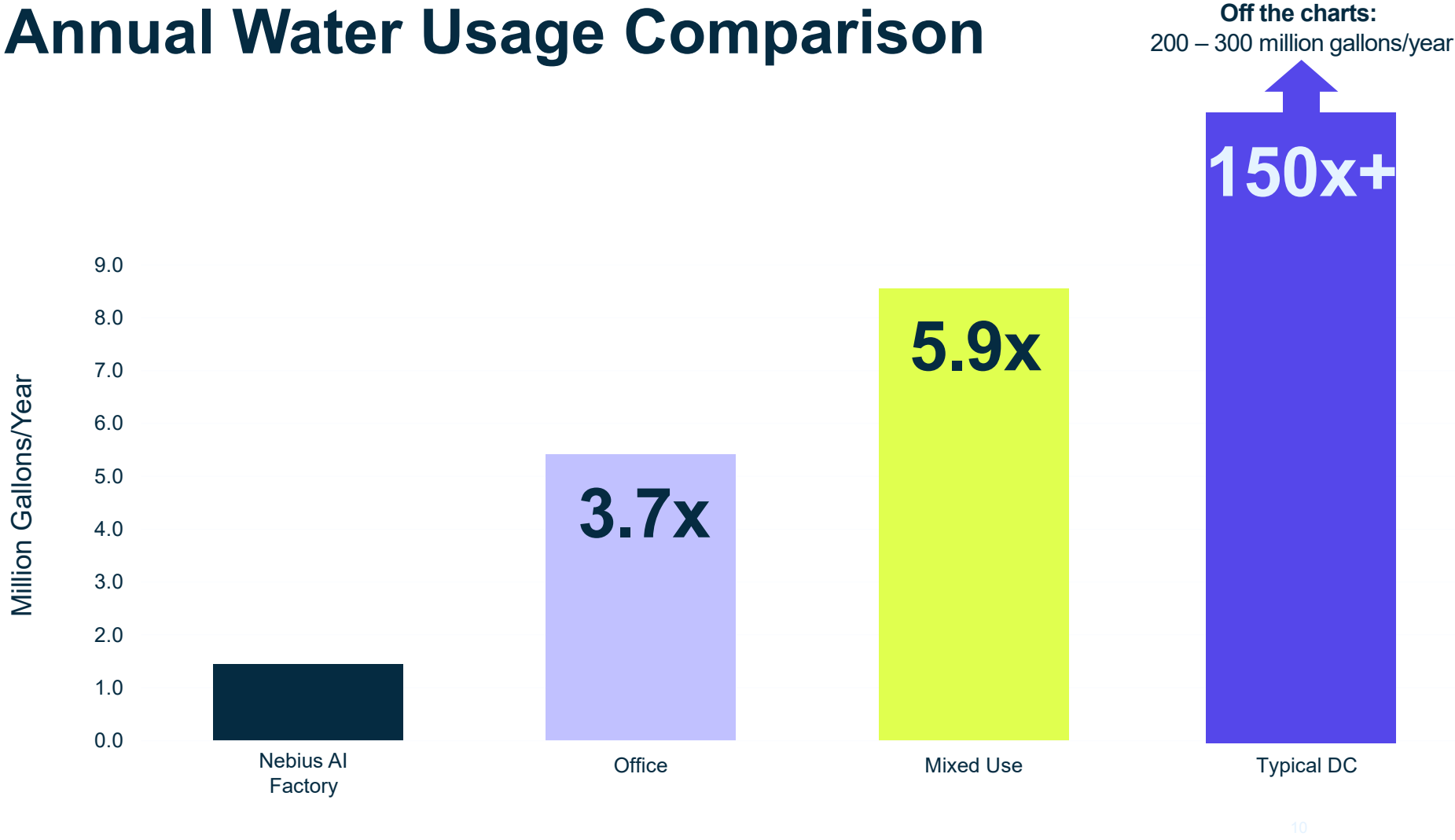
Air

- Minor emission source
- Nebius will adhere to all EPA and state/local applicable regulations

Water

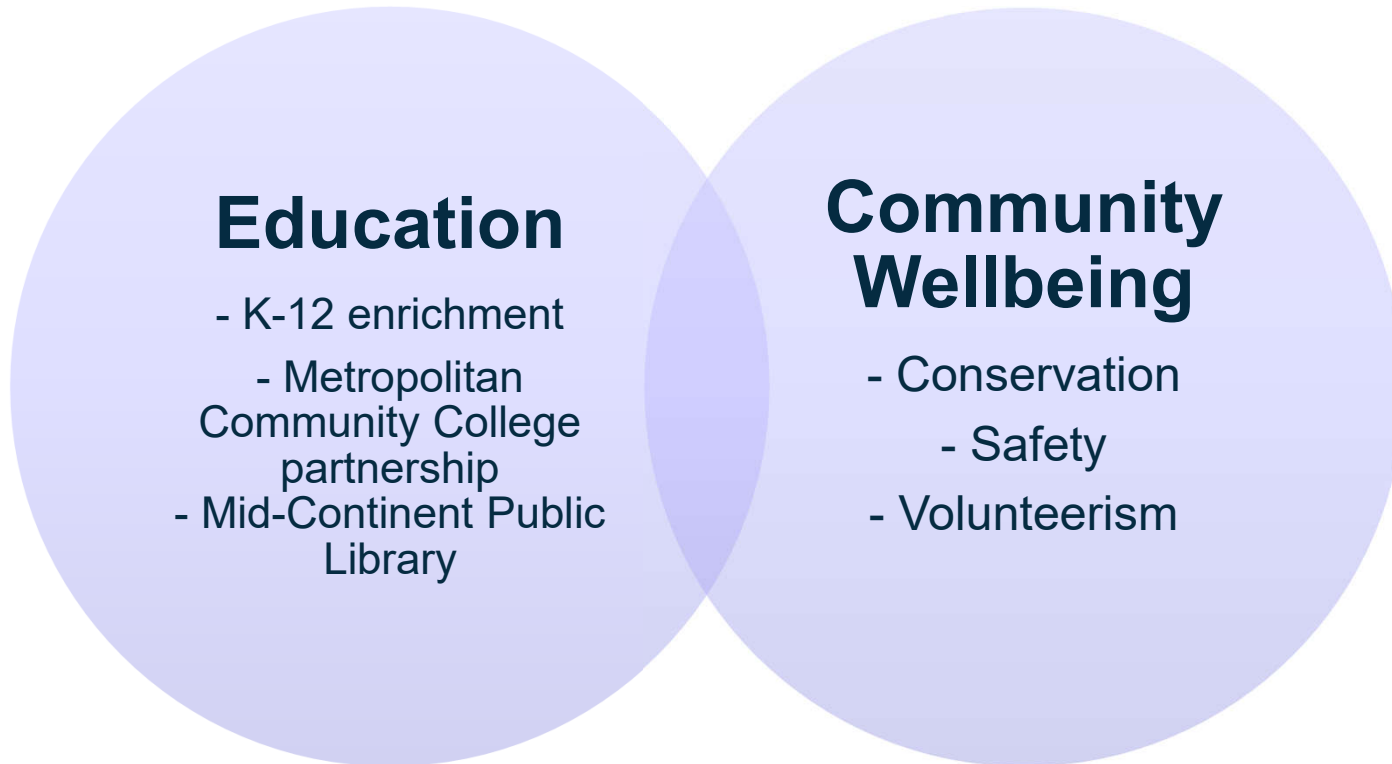
- Closed-loop system, no disposal into local watershed
- One-time, ~1M gallon / 200MW system fill (~20% replenishment annually due to evaporation)
- Recurring 400,000-640,000 gallons / year for staff and process support (50% less than similar sized buildings)

Annual Water Usage Comparison



Community Benefits Plan

Sustainable computing means building efficient, intelligent and resilient infrastructure and doing so in a way that's responsible and partners with the communities around us. In developing our community benefits actions, we listened to understand the needs and tailor a package of investment, volunteerism, and commitments to meet or exceed expectations.



Community Engagement Panel

To support ongoing conversation, Nebius is establishing a Community Engagement Panel comprising local residents, business owners, and leaders in Independence.

While details are still being finalized, outreach is underway and an initial meeting is anticipated in March 2026.

Once formed, the panel will meet regularly and serve to share project updates, discuss priorities, and gather feedback to help inform ongoing planning and engagement.



Areas of Community Benefit Focus

Education

Independence/Ft. Osage School Districts

- **STEM Enrichment:** Volunteer for hands-on STEM learning opportunities and teacher development programs.
- **Maker Spaces:** Support creative, project-based spaces with tools for building and prototyping.
- **AI Literacy:** Host intro courses into to how AI works and responsible use to prepare students for digital age work.

Blue River Valley Campus

- **Apprenticeship Support:** Sponsor programs and support curriculum that builds foundational skills and prepares students for digital infrastructure fields.
- **Training Facilities & Equipment:** Donate modern tools, simulators, and updated labs that reflect current industry standards to local trade programs, particularly electrician programs.

Metropolitan Community College System

- **Nebius Academy:** A joint initiative with local schools to build a shared education hub featuring TripleTen curriculum for students to gain real cloud project experience.
- **Workforce Development:** Nebius' TripleTen platform provides hands-on training for professionals looking to learn or advance their skills for high-demand AI roles.

Potential Additional Areas of Focus

Community Wellbeing

Conservation

Wildlife Protection: We're committed to being stewards of the environment and that includes taking every possible step to avoid disturbing the local eagle nest and supporting safe, non-intrusive monitoring.

Watershed Stewardship: Support programs that protect and restore the Little Blue River through monitoring, clean-up efforts, and sustainable management practices.

Safety

First Responder Support: We're dedicated to working with IPD and the Fire Department on training, emergency response programs, and securing needed equipment.

Nebius can support local first responder organizations to help fund equipment and critical preparedness initiatives.

Volunteerism

Employee Volunteer Program: Offer organized volunteer days and partnerships with local nonprofits to encourage ongoing participation.

THANK YOU

City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

26-009 **2R** An ordinance adopting amendments to the Fiscal Year 2025-2026 Capital Improvement Budget, which was approved by Ordinance No. 19682; and authorizing the City Manager to award a contract with TMG Utility Advisory Services, Inc., d/b/a TMG Consulting, Inc. ("TMG") for an Advanced Metering Infrastructure (AMI) Program and Performance Management Services for a period of four (4) years, and authorizing change orders of up to ten percent (10%) of the authorized amount. **2R Item passes 6-1 Ord. No. 19782**

Recommendations:

Staff recommends approval.

Background:

To better serve the residents and businesses of the City of Independence, IPL and the Municipal Services Department are pursuing modernization of the City's electric and water metering infrastructure through the deployment of an Advanced Metering Infrastructure system. The City currently operates approximately 58,500 electric meters and 50,000 water meters. Modernization of this system will improve billing accuracy and timeliness, enable earlier detection of water leaks and power outages, enhance system visibility, and provide future capabilities such as time-of-use billing to improve load management and overall operational efficiency.

The City conducted a formal RFP process for the AMI program and performance management services. The process included participation from various stakeholders from IPL and the Municipal Services Department, and was facilitated by the City Procurement team, and included a pre-proposal conference, evaluation of submitted proposals, shortlisted finalist presentations, and reference checks with peer utilities. Following this comprehensive review, TMG was determined to be the most qualified firm based on demonstrated experience, technical expertise, project methodology, and overall best value to the City.

The City's Management Analyst also reviewed the agreement to ensure compliance with the contracting process. He determined the agreement is satisfactory, and all parties have fulfilled their obligations in accordance with the applicable requirements.

To ensure successful implementation and long-term performance of the AMI program, TMG will provide comprehensive oversight and management support throughout the project lifecycle, including RFP development, vendor evaluation, system implementation, performance monitoring, and post-deployment optimization. These services will ensure alignment with the City's strategic goals, regulatory requirements, budget controls, and leadership expectations.

This contract secures AMI program and performance management services for a period of 40 months at a total cost not to exceed \$2,114,480.00.

Approval of this item authorizes the Finance Director to approve change orders of up to ten percent (10%) of the original authorized contract amount, provided sufficient appropriations are available, to account for potential cost adjustments such as travel or expanded project support.

Emergency Justification:

Fiscal Impact:

The fiscal impact to the City is \$2,114,480.00. Funding for the AMI program and performance management services will be provided for the Municipal Services Department (Water Fund) with current capital project 402609 with \$71,200. And for IPL by transferring \$1.5M, from existing capital project 202314 and \$1M from existing capital project 202316 to a new capital project 202621. The cost of services will be allocated 83% to IPL and 17% to the Municipal Services Department (Water Fund). Approval of these services will also authorize the Finance Director to approve change orders of up to ten percent (10%) and, if necessary, appropriate the reserve funds from the respective departments into the relevant capital projects.

Council Action:

Department / Contact	Power and Light /
---------------------------------	-------------------

REVIEWERS

Khristina Irvine
Joseph Hegendeffner
Melissa Cabrera
Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. Advanced Metering Ordinance
2. TMG Automated Meter Infrastructure RFP Response
3. TMG Signed Version of AMI Consulting Contract
4. Management Analyst Frazier IPL & Municipal Services Dept. AMI Memo
5. Ord. No. 19782

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE ADOPTING AMENDMENTS TO THE FISCAL YEAR 2025-2026 CAPITAL IMPROVEMENT BUDGET, WHICH WAS APPROVED BY ORDINANCE NO. 19682; AND AUTHORIZING THE CITY MANAGER TO AWARD A CONTRACT WITH TMG UTILITY ADVISORY SERVICES, INC., D/B/A TMG CONSULTING, INC. ("TMG") FOR AN ADVANCED METERING INFRASTRUCTURE (AMI) PROGRAM AND PERFORMANCE MANAGEMENT SERVICES FOR A PERIOD OF FOUR (4) YEARS, AND AUTHORIZING CHANGE ORDERS OF UP TO TEN PERCENT (10%) OF THE AUTHORIZED AMOUNT.

WHEREAS, the adopted Operating and Capital budgets for the 2025-26 fiscal year were approved by the City Council by Ordinance No. 19682; and,

WHEREAS, since that time some circumstances have arisen that necessitate changes to the appropriations established in the adopted budget; and,

WHEREAS, the City wishes to award a contract to TMG for an advanced metering infrastructure (AMI) program and performance management services for a period of four (4) years;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. Transfer of funds in the from project number 401608-C Lime Silo in the Water Capital Fund (041) to project number 402609-C – Advanced Metering Infrastructure as shown below:

Project Name	Fund	Increase	Decrease
Lime Silo -#401608-C	Water Capital Fund (041)		(\$100,000)
Advanced Metering Infrastructure #402609-C	Water Capital Fund (041)	\$100,000	
Total Water Capital Fund (041)		\$100,000	(\$100,000)

SECTION 2. Transfer of funds from project numbers 203214-C – Construction of a new Substation S – Phase I 69/13kV Station and 202316-C – Construct 6 new Distribution Feeders – New Sub S to project number 202621-C – Advanced Metering Infrastructure as shown below:

Project Name	Fund	Increase	Decrease
Construction of a new Substation S – Phase I 69/13kV Station - #203214-C	Power & Light Capital Fund (021)		(1,000,000)
Construct 6 New Distribution Feeders – New Sub S - #202316-C	Power & Light Capital Fund (021)		(1,500,000)
Advanced Metering Infrastructure - #202621-C	Power & Light Capital Fund (021)	2,500,000	
Total Power & Light Capital Fund		\$2,500,000	(\$2,500,000)

SECTION 3. Authorizes the City Manager to execute the contract in the amount of \$2,114,480 with TMG.

PASSED THIS _____ DAY OF _____, 2026, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.

ATTEST:

City Clerk

APPROVED - FORM AND LEGALITY:

City Counselor

REVIEWED BY:

Interim City Manager

Presiding Officer of the City Council
of the City of Independence, Missouri

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, sufficient to meet the obligation hereby incurred.

Source is: As Indicated Above

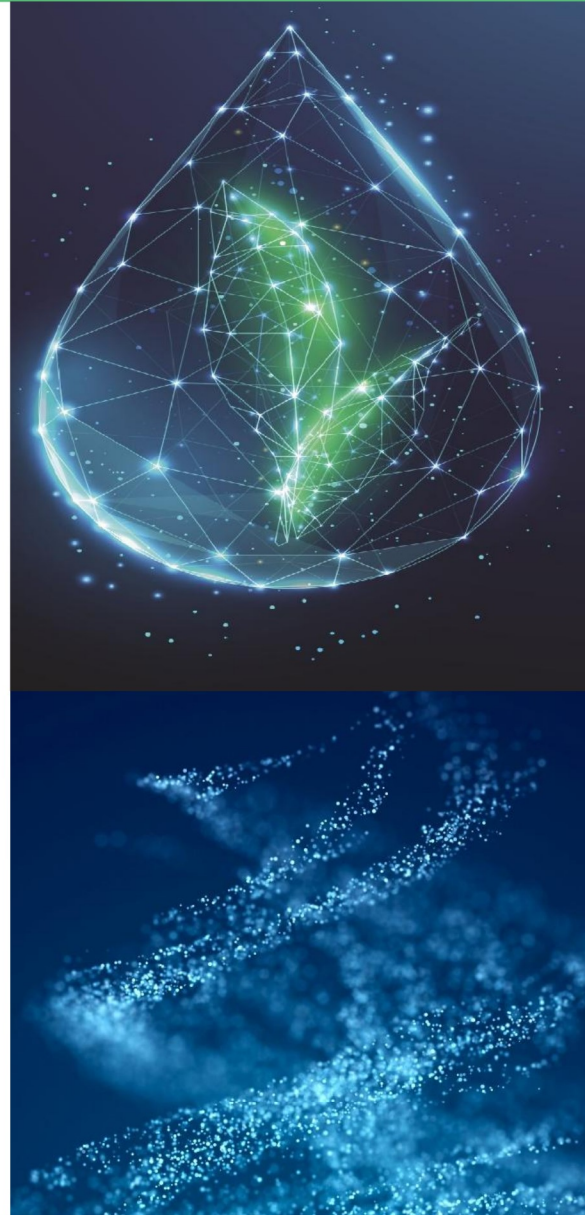
Director of Finance



TMG Advisory Services Technical Proposal

**ADVANCED METERING INFRASTRUCTURE
(AMI) PROGRAM AND PERFORMANCE
MANAGEMENT SERVICES**

City of Independence



+1 512-993-6331



TMGConsulting.com



info@tmgconsulting.com



Cover Letter

Dear City of Independence Evaluation Team:

TMG Utility Advisory Services, Inc., an RIA Company ("TMG Consulting" and/or "TMG"), is pleased to provide the City of Independence ("Independence" and/or "the City") with our proposal for AMI Program and Performance Management services for the City's Advanced Metering Infrastructure (AMI) project. TMG is excited to submit our response, reflecting our credentials and capabilities to deliver the best-in-class AMI Advisory services to assist the City in this transformative project.

TMG brings nearly 33 years of industry-specific focus on both **Utilities and AMI / Smart Metering Transformation** and a client-centric team steeped in hands-on, real-world experience. We put the client's interests first, we go above and beyond the words written in the contract, and we adhere to the highest ethical standards in our work while preserving client confidence and transparency in our communications and all our activities on your behalf. We also diligently maintain an independent, objective perspective in all our work so that you, as the client, receive the best, independent, and unbiased recommendations and solutions that **align with your AMI Program Business Objectives**.

Today, TMG is actively involved in AMI projects at numerous utilities, providing professional meter-to-cash, AMI, MDM, and edge systems consulting services to electric, gas, and water utilities of all sizes. This includes developing and preparing AMI roadmaps, conducting existing AMI system performance assessments, creating and delivering procurement strategies and plans, and providing project management oversight and implementation services throughout the entire deployment phase of these programs. Leveraging our expertise, proven methods, and hands-on industry knowledge from prior engagements in this space has enabled our clients to jumpstart and implement solutions for the first time, propelling them beyond initial deployments to harness more "beyond the meter" capabilities.

In the following pages, we describe our overall approach to the City's preliminary scope, and the TMG Team's unique credentials and differentiators that support our fully responsive proposal to partner with you on this engagement. Our approach is comprehensive, supported by robust prior experience, empirical data, detailed analysis based on similar real-world programs, and an optimized, right-sized set of important elements from TMG's disciplined delivery methodology, **TMG VAST™** (Value Added Services & Tools) for AMI. These elements and disciplines have been successfully leveraged by other municipal utility clients that have faced similar challenges with technology elements that must be judiciously procured, risk-managed, and continuously extended and enhanced to support an ever-changing business landscape, all with a constant lens focused on customer experience and customer benefits.

TMG prides itself on predictable, fixed-price engagement constructs, a "whatever it takes" approach to the client relationship, superior visibility, and transparency through our constant "high-touch" communications approach and industry-leading customer service. In addition, we remain flexible to optimize our proposal and approach to suit the City of Independence's needs.

I am personally committed to building a partnership with the City of Independence, working closely alongside you on the implementation of your AMI strategy. TMG also complies with Equal Employment Opportunity laws. As the CEO and Managing Partner of TMG, I am authorized to serve as your primary point of contact for all communications and negotiations related to this proposal. Our firm is comfortable with your stated scope, and we are confident we can deliver an excellent, risk-managed outcome for Independence. Thank you again for your consideration.

Sincerely,

Supriya Mukhapadhyay

CEO, TMG Utility Advisory Services, Inc., an RIA Company | [D&B Number: 95 9569781]
Mobile: +1.773.294.1931 | supriya.mukhapadhyay@riaadvisory.com | www.tmgconsulting.com
2000 Ponce De Leon Boulevard, Suite #600, Coral Gables, FL 33134 | Tel: 512-993-6331



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Executive Summary

TMG Company Background

TMG Utility Advisory Services, Inc. ("TMG") was founded in Austin, TX, in 1992 in response to an industry-wide need for independent advisory services for critical business processes and information technology-based decisions. TMG has been providing independent, objective Advisory & Consulting services for 33 years now, and has become the "Gold Standard" against which all others are measured. The majority of TMG's heritage (all 33 years) has been independent utility industry management consulting and advisory services. Supplementing this for almost a decade now (starting ~ 2017), the company has expanded with client-side project delivery services and full-blown professional services to support our customer projects. These enhanced TMG services include disciplines such as Project Management, PMO, QA, OCM, Risk & Controls, Testing Services, Data Strategy, Conversion Services, and more.

Today, TMG is the leading advisory and professional services firm working with Utilities to plan, develop, implement, and manage their ecosystem of customer-focused digital technology solutions and service providers. TMG has been the number one **Customer Systems-focused Utility Advisory and Consulting Firm in the industry for 33 years**. Providing value-added AMI/MDM/CIS focused advisory services to the Utility Industry is at the very heart of our company, and everything we do. To date, **TMG has worked with over 370 utilities across ~700+ projects, matching their business needs with digital solutions, systems integrators, and implementation services** to maximize the value of their customers and optimize and de-risk their IT investments. TMG's clients include utilities of all sizes that provide gas, electric, water, and municipal services in regulated, competitive, and public power markets.

In **May 2023**, RIA Advisory, a leading revenue management solutions provider, and TMG Consulting ("TMG"), a top advisory and professional services firm to the utilities market, announced a merger to create an industry-leading provider of revenue management solutions for clients across the financial services, healthcare payers, municipalities, utilities, and public sector verticals. Together, the two firms (TMG and RIA) will continue to expand as global leaders in revenue management solutions by combining scalable Revenue Management platforms and Intelligent Systems, proprietary AI-enhanced IP, institutional knowledge of the revenue management space, and deep domain expertise across multiple industries.

TMG Fast Facts

- Legal Name: TMG Utility Advisory Services Inc. dba TMG Consulting, Inc. ("TMG")
- Website URL: www.tmgconsulting.com
- TMG Utility Advisory Services, Inc. Federal Tax ID: 74-2699550
- NAICS Code: 541519
- D&B Number: 95 9569781
- Unionization: TMG is NOT unionized
- RIA Advisory: In May 2023, RIA Advisory, a leading revenue management solutions provider, and TMG Consulting ("TMG"), a top advisory and professional services firm to the utilities market, announced a merger to create an industry-leading provider of revenue management solutions for clients across the financial services, healthcare payers, utilities, and public sector verticals. Together, the two firms (TMG and RIA) will expand as global leaders in revenue management solutions by combining scalable Revenue Management platforms and Intelligent Systems, proprietary AI-enhanced IP, institutional knowledge of the revenue management space, and deep domain expertise across multiple industries. TMG is and will remain solely focused on the Utility industry.

TMG is a financially stable, growing Corporation that, as of December 2022, has formally completed SOC 2 Type II compliance per American Institute of Certified Public Accountants (AICPA) standards for SOC for Service Organizations, also known as SSAE 18. Achieving this standard with an unqualified opinion serves as third-party industry validation that TMG provides enterprise-level security for customer data, with improved controls and processes to ensure greater protection.

No clients have ever litigated against TMG, and we have never abandoned any utility project or engagement in our 33-year history.

TMG Organization and Staffing

With a strategic fusion between RIA and TMG, our newly merged corporate structure embodies our commitment to excellence and innovation. Our combined organizational chart below reflects our dedication to maximizing synergies and leveraging our strengths to create unparalleled opportunities for growth and success.

TMG, prior to the May 2023 merger with RIA, had approximately 180 employees, primarily located across the United States and Canada, with an additional 50 employees based internationally (in the Philippines and India). Following the 2023 merger with RIA, the combined companies have grown to over 1,200 employees globally (2025) and are expanding their market reach across Utilities, Healthcare, and Financial Services. They also have a growing portfolio of Intellectual Property, Tools, Advisory, and Professional Services Offerings.

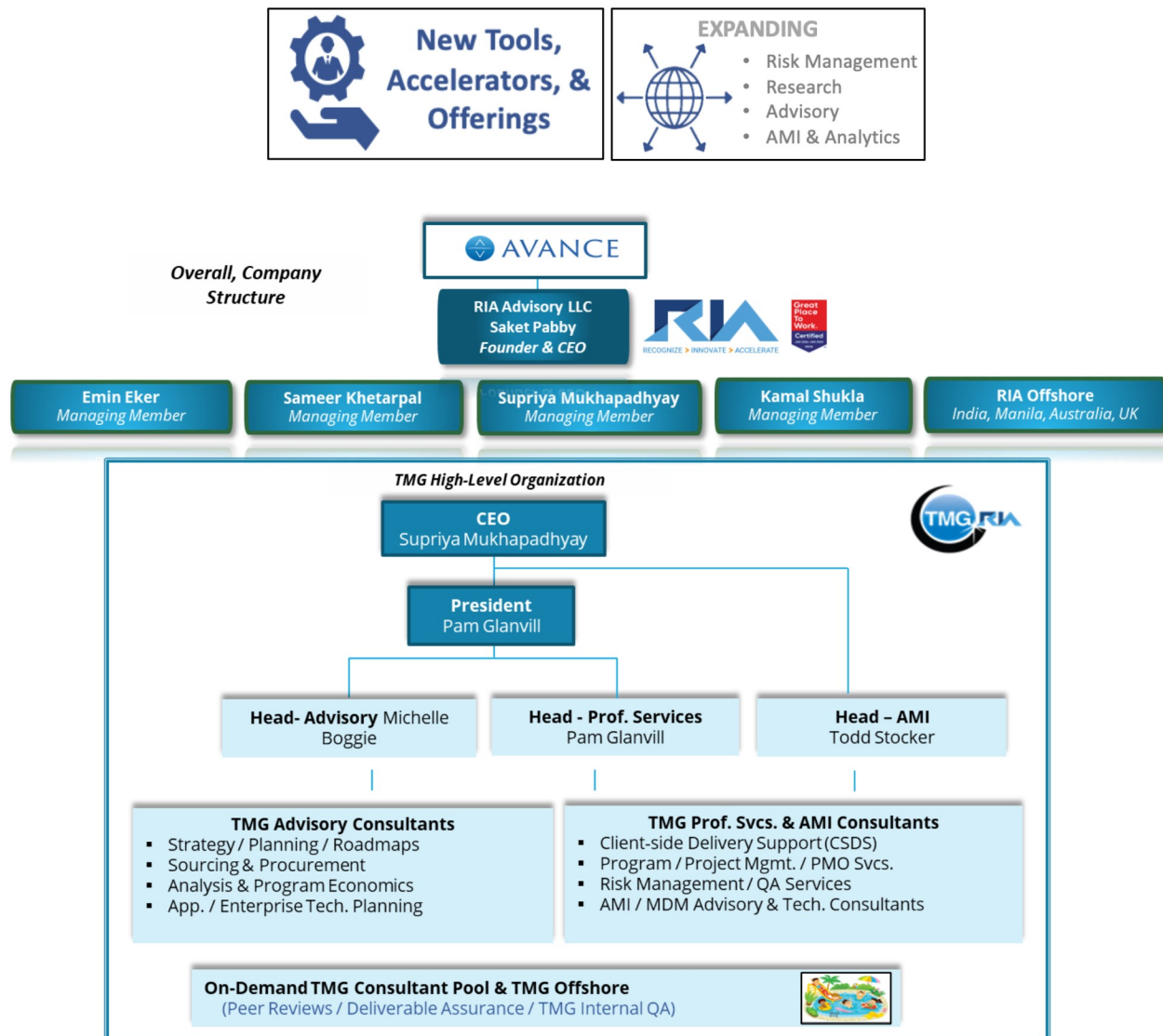


Figure 1: RIA-TMG Company Structure

TMG's Advanced Metering Services

TMG's **Advanced Metering Services (AMS)** provides Utilities with end-to-end solutions for planning, road-mapping, optimizing, and implementing AMI investments in a way that minimizes risks, accelerates implementation, and helps monetize downstream benefits. TMG's AMI professionals and robust methodology provide the industry with a proven, structured approach that has helped hundreds of utilities avoid costly mistakes and strengthen the efficacy of their technology investments. This is true regardless of where the utility is in its AMR/AMI/Advanced Metering Lifecycle journey. When contemplating a system enhancement/extension or replacement, TMG can help you understand engineering standards, communications protocols, contemporary integration approaches, and the evolution/progression of industry standards in an effective, efficient way that will improve resiliency, avoid risk, and/or imprudent investments.

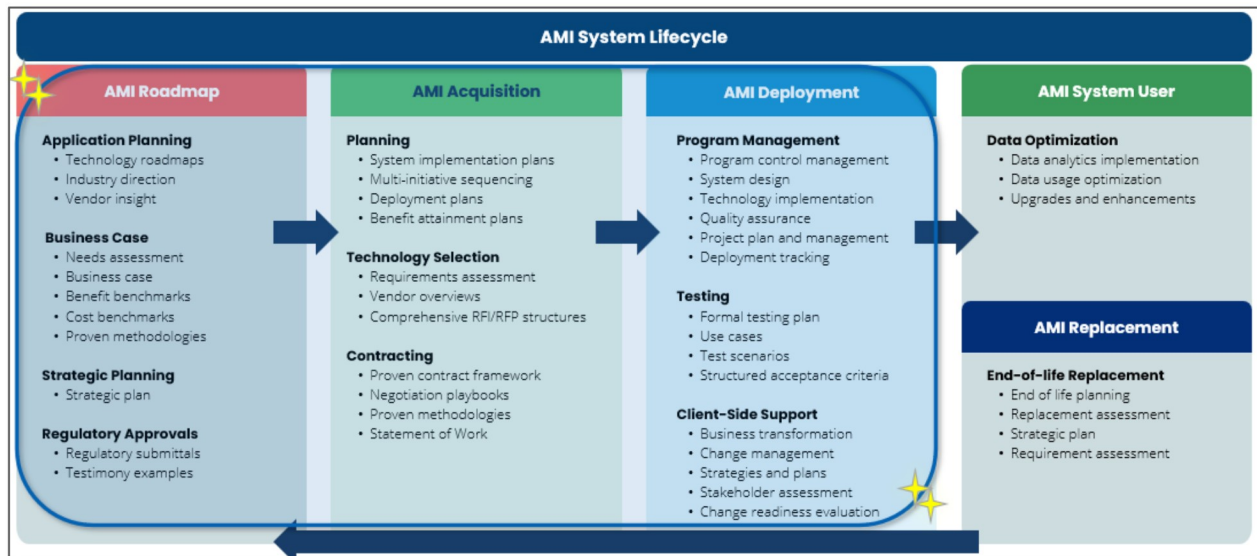


Figure 2: AMI Program Path

TMG's AMI practice focuses on enabling utility clients to harvest benefits in four main areas: operational, financial, customer, and security.

- Operational Benefits** – AMI benefits operations by improving the accuracy of meter reads (eliminating human error and reducing the turnaround time associated with meter data collection, transcription, and bill creation), enhancing leak detection, and facilitating a faster response to outages, while eliminating the need for onsite meter reading. It also provides unprecedented visibility and measurement opportunities for water usage across the City's system. Further, reduced customer calls and field investigations are material operational outcomes associated with AMI. Additionally, detecting leaks in the distribution system facilitates the reduction of non-revenue water and improves distribution efficiency, bringing both operational and financial benefits to the utility.
- Financial Benefits** – AMI brings financial benefits to utility companies by reducing equipment and maintenance costs, enabling faster service restoration during outages and main breaks, and streamlining the billing process. Other economic benefits include monthly and off-cycle billing based on actual meter readings without the expense of deploying field staff. AMI information also helps enhance the utility's ability to plan, engineer, and update its water system and infrastructure as needed or planned.

- **Customer Benefits** – AMI benefits customers by detecting meter failures early, promoting faster service restoration, enabling alerting, and improving meter reading and billing accuracy and flexibility. Further, AMI allows for time-based rate options that can help customers save money and manage their consumption. AMI also enables automatic bill pay and budget billing opportunities for customers.
- **Security Benefits**—When implemented with appropriate security and resiliency protocols, AMI technology enables enhanced monitoring of system resources and performance and mitigates potential cyber threats. It also allows monitoring and visibility into the entire water network, providing instant alerts for security breaches.

TMG's Awards & Recognition

In addition to Advanced Metering Services, we are experts in Customer Systems for the Utility Industry. Since 2011, our utility clients have won 16 out of the last 24 CIS Expanding Excellence Awards for Best Utility CIS Project, demonstrating 3rd party acknowledgement of our achievements from CS Week (now known as IUCX).



TMG - CS Week Awards of Excellence



*TMG is an expert in Customer Systems for the Utility Industry. Since 2011, TMG's clients have won **16 out of the last 24 "Level 1 / Level 2" CIS Expanding Excellence Awards for Best CIS Project** ! [2/3rds of Awards have gone to TMG Projects.]*























expanding
excellence awards

TMG Advanced Metering Services Experience

TMG has been singularly focused only on utilities with 370+ utility clients, approximately 700 successful projects, and 100% reference-ability, dating back to the company's founding in 1992. Through these projects, TMG understands what utilities require to thoroughly select, implement, utilize, and optimize their solutions, delivering them with certainty in budget, timeline, scope, outcome, and risk. TMG is the recognized leader in strategic planning, risk management, understanding market drivers, and recommending the adoption of industry best practices and solutions – all of which readily withstand regulatory, leadership/executive, and third-party scrutiny.

TMG also has extensive experience and familiarity with all the solutions that could come into play in this engagement. The adjacent graphic shows this experience by vendor, whether we evaluated that vendor's product on behalf of a client and/or provided a significant role to our utility client in its AMI implementation.

System Evaluation, Integration & Implementation Experience		
AMI	MDM	CIS
Aclara	Aclara	Banner
Badger	Harris	Harris
Elster/Honeywell	Itron	Oracle
Itron	Landis+Gyr	SAP
Landis+Gyr	Oracle	Siemens
Neptune	Siemens	
Sensus		
Tantalus		
Trilliant		

Figure 3: Vendor Experience

TMG is currently delivering or has recently completed Planning Services, Procurement, and Client-side Project Management (PM) work at several utilities with very similar scope in each of the tasks requested by the City. Great examples of this are at South Jersey Industries in Folsom, New Jersey, Lubbock Utilities in Lubbock, Texas, and Riviera Utilities in Foley, Alabama. TMG provided AMI lifecycle services at each of these utilities, starting with strategic planning and vendor acquisition and running through full deployment of the AMI systems.

South Jersey Industries (Folsom, NJ) – Serving 56,000 electric, 16,000 natural gas, and 7,000 water meters

SJI's South Jersey Gas (SJG) business had an immediate need to upgrade its approach to meter reading its 420,000 gas meters, due to a change to an existing shared meter reading partnership with another utility that was planned for discontinuance. South Jersey Gas was mid-stream through solicitations and proposal evaluation for an AMI solution and engaged TMG to provide consulting services and program oversight. This engagement started with TMG supporting pricing analysis and contract negotiation with SJG's chosen AMI solution vendor(s) and is continuing presently with TMG providing Oversight and Risk Management to the implementation/deployment phase of the infrastructure installation.

Lubbock Utilities (Lubbock Power & Light and City of Lubbock Water, Lubbock, TX) – Serving 107,000 electric and 90,000 water meters

Lubbock Utilities engaged with TMG to support a full lifecycle AMI project to include the following components: AMI, MDM, CIS, MWM & CSS. More specifically, TMG facilitated the evaluation and selection of a replacement solution for their legacy CIS and Mobile Workforce Management systems. In addition, TMG was engaged to guide City of Lubbock Utilities through the selection of an AMI solution. A Steering Committee was identified before the program began to supply guidance and strategic oversight. For the first phase, TMG gathered the information regarding the needs and strategic direction for the utility. TMG completed an analysis of the current systems and found there to be a significant number of individualized business processes and personal databases of information. This fed directly into identifying the alternative solutions as well as the sequence and timing for implementation. The scope of this phase included option analysis for systems, the timing, and business process needs. The second phase included all activities to generate the RFP. Consultants from TMG, along with a selection committee and subject matter experts from COLU and City of Lubbock, both business and technical personnel, participated in the effort. The scope included a full request for proposal, evaluation, and vendor selection for each system. All the operational areas were reviewed as part of the business case analysis including Customer Service, Meter Reading, Field Services and Maintenance and Back Office Billing. This phase was initiated and the request for proposal was sent to

vendors for response. After careful review, a final recommendation was presented to the executive management.

TMG was subsequently engaged to assist Lubbock with the implementation project. Specifically, TMG provided Project Management, Test Management and Quality Assurance (QA) for the ITRON implementation which began first with a goal of 500 electric and 500 water meters in the initial go live. Once AMI go-live was achieved, TMG provided Project Management for the mass deployment which began in April 2019. Simultaneously, TMG provided Project Management, Test Management, Organizational Change Management (OCM), Data Conversion and QA for the CCS / OFSC project.

Riviera Utilities (Foley, AL) – Serving 56,000 electric, 16,000 natural gas, and 7,000 water meters

Riviera Utilities had a strategic initiative to replace/update its IT infrastructure and business applications. The scope of this effort began with the development of a Technology and Application Plan (IT Strategic Plan). The result was the decision to move forward with a multi-year program to install a new ERP, CIS, and work management system. As well as replacing their AMR system with a modern AMI solution. Riviera Utilities engaged with TMG to support a full lifecycle AMI project to include AMI, MDM, and CIS. TMG performed an AMI Study and Business Case for all three utility commodities. TMG managed the acquisition of an AMI solution provided by a single vendor and implemented by a prime vendor. Riviera chose Core and Main, Sensus, and Harris' SmartWorks MDM as their AMI Solution's primary components. According to the negotiated contracts, project costs are within the original budget established by TMG's AMI Study and Business Case. During the current implementation, TMG is providing project management, quality assurance, and testing management roles, in addition to and complementary with the existing roles it provides to Riviera's CIS project.

The table below lists recent successful AMI projects that TMG has conducted and/or participated in. Many of these were preceded by procurements in which TMG participated with the utility. **Of the 35 projects, 80% focused on public, municipal, county, and government deployments.**

#	Utility Type	Metered Services	TMG Customer	State	Services	Project Description
1	Public	78,528	Burbank Water & Pwr	CA	E,W,WW,SW	Contract Negotiation
2	Public	78,528	Burbank Water & Pwr	CA	E,W,WW,SW	Procurement
3	Public	78,528	Burbank Water & Pwr	CA	E,W,WW,SW	Implementation Services
4	Public	78,528	Burbank Water & Pwr	CA	E,W,WW,SW	Implementation Services
5	Public	78,528	Burbank Water & Pwr	CA	E,W,WW,SW	Quality Assurance
6	Public	241,300	City of Long Beach	CA	G,W,WW,SW	Industry Perspective
7	Public	241,300	City of Long Beach	CA	G,W,WW,SW	Procurement
8	Municipality	15,000	City of San Luis Obispo	CA	W,WW	Competitive Assessment
9	Municipality	1,722,810	City of Seattle	WA	D,E,SW,W,WW	Quality Assurance
10	Municipality	1,722,810	City of Seattle	WA	D,E,SW,W,WW	Quality Assurance
11	Municipality	1,722,810	City of Seattle	CA	D,E,SW,W,WW	Quality Assurance
12	Municipality	450,000	Denton County Electric Cooperative	TX	E, G	Procurement
13	IOU	2,600,000	Dominion Energy	Multiple	E	Managed Services
14	Municipality	60,000	Indian River County Utilities	FL	W,WW	Strategic App Roadmap
15	Municipality	318,000	Kansas City Board of Public Utilities	KS	E, W	Replacement Analysis
16	Municipality	190,000	Lubbock Power & Light	TX	D,E,SW,W,WW	Contract Negotiation
17	Municipality	190,000	Lubbock Power & Light	TX	D,E,SW,W,WW	Other
18	Municipality	190,000	Lubbock Power & Light	TX	D,E,SW,W,WW	Implementation Services
19	Municipality	190,000	Lubbock Power & Light	TX	D,E,SW,W,WW	Procurement
20	IOU	81,887	Maritime Electric	CAN	E	Program Governance,
21	Agency	~	Northern California Power Agency	CA		Implementation Services
22	County	120,000	Orange County Utilities, FL	FL	SW,W,WW	Strategic App Roadmap
23	County	120,000	Orange County Utilities, FL	FL	SW,W,WW	Implementation Services
24	Municipality	105,000	City of Pasadena	CA	E, W	Needs Assessment, Business
25	Municipality	475,000	Philadelphia Gas Works	PA	G	Strategic Plan
26	Municipality	78,000	Riviera Utilities	AL	E, G, W, WW, SW	Strategic Roadmap
27	Municipality	78,000	Riviera Utilities	AL	E, G, W, WW, SW	Procurement
28	Municipality	78,000	Riviera Utilities	AL	E, G, W, WW, SW	Implementation Services
29	IOU	420,000	SJI	NJ	G	Gap Analysis
30	IOU	420,000	SJI	NJ	G	Contract Negotiation
31	IOU	420,000	SJI	NJ	G	Program Management
32	IOU	765,000	Tampa Electric Co. - People's Gas	FL	E	Procurement
33	Authority	150,000	Toho Water Authority	FL	W,WW	Implementation Services
34	Authority	150,000	Toho Water Authority	FL	W,WW	Procurement
35	Authority	150,000	Toho Water Authority	FL	W,WW	Strategic Roadmap

Figure 4: TMG AMI Projects



TMG Core Competencies

TMG's core competencies include providing our clients with Strategic Consulting, Research and Analysis, Solution Procurement, Client-Side Delivery Support, and Client-Side Operations Management. We have complete, proven methodologies for each of these competencies. **We have assisted over 65 utilities with assessments and planning; led well over 100+ solution procurements; and provided client-side delivery services and quality assurance services during scores of implementations.**

TMG has also built a market-leading collection of differentiators based on independence, actual projects, and hands-on experience, which will deliver direct benefits to the City of Independence for this project, including:

- TMG has led ~700+ meter-to-cash and related projects for 370+ clients, focusing on AMI, AMR, MDM, Self-service, ERP, CIS, EBPP, and MWM applications.
- TMG is leading the industry in working with utilities to leverage investments in technology through data and our Strategic Solution Roadmap framework, which employs TMG's Data Solution Model and the development of Data Use Cases to identify how data is utilized across various communication channels, allowing the utility to consolidate servers, eliminate islands of information, and place analytics and insights into the hands of end users, and customers.
- TMG has worked with utilities serving customer bases ranging between 4,000 and 8 million. These utilities provide all types and combinations of services, including electric, natural gas, water, wastewater, solid waste, recycling, drainage, transportation, solar, cable, telecom, and various non—commodity or non-utility-based services.
- TMG is truly vendor-agnostic and independent, and we have no affiliation with any solution vendor or product in the market, so that we will deliver unbiased, fact-based advisory solutions to the City.
- TMG has worked with almost every solution vendor (SV) in the market and all system solution (SI) integrators (SI) since our founding in 1992. TMG knows the order forms and bills of materials, the contracts, the vendor strengths and weaknesses, their approach to projects, their negotiation strategies, and their project methodologies. TMG brings unbiased, hands-on insight and expert guidance.
- In 1994, TMG constructed the industry's first formal utility solution requirements list, which today is the Customer Capability Model with 5,000+ Comprehensive Capabilities/ Requirements, including 3,000+ for AMI, Meter Data Management, and related requirements. TMG continually updates this during/after every engagement.
- TMG has achieved SOC 2 Type II compliance in accordance with American Institute of Certified Public Accountants (AICPA) standards for SOC for Service Organizations, also known as SSAE 18. Achieving this standard with an unqualified opinion serves as third-party industry validation that TMG provides enterprise-level security for its customer's data, with improved controls and processes to ensure greater protection.

Proposed Scope of Services

TMG understands that the City of Independence is seeking a highly qualified, extensively experienced consultant with a verifiable track record to assist in planning, procuring, implementing, supporting, training, and managing the AMI project. TMG meets and exceeds the City's requirements and has optimized our engagement approach to address the City's needs specifically. TMG's streamlined approach and plan will be fully compliant and compatible with the City's strategic goals, compliance standards, and stakeholder expectations.

The four (4) major workstreams in scope for this project are planned as:

- AMI Strategic Planning
- AMI Sourcing & Procurement
- AMI Strategic Program Management
- Organizational Change Management

In our detailed project approach below, TMG will illustrate how the City's scope aligns within our **TMG VAST™** methodology.

Approach Overview

TMG is actively involved in AMI projects at several utilities today, providing professional meter-to-cash, AMI, and edge systems consulting services to electric, gas, and water utilities of all sizes. This includes preparing feasibility studies, business cases, technology, and business needs assessments and roadmaps, developing procurement strategies and plans, and providing project management oversight and implementation services throughout the entire deployment phase.

TMG helps utilities develop and modernize all aspects of their delivery platforms and 2-way, intelligent metering solutions to better meet their customers' changing needs and the operational and governing needs of the broader ecosystem of stakeholders involved in these programs. Next-generation AMI is a key foundational element of the future state of energy and resources the City is entrusted to deliver to its customers. Together, leveraging our extensive experience and Independence's experienced team, we can develop an AMI solution using the most effective technologies, products, standards, protocols, and digital transformation methodologies. Leveraging our expertise, proven methodologies, and vast industry knowledge from prior engagements in this space has enabled our clients to "leapfrog" their early deployments by leveraging more "beyond the meter" capabilities.

For this engagement, TMG will extensively leverage **TMG VAST™**, our comprehensive suite of services and associated methodologies, models, accelerators, artifacts, and templates. This Advisory and Consulting Framework underpins TMG's approach to getting requirements "right" for all aspects of the AMI Solution, and to be able to run an **air-tight Road-mapping, Procurement, and Program Management Process that will stand up to 3rd party scrutiny**. This framework has been foundational to TMG's engagements for decades now, and will yield equitable, fact-based solution selection and highly granular scope and budget outputs for the City, with complete transparency and visibility into and throughout the initiative.

More specifically, this TMG-proposed engagement is comprised of four main workstreams:

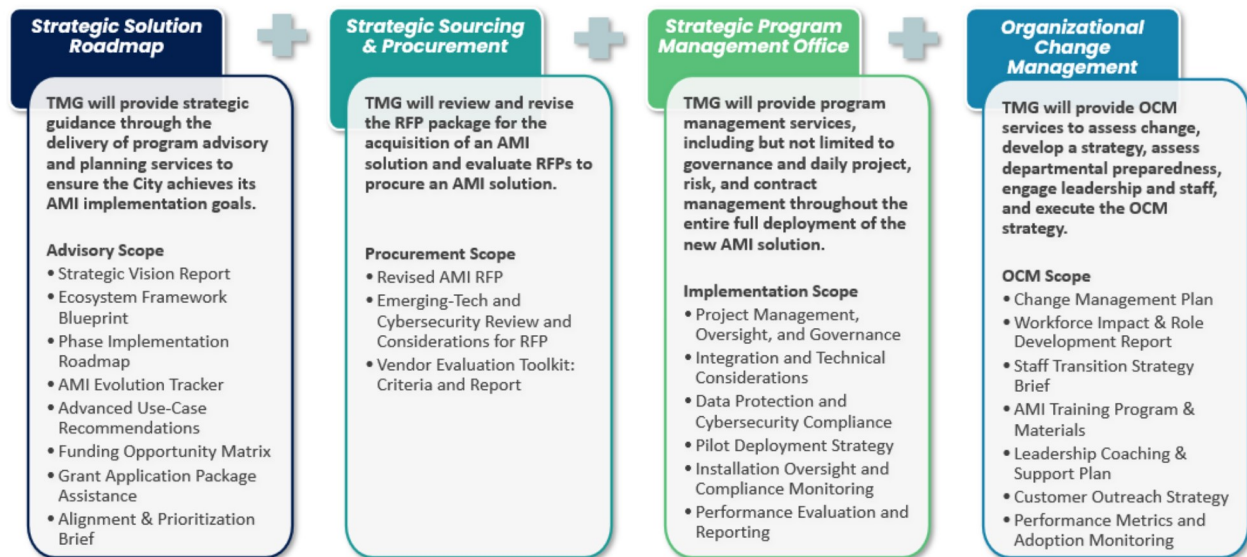


Figure 5: TMG Proposed Project Workstreams

These frameworks are addressed in detail in the sections below.

Our **TMG VAST™** methodology is an ever-evolving and improving process anchored in focus, discipline, and attention to detail. In recent years, our process has adapted to address both opportunity and risk as markets and technologies have changed and matured.

TMG knows that implementing an AMI solution is expensive, time-consuming, complex, and transformational. From a holistic viewpoint, undertaking an AMI project is more like running five concurrent programs across the organization:

- It's a customer service program (designing and redesigning processes)
- It's a software integration and configuration program (systems integration)
- It's a construction program (meter and network deployment)
- It's a strategic program (digital roadmap, business case, and funding)
- It's an operational program (designing and redesigning processes)

Our mission is to ensure your overall project is a success and that it meets your timeline, budget, customer value, and benefit objectives and materially contributes to the City's need to ensure precise readings, support multiple use cases, and generate actionable insights for optimizing operations and customer service.

TMG VAST™ Strategic Solution Roadmap Methodology

TMG follows deliberate, prescribed steps with quality checkpoints and client involvement at every stage to ensure quality pervades our work and that tangible value is rendered to the client from the process. Our Strategic Solution Roadmap Methodology (SSR) combines project planning and design components into a proven and comprehensive methodology.

The five (5) primary phases/steps of the methodology are presented in the diagram below:

The following diagram describes the activities within each TMG work phase and how each aligns with all required tasks for the Strategic Vision, Ecosystem Development, and Funding Opportunities scope.

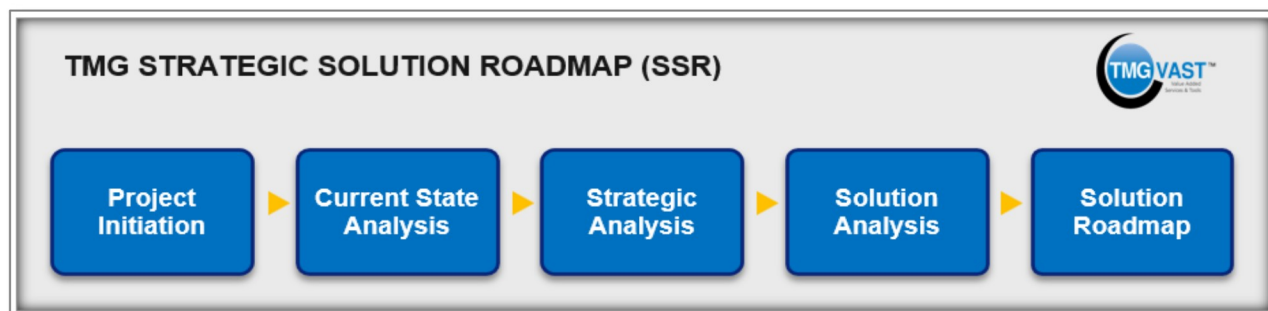


Figure 6: Figure 6: TMG VASTTM SSR Methodology

Phases	Project Initiation	Current State Analysis	Strategic Analysis	Solution Analysis	Solution Roadmap
Activities	1. Develop Project Plan 2. Develop Resource Plan 3. Develop Project Organizational Chart 4. Develop Communication Plan 5. Develop Workshop Schedule 6. Conduct Project Kick-Off Meeting 7. Provide Information Requests 8. Plan and Conduct Key Interviews 9. Plan and Conduct Survey(s) Compile Project Initiation Documents & Data	1. Conduct Current Business Process Needs & Enhancements Workshops ▪ Customer Service ▪ Meter Maintenance ▪ IT ▪ Communications ▪ Asset Management 2. Determine Technical AMI System Criteria ▪ Managed Services ▪ Operating Budgets ▪ Projected Data Needs ▪ System Growth ▪ Resource Assessment 3. Conduct Labor Analysis 4. Conduct Stakeholder Analysis 5. Analyze Interview and Survey Results Compile Current State Data	1. Discuss Future Planned Projects 2. Conduct Gap Analysis 3. Develop Target State Application Architecture (Core, Edge, Channels) 4. Confirm Target State Considerations (Business, Technology, Org/Staff, Operation, Implementation) 6. Review Network System, OnPrem/Cloud Platforms & Deployment Models 7. Establish a Strategic Vision for AMI 8. Define AMI Ecosystem Initiative 9. Identify Industry Funding Opportunities Compile Strategic Analysis Data	1. Provide Marketplace Intelligence 2. Develop Solution Options ▪ Review Option Model & Identify Approved List of Options ▪ Identify Solution Components with Options to Evaluate 2. Formulate Evaluation Model with Weights 3. Develop Solution Profiles, Apply TMG Industry Metrics, and Score Solution Options 4. Review & Confirm Optimum Solution 5. Assist in Grant Writing and Funding Applications Compile Solution Analysis Data	1. Develop Public Outreach Plan ▪ Omni-Channel Approach ▪ Internal & External Strategies ▪ Educational 2. Develop AMI Implementation Roadmap Plan and Long-Term AMI "O&M" Support Plan ▪ Deployment Strategy ▪ Planning / Budgeting ▪ SOPs / Staffing ▪ IT / System Integrations & Performance ▪ Meter and Other Equipment Repair & Maintenance 3. Develop Preliminary AMI Implementation Schedule ▪ Schedule & Cost Contingencies

Figure 7: SSR Work Phases

Step 1: Project Initiation

TMG will work with the City to formally document the project so there is a clear understanding of the scope and the City's expectations. TMG will start the engagement by preparing a detailed "information request." This comprehensive information solicitation questionnaire is designed to gather essential data across multiple dimensions, including utility operations, strategic goals, current applications, and financial structures. By collecting this detailed information early on, TMG ensures that it has a solid understanding of the City's existing infrastructure and future ambitions. The insights gained from the questionnaire will serve as a critical foundation for planning and facilitating both current-state and strategic analysis workshops. TMG will tailor these workshops to address key challenges, opportunities, and long-term objectives specific to the City's AMI needs. Next, TMG will organize the project, develop the project plan, establish a workshop schedule to gather and validate information and conduct interviews, refine project requirements and metrics, and set project expectations. During the project kick-off meeting with the stakeholders, TMG will also present our proposed methodology and agree upon the preferred management and communication approach. In addition, TMG and the City's team will decide on assignments and define relationships between team members to maximize expertise across teams and build on any existing work by the City.

Step 2: Current State Analysis

Understanding the current labor force, IT systems, applications, infrastructure, and their interrelationships is critical for developing a sustainable AMI Roadmap. Therefore, following the kick-off meeting, a series of workshops will be held with stakeholders and support staff to identify and evaluate the current business and

technical environments (hardware, software, and staffing). This evaluation focuses on identifying deficiencies and opportunities that translate into capabilities, confirming project scope, and determining what will be needed to support and implement a complete end-to-end AMI solution. TMG will catalog and record the current systems in place and discuss the future potential for other technology(s) with the team.

TMG will also request that data be provided to understand the distribution, age, usage, manufacturer, and model(s) of the meters currently deployed. This information is critical to our assessment of compatible technologies and the most efficient and cost-effective strategy for the potential deployment of AMI. Interviews will also be conducted with operational staff to understand the current metering infrastructure and standard operating procedures around meter maintenance, meter replacement programs, and meter testing. These interviews will also cover other relevant subjects, such as pit and lid construction and environmental challenges, such as areas prone to pest infestation, flooding, etc.

Implementing AMI across the City's entire service territory presents a significant opportunity to enhance operational efficiency, improve customer service, and smarter energy and water consumption. However, customer acceptance and engagement are critical to the success of this City initiative. TMG will proactively address potential customer concerns about adverse health effects from radio frequency technology and issues related to privacy and security during our discussions. To mitigate this potential project risk, TMG will meet with the City to review potential concerns and offer suggestions. We will share experiences and industry best practices to help the City develop a strategic communications plan outlining these concerns and the implementation process.

Step 3: Strategic Analysis

The infrastructure and methodology developed during your AMI project will form the foundation of the long-term operating model for the City's evolving AMI / Metering implementation and ongoing metering and customer operations. With TMG's deep knowledge of meter-to-cash business and technology processes, leading AMI solutions, and the diverse solution implementor/integrator landscape, we are excited to have the opportunity to work with the City on this cornerstone transformation project. Given the scope and the breadth of the initiative, TMG suggests, based on our firm's experience and industry best practices, a joint focus on key program decision points as outlined below:

Program Elements			
Project Strategy	Project Elements	Project Services	
AMI Strategy • AMI Technology • Field Deployment of Meters and Assets • Integrations • Schedule • Requirements • Resourcing • Contract Goals	Equipment • Network Equipment • AMI Endpoints • Meter Replacements • Installation Equipment Software (AMI / MDM) • Set-up Fees • Licensing • Server Locations • IT Impact Support	PMO Services • Quality Oversight • AMI Software PM • AMI Field PM • Integrations • Testing Team Resources • AMI Pilot • AMI Deployment	Installation • Network Deploy • Mass Meter Install • Installation PM • Fleet Mgmt • Warehousing • Customer Service • Dispute Resolution

Figure 8: AMI Program Planning Considerations

In the Strategic Analysis phase, TMG partners closely with City leadership and key stakeholders to translate initial findings into a clear, actionable roadmap for AMI transformation. Building on insights gathered during project initiation and current state assessments, we document critical target-state considerations across business processes, policies, technology architectures, organizational structures, regulatory requirements, and operational workflows. This comprehensive view ensures that the proposed AMI deployment aligns with

the City's strategic objectives—enhancing operational efficiency, elevating customer engagement, and advancing sustainability goals—while laying the groundwork for long-term metering and customer operations.

Through facilitated executive workshops and in-depth interviews, we co-create a unifying AMI vision that positions the initiative as a catalyst for digital-utility excellence rather than simply a meter-reading upgrade. We formalize this shared vision in a Strategic Charter, which captures success metrics, governance guidelines, and decision-point milestones. With the Charter as our guide, we confirm the project scope, define program governance structures, and establish the key study components that will drive all subsequent solution design and implementation decisions.

TMG will map the AMI ecosystem end-to-end, detailing how field devices, communications networks, data analytics platforms, and customer engagement channels interoperate within a scalable, future-ready framework. We compare and contrast available platform and deployment options—on-premises, cloud, or hybrid—assessing each for interoperability with existing systems (SCADA, outage management, demand response) and for alignment with security, integration, and performance requirements. A targeted workshop will educate City staff on emerging AMI technologies, integration best practices, and ecosystem tradeoffs, equipping decision makers to validate the recommended architecture. TMG will examine technological considerations thoroughly on their own as well in the context of their ability to meet the business needs and organizational considerations. This examination will include security and cybersecurity needs for now and in the future, what type of technological infrastructure the City wants to support or possibly outsource, and what are system integration and data concerns that will need to be addressed.

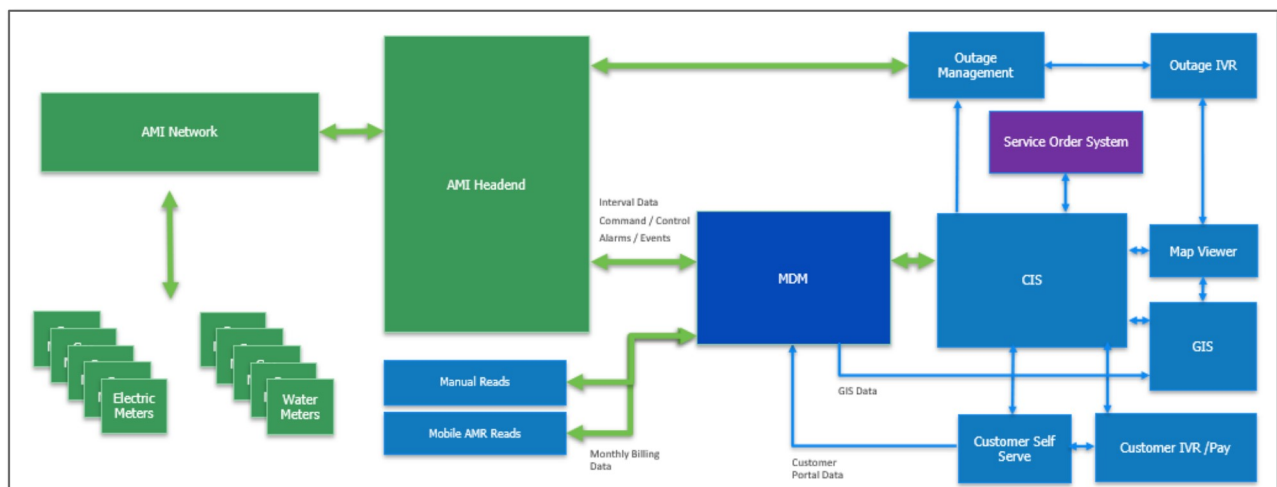


Figure 9: Figure 10: AMI Interdependent Integrations

Leveraging our proprietary **TMG InSight™ DB** database and up-to-date market research, we develop high-level estimates for project resources, costs, and timelines. This includes forecasting expenses year-by-year for data conversion, software and hardware acquisitions, AMI equipment, network infrastructure, integration services, and installation labor. Applying industry metrics, we model internal and external staffing requirements, operating costs, benefits, and risks to produce a preliminary financial analysis and roadmap confirmation.

Recognizing that robust funding is integral to project acceleration, TMG conducts a comprehensive scan of federal, state, and private grant programs—such as DOE Smart Grid grants, EPA revolving funds, and utility commission incentives—that align with the City's capital plan and sustainability objectives. We then draft compelling grant applications, partnering with the City's finance and legal teams to ensure compliance and maximize award potential. Finally, we consolidate all strategic analysis outputs into an AMI Feasibility Study: an iterative, data-driven evaluation that identifies the most viable implementation strategy. The completed study and funding plan are presented for City validation and approval, providing a clear, financially-supported path forward.

Step 4: Solution Analysis

As part of the Solution Analysis phase, TMG will thoroughly document all viable technology solutions available to the City. These solutions will include, but are not limited to, modern fixed, cellular, and hybrid Advanced Metering Infrastructure (AMI) systems—along with supporting backhaul network components—and Meter Data Management (MDM) systems. Each proposed technology will be evaluated in the context of the City's unique service area topography, deployment logistics, installation strategies, project timeline, contracting structure, customer usage and savings trends, and available financing mechanisms.

TMG will work collaboratively with the City to identify the most appropriate and sustainable technology solution. Together, we will establish objective evaluation criteria to assess each option. For every technology solution under consideration, TMG will document the following key factors:

- **Positive Aspects:** Features of the solution that align with or exceed the City's business goals and strategic objectives.
- **Negative Aspects:** Limitations or risks that may fall short of the City's expectations or deviate from industry best practices.
- **Resource Requirements:** Staffing, technical, and logistical resources required for installation and ongoing operations.
- **Capital Costs:** Estimated up-front investment, including all internal and external expenditures that may be capitalized.
- **Operational Costs:** Ongoing expenses related to system operation, support, and maintenance, including non-capitalized installation costs.
- **Implementation Timeframe:** Projected timelines for procurement (if applicable), pilot testing, installation, and system stabilization.
- **Risk Assessment:** Identification and analysis of potential risks, using a standardized methodology, for both implementation and operation phases.
- **Identified Benefits:** Forecasted cost savings—both tangible and intangible—including improved efficiencies, deferred capital investments, and enhanced customer experience.

Each impact assessment (e.g., costs, risks, benefits) will be grounded in empirical evidence drawn from TMG's prior projects, relevant industry case studies, and the City's historical data. All underlying assumptions used in the analysis—such as projected customer service efficiencies or anticipated revenue improvements—will be transparently documented.

Upon identifying applicable funding opportunities, TMG will assist in preparing and submitting grant and financing applications on behalf of the City. This process begins with a detailed alignment of each opportunity's eligibility requirements, performance expectations, and sustainability criteria with the City's AMI roadmap and capital improvement plans. TMG will then develop a compelling narrative that emphasizes project innovation, community impact, and measurable outcomes. All technical specifications, budget justifications, and supporting documentation will be meticulously prepared to meet program guidelines.

TMG will work closely with the City's finance, legal, and technical teams to secure letters of support, validate financial estimates, and ensure compliance with all funding program requirements. We will manage submission timelines, monitor application progress, and coordinate responses to follow-up inquiries—maximizing the likelihood of award success while minimizing the administrative burden on City staff.

Step 5: Solution Roadmap

In the Solution Roadmap phase, TMG will deliver a comprehensive, actionable plan to guide the City through successful AMI deployment, long-term operations, and stakeholder engagement. This phase will include three (3) integrated components: a Public Outreach Plan, an AMI Implementation and Ongoing Operations & Maintenance (O&M) Plan, and a Preliminary Implementation Schedule. Together, these deliverables will serve as a strategic foundation for execution, communications, and sustainability.

TMG will develop a robust Public Outreach Plan tailored to both internal and external audiences. This plan will leverage an omni-channel communication strategy—including digital, print, social media, in-person meetings, and call center scripts—to ensure consistent, transparent messaging across all platforms.

TMG will develop a detailed AMI Implementation Roadmap and a Long-Term Operations & Maintenance (O&M) Support Plan, ensuring a clear pathway from deployment through sustained performance. This planning effort will encompass:

- **Deployment Strategy:** Phased rollouts, pilot programs, and geographic prioritization to optimize logistics, staffing, and customer impact.
- **Planning & Budgeting:** Detailed cost projections, funding strategies, and resource allocations aligned with the City's capital and operational plans.
- **Standard Operating Procedures (SOPs) & Staffing:** SOPs for meter deployment, maintenance, data validation, and customer issue resolution, along with a staffing plan to support both short-term rollout and long-term operations.
- **IT / System Integrations & Performance Monitoring:** Integration plans for MDM, billing, GIS, and customer service platforms. Performance benchmarks will be defined for real-time data access, system uptime, and data quality.
- **Meter & Equipment Repair and Maintenance:** Long-term asset management and maintenance protocols, including inventory management, warranty tracking, and repair/replacement strategies.

In addition, TMG will create a Preliminary Implementation Schedule that maps out the major milestones, timelines, and interdependencies across all project phases. The schedule will be structured to:

- Clearly define the duration and sequencing of procurement, pilot testing, full deployment, and post-installation stabilization.
- Include schedule and cost contingencies to proactively address potential delays or budget fluctuations related to procurement, labor, permitting, or unforeseen conditions.
- Support effective project governance by aligning schedule milestones with decision-making gates, funding cycles, and community engagement events.

This structured roadmap will equip the City with the tools, knowledge, and confidence to launch and sustain a successful AMI program that is technically sound, operationally feasible, and community-supported. This “deliverable package” as the final output of the TMG SSR Methodology feeds directly into the TMG Strategic Sourcing & Procurement set of activities, which are described below.

TMG VAST™ Strategic Sourcing and Procurement Methodology

TMG will use our Strategic Sourcing & Procurement (SSP) methodology, which is part of our **TMG VAST™** framework, to conduct the procurement of AMI solutions and services for the City. The seven (7) primary phases of the methodology are presented in the following diagram:

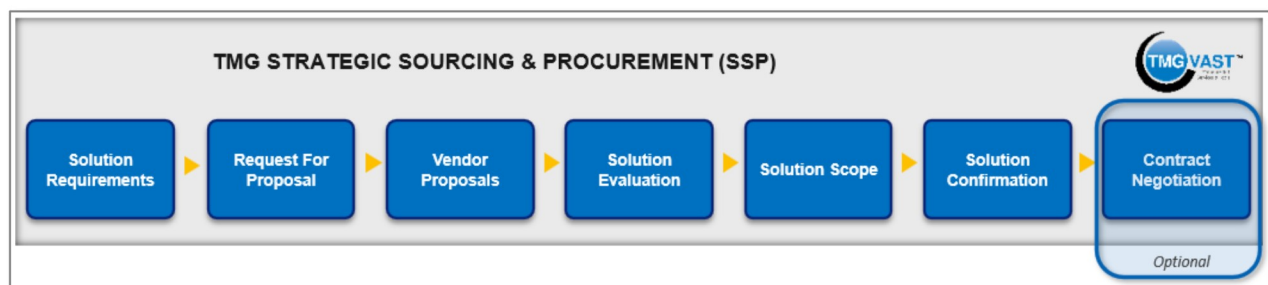


Figure 10: TMG VAST™ SSP Methodology

The following diagram describes the activities within each of the work phases.

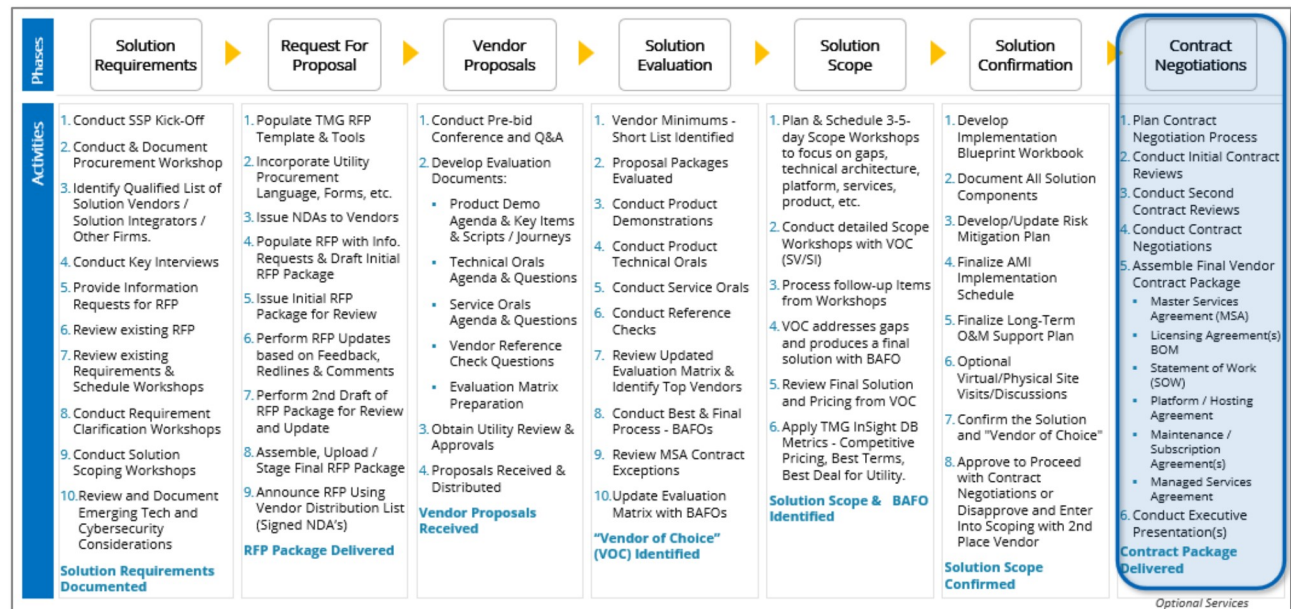


Figure 11: SSP Work Phases

RFP for AMI System Procurement

Procurement is the process to ensure that both parties achieve and continue to receive fair value. Of course, this balance is challenging to achieve. In addition to leveraging our extensive market research resources, we will be digging deeper into the components of the products and services to understand the supplier's costs more fully by augmenting the contact and procurement advisory team with team members, similar skills and experience to those of the bidding providers. This lower-level analysis is key in ensuring Security of Supply. Still, it can be further leveraged to ensure that the best, most sustainable price for components and services is achieved.

TMG will utilize the result(s) from the SSR effort to develop a comprehensive solution RFP package(s). TMG will execute our time-tested SSP methodology for a system procurement to develop/confirm a comprehensive set of requirements and vendor questionnaire(s) that will provide a structured scoring system to facilitate a fair, unbiased evaluation of responses.

Our RFPs are very detailed solicitations that reflect our deep understanding of our client's requirements and include not simply a statement of functional, technical, and services requirements, but also the specification of Service Level Agreements (SLA's) and Key Performance Indicators (KPI's) that will be used to measure and encourage vendor performance. We construct them in such a way as to encourage vendors to suggest alternate technologies, means of deployment, and financing.

TMG's observation of our competitors that attempt this complex approach is that they have no way of advising their clients on evaluating associated costs and risks with the various alternatives proposed by vendors. Our evaluation methodology is sophisticated in order that an "apples-to-apples" assessment of the solutions & services, functionality, and prices proposed can be easily assessed and objectively scored by the City.

Our efforts during the finalization of the RFP are focused on constructing pricing templates that facilitate a like-to-like comparison of vendor responses and agreeing on scoring procedures that will be used to equitably score and rank vendors at each stage of the procurement. We have many proven examples of scoring methods that we will customize for the City based on the RFP content and the preference of the City's purchasing and legal departments. A critical element for success is setting expectations through proper planning. This step establishes everything that will be required for the solution procurement. In conjunction with the City, TMG:

- Conducts workshops to prepare the City evaluation team for the procurement phase
- Sources and assigns procurement agents and legal representatives
- Recommends and establishes appropriate structures, tools, and mechanisms for managing the procurement (e.g., reporting hierarchies, version-managed repositories, RAID registers, status reporting, etc.)
- Reviews TMG's own recommendations and assumptions made in TMG's previous projects relating to the scope, schedule, budget, drivers, goals, and objectives of the project

Step 1: Solution Requirements

After reviewing the existing RFP developed by the City, TMG will conduct multiple onsite requirements workshops to identify and refine technical and service requirements for the system and implementation services. These workshops will focus on the following areas: AMI meters and installation labor, telecommunications network equipment and installation labor, head-end system, including integration/installation labor, and meter data management system, system/solution integrator, and other software as applicable. TMG will leverage **over 3,000 MWM, CSS, AMI, and MDM contemporary functional and technical requirements** to drive our analysis of your current and future requirements.

Metering	Network	Head-end	Installation	MDM & SI
Requirement	Requirement	Requirement	Requirement	Requirement
1 Electric Meter Metrology	1 Backhaul	1 Architecture	1 Scope and Timeline	1 Device Management
2 Electric Meter Communications	2 Router / Data Collector / Takeout points	2 Performance	2 Qualifications and Experience	2 Meter Provisioning and Registration
3 Distributed Intelligence	3 Installation and Commissioning	3 Meter Reads	3 Staffing, Hiring and Training	3 Usage Management
4 Physical Conditions	4 Network managed services (if required)	4 Time Management	4 Project Management	4 Validation, Editing and Estimation(VEE)
5 Measurement Channels	5 Maintenance and Repair	5 Meter / Endpoint Reconfiguration	5 Logistics and Infrastructure	5 Billing Determinants
6 Tamper Identification	6 Network Propagation and Design	6 Two-way Control Functions	6 Warehouse / Fleet Management	6 Events / Alarms
7 Communication and Control	7 Growth management	7 Firmware Management	7 Installation Process	7 Data Views
8 Warranty	8 Network Optimization	8 Complex Billing Support	8 Consumer Interaction	8 Reporting
9 Water Meter Metrology	9 RF Troubleshooting	9 Distribution Management / Automation	9 Health and Safety	9 User Security
10 Water Endpoint Communication Devices	10 Network Security & Health	10 Head-end IT Compatibility	10 Installation Warranty	10 System Administration
11 Gas Meter Metrology		11 Hosted / Cloud	11 Acceptance	11 Archiving
12 Gas Endpoint Communication Devices		12 Reporting		12 Environments
				13 Multi metered Services
				14 Interfaces

Figure 12: Partial AMI Requirements Matrix Sample

Step 2: Request for Proposal

Building the RFP

Development of an RFP package will start with the population of an initial RFP template, publishing of a draft of the RFP, followed by an iterative process to develop the RFP package. A final RFP package and vendor list will be staged and ready for distribution. TMG will load the appropriate RFP package template to the City's project procurement folder and incorporate the City-specific procurement language, forms, and attachments required as identified in the procurement workshop. The information gathered by the City from the Information Requests is populated into the RFP and attachments.

Sample RFP Main Body - Table of Contents	
1.0 General Summary of RFP	
1.1.	Summary
1.2.	Summary of Scope of Work
1.3.	Project Deployment approaches
1.4.	Minimum Requirements
1.5.	Evaluation and Selection
2.0 High Level Information	
2.1.	Utility Overview
2.1.	Relevant Utility strategic plan and initiatives
2.3.	Utility technology-tool upgrades-changes
2.4.	Utility territory
2.5.	Utility Customer Profile
2.6.	Utility operational statistics
2.7.	Customer service overview
2.8.	Internal Data Access
2.9.	Contact Center
2.10.	Utility Energy Programs
2.11.	Meter Reading And Metering Systems
2.12.	Billing
2.13.	Collections and Payments
2.14.	Other Customer Contact Channels
2.15.	Rates
2.16.	Service Work
2.17.	Information Technology Staff
2.18.	Business Organization
2.19.	the current cbms software ecosystem
3.0 Definition of Work	
3.1.	The Enterprise Solution Functional Components
3.2.	Customer Information System ("CIS") Functions
3.3.	MDM Functions
3.4.	Development of Controls as Part of Implementation Project
3.5.	Enterprise Solution Interfaces And Integration Points
3.6.	A Complete Solution
3.7.	Target Solution Environment
3.8.	Client Environment & Connectivity
3.9.	Product Offering
3.10.	Implementation Services
4.0 Proposal Submittal Instructions	
4.1.	RFP Questions
4.2.	Addenda
4.3.	General Instructions
4.4.	Proposal Format
4.5.	Proposal Submission Requirements
4.6.	Contact With Utility
5.0 Schedule of Events	
5.1.	Pre-Proposal Phone Conference
5.2.	Notice of Intent to Respond to RFP
5.3.	Proposal Addendum Issues
5.4.	Proposals Due
5.5.	Oral Presentation and Demonstration Participants
5.6.	Oral Presentations
5.7.	Evaluation Criteria
5.8.	Solution Provider Selected

Figure 13: RFP Working Paper Example

Draft RFP Package(s)

TMG will incorporate the functional and service requirements (including interface & reporting requirements), system specification for HES, AMI meters, MDM, Telecommunications network, AMI hardware installation services, system integrator capabilities, and scoring procedures into a comprehensive RFP complete with a calendar of events, vendor requirements, insurance requirements, and all legal requirements. If desired, we can even provide a sample contract for your consideration and possible inclusion in the RFP.

Release RFP Package

The City procurement will announce the availability of the RFP package through its automated procurement software to the short-list responders. The Final RFP Package is then released.

RFP(s) Evaluation Criteria & Support

Once the RFP Package is released, a pre-bid conference will be conducted to help clarify the services or functional requirements stated in the RFP. TMG will coordinate and assist with this conference and the question-and-answer process during this response period. During this period TMG will provide the detailed Evaluation Matrix based on the RFP response form and will work with the City to assign review responsibilities and weights to each evaluation item. In addition, TMG will provide the City with its product demonstration, technical oral, services oral, and reference check questions for review and update. All of this will be ready as the vendor proposals are received.

TMG will utilize our baseline Evaluation Matrix Model and update it to specifically reflect the City's requirements. TMG will work with the City to confirm the evaluation categories, associated line items, weights, sources of information, and owners that will be assigned responsibility for evaluating each category and line item. Once finalized, the evaluation matrix and criteria will be incorporated into the RFP solicitation. The following is an example/excerpt from a TMG Evaluation Matrix.

EVALUATION MATRIX									
HIGHLY CONFIDENTIAL					Weighted Consensus		Ranking		
Enter Values in the Blue Shaded Cells					Vendor 1	Vendor 2	Vendor 1	Vendor 2	
Do Not Enter Values in Grey Cells					4.94	5.16	2	1	
					100.00%	100.00%			
	Evaluation Category	Responsible Party	Sub-Category Weight	Category Weight	Rating	Rating	Calculated Rating	Calculated Rating	
COMMERCIAL 25%	1. Procurement Considerations			5.00%	2.80	3.40	2	1	
	1.1 Exceptions, Conflicts & Clarifications	Procurement	2.00%		3.00	4.00	2	1	
	1.2 Insurance, MSA, SOW Agreement	Procurement	2.00%		3.00	3.00	1	1	
	1.3 Corporate Responsibility	Procurement	1.00%		2.00	3.00	2	1	
TECHNICAL 75%	2. Solution Pricing	See Worksheet	20.00%	20.00%	4.00	3.00	1	2	
	3. Implementation Solution			29.00%	7.93	8.97	2	1	
	3.1 Implementation Support	See Worksheet	4.00%		3.50	4.20	2	1	
	3.2 Timeline, Org, Staff, Methodology	See Worksheet	10.00%		3.40	3.70	2	1	
	3.3 Implementation Services	See Worksheet	10.00%		3.10	3.20	2	1	
	3.4 Technology & Platform Considerations	See Worksheet	5.00%		3.10	3.20	2	1	
	4. Business Functional Requirements	TMG Mechanical	10.00%	10.00%	4.00	4.50	2	1	
	5. Experience and Overall Solution			36.00%	3.60	3.72	2	1	
	5.1 Proposal Responsiveness	See Worksheet	1.00%		5.00	4.80	1	2	
	5.2 Vendor Qualifications	See Worksheet	5.00%		3.00	3.00	1	1	
	5.3 Product Qualifications	See Worksheet	10.00%		3.50	4.00	2	1	
	5.4 Product Demonstrations	See Worksheet	5.00%		4.00	3.80	1	2	
	5.5 Technical Oral Presentations	See Worksheet	5.00%		4.00	3.80	1	2	
	5.6 Services Oral Presentations	See Worksheet	5.00%		4.00	3.80	1	2	
	5.7 Reference Checks	See Worksheet	5.00%		2.50	3.00	2	1	

Figure 14: Sample Evaluation Matrix

Step 3: Vendor Proposals

Pre-Bid Conference

A virtual pre-bid conference will be conducted, it can be mandatory or optional for vendor attendance as directed by the City procurement. The conference date, time, and agenda will have been published in the RFP schedule to the vendors who have received the RFP package. TMG will work with the City to structure and conduct the pre-bid conference. During the pre-bid conference the vendors will ask questions which will be documented and if possible, responded to immediately. Otherwise, these questions will become part of the formal Q&A process and responded to during the Q&A response timeframe published in the RFP schedule.

Q&A Process

As the vendors are developing their proposals, vendors may ask questions regarding any aspect of the RFP package from pre-bid conference until a defined point in time published in the RFP package. These questions will be submitted through the City procurement software (e.g., Ariba). TMG will take the lead and coordinate responses from the various City business, application, and technical groups as required to answer these questions. The responses will be documented and provided to City procurement in sufficient time so a single response document can be staged for access by short-list vendors by the response date published in the RFP package using the City's procurement software.

Prepare Evaluation Materials

TMG will utilize its various accelerators to provide the City with product/solution demonstration agenda and scripts, the technical oral presentation agenda and questions, the services oral presentation agenda and questions, and the reference check questions. For the product demonstrations, TMG will discuss with the City

the use of detailed scripts, requirements, processes, and/or journey maps to evaluate and compare short-list products/solutions.

These accelerators will be tailored to fit the City's specific situation, environment, and capabilities, etc., and will be turned into specific evaluation documents to be used by City personnel attending these evaluation events. These evaluation documents will be reviewed, approved, then staged and made ready for the receipt of vendor proposals and the execution of these various evaluation events. The receipt of vendor proposals ends this work phase.

The proposal packages will be received, minimums are validated (if used), short-list vendor proposals are distributed, and evaluated. Product demonstrations, technical orals, and services orals will be scheduled and occur for each short-listed (if used) vendor. TMG will coordinate the City virtual reference checks. TMG will also input scoring into the master evaluation matrix. A series of follow-up and additional questions and discussions will be coordinated with vendors. This results in the submission of a proposal Best & Final Offer (BAFO). TMG coordinates with the City to review these BAFO's and update the evaluation matrix. Any exceptions taken to contract language are also considered and updated in the evaluation matrix. A workshop is conducted to review the results of this evaluation process and select a single "Vendor of Choice" to move into scope and confirmation workshops.

Step 4: Solution Evaluation

The objective of this step is to determine a shortlist of the most qualified solutions that meet the City's minimum qualifications. In conjunction with Purchasing, TMG will make an initial assessment of proposals, disqualifying those that are non-compliant. In some circumstances, this may be because the proposal does not meet certain minimum qualifications; occasionally, this may be because there is a technical deficiency in the proposal itself (e.g., a required form is missing, etc.). In the case of the latter, TMG will work with the Purchasing agent to determine whether the technical deficiency can be allowed providing this does not present a competitive advantage to the vendor.

An example of a minimum is "The product must be installed in the United States at a minimum of 3 Municipal Utilities serving a customer base of at least 250,000." TMG will perform an independent evaluation of the cost proposal and the functional and technical checklists. For the cost proposal, TMG will utilize tools that are designed to equitably calculate a cost of ownership and calculate a score for that proposal. For the functional and technical checklists, TMG will utilize tools that are designed to equitably calculate a score for that proposal. This is generally a quick process, and it is possible that proposals can be eliminated without further consideration at this point if they fall outside reasonable tolerances.

Evaluate Proposals

The City's team will review and score the RFP packages based on assignments made in the evaluation matrix. TMG will participate in this review and facilitate the scoring process as directed by the City. TMG usually performs the mechanical evaluations regarding scoring the pricing, staffing, and requirements. TMG is frequently asked to score pricing against the InSight™ DB, which represents **Industry metrics** and provides an objective baseline for the City comparison. Regardless of TMG's scoring responsibilities, TMG will read through and become knowledgeable of all vendor-submitted proposals. During this review and scoring process TMG will gather and organize all clarifying and additional questions that arise and forward them to the City procurement for staging and access by the vendors in a single document at the defined time as stated in the RFP schedule.

Product Demonstrations

Shortlisted vendors are invited to demonstrate their products and their services. Each vendor will adhere to the structured demonstration agenda and the structured outline, which includes the demonstration of some of the key business processes. TMG spends a significant effort reviewing the services, tools, and approach that the vendor follows, to understand what aspects of the implementation the City will be expected to lead or provide resources for. During this review, we also perform reference checks and, optionally, site visits. The product demonstrations are usually scheduled for one day, and specific functions are allocated to specific

times of the day allowing the City individuals to schedule only part of their day to attend this demonstration rather than their entire day.

Reference Checks

TMG will conduct reference checks for all finalist vendors. Our approach incorporates a structured remote Q&A session, including both vendor-preferred references and references chosen by TMG that will expose both strengths and weaknesses of vendor proposed products and services. Vendors will be required to submit references with their proposals. As directed by the City, TMG will work to setup and schedule the reference calls. The reference check questions developed in the previous work phase will be sent ahead of time to the reference contact/individual so they can prepare ahead of time for the call. These questions will focus on areas such as, are they pleased with the product, how did the vendor do on the implementation, what vendor staff worked on their project, how easy is the product to maintain, how often do they receive new releases, and how easy are they to apply, would they select this vendor product again, etc.? the City will conduct the virtual reference checks, TMG will support and/or facilitate as requested by the City. The City's team member(s) conducting the reference check will provide a single score for the vendor, and TMG will enter the score into the evaluation matrix along with any comments.

Option: The City may request the reference check form be returned with responses to the questions filled out, so additional detail is obtained for each question.

Top Vendors Identified

The City will consider scores in the Evaluation Matrix and make a decision to proceed with the top three (3) vendor solutions, or to proceed with all vendor solutions. (this is an option that some clients like as they focus efforts on top 3 rather than 9 vendor solutions, for example – others are required to take all responders through as a procurement rule). During the course of the evaluation activities, additional questions or clarifications are identified. A proposal Best & Final Offer (BAFO) that includes these questions is submitted to the vendors as there may be an effect on their proposal and associated pricing.

Proposal BAFOs

The objective of the BAFO is to establish a mutual understanding of the entire project with the final vendor. Upon receiving the vendor BAFOs, the City procurement will distribute the information to the City team and to TMG. This information is used as input to consider in re-evaluating and updating each area of the evaluation matrix, which is impacted with the score and comments/notes as required. There could also be an impact on pricing. The following diagram provides an example of three vendors with updated pricing.

Round 2 Updated Pricing Comparison

Utility Financial Model			
#	Cost Components	PC	Cost
1	PreWork	\$ 2.02	\$ 5,119,099
2	Software	\$ 3.30	\$ 8,372,213
3	Platform	\$ 0.10	\$ 265,820
4	Services - SI/SV	\$ 20.73	\$ 52,608,176
5	Services - Utility Business	\$ 4.67	\$ 11,858,390
6	Services - Utility Digital IT	\$ 3.50	\$ 8,880,248
7	Services - Third Party	\$ 11.49	\$ 29,157,882
8	Other	\$ 2.77	\$ 7,025,846
	Subtotal	\$ 48.58	\$123,287,675
	Contingency	\$ 7.29	\$ 18,493,151
	Total Costs	\$ 55.86	\$141,780,826

Vendor 1			
Bid Amount	Add FM	Solution Cost	PC
	\$ 2,282,018	\$ 2,282,018	\$ 0.90
\$ 3,944,272		\$ 3,944,272	\$ 1.55
	\$ 212,656	\$ 212,656	\$ 0.08
\$ 51,694,280		\$ 51,694,280	\$ 20.37
	\$ 8,780,525	\$ 8,780,525	\$ 3.46
	\$ 6,712,515	\$ 6,712,515	\$ 2.64
	\$24,341,321	\$ 24,341,321	\$ 9.59
	\$ 5,041,246	\$ 5,041,246	\$ 1.99
\$ 55,638,552	\$47,370,281	\$ 103,008,833	\$ 40.59
\$ 2,897,219	\$10,300,883	\$ 13,198,102	\$ 5.20
\$ 58,535,771	\$57,671,164	\$ 116,206,935	\$ 45.79

Vendor 2			
Bid Amount	Add FM	Solution Cost	PC
	\$ 2,282,018	\$ 2,282,018	\$ 0.90
\$ 7,186,197		\$ 7,186,197	\$ 2.83
	\$ 212,656	\$ 212,656	\$ 0.08
\$52,133,769		\$ 52,133,769	\$ 20.54
	\$ 8,618,302	\$ 8,618,302	\$ 3.40
	\$ 6,588,499	\$ 6,588,499	\$ 2.60
	\$24,341,321	\$ 24,341,321	\$ 9.59
	\$ 5,041,246	\$ 5,041,246	\$ 1.99
\$59,319,966	\$47,084,041	\$ 106,404,008	\$ 41.92
	\$12,768,481	\$ 12,768,481	\$ 5.03
\$59,319,966	\$59,852,522	\$ 119,172,488	\$ 46.96

Vendor 3			
Bid Amount	Add FM	Solution Cost	PC
	\$2,282,018	\$ 2,282,018	\$ 0.90
\$5,966,779		\$ 5,966,779	\$ 2.35
	\$212,656	\$ 212,656	\$ 0.08
\$59,346,005	\$6,053,597	\$ 65,399,602	\$ 25.77
	\$8,805,947	\$ 8,805,947	\$ 3.47
	\$6,731,949	\$ 6,731,949	\$ 2.65
	\$24,341,321	\$ 24,341,321	\$ 9.59
	\$ 5,041,246	\$ 5,041,246	\$ 1.99
\$65,312,785	\$53,468,733	\$ 118,781,518	\$ 46.80
\$7,805,360	\$5,939,076	\$ 13,744,436	\$ 5.42
\$73,118,144	\$59,407,809	\$ 132,525,953	\$ 52.22

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Figure 15: Sample Second Round Pricing Comparison

With the updated evaluation matrix, the team will re-consider the scoring and the placement of the vendors and discuss and identify the need for additional evaluation events. The finalist is evaluated for "fit" to ensure that any custom work or interfaces are accounted for, and that the vendor has enough information to develop

a fixed fee proposal. It is imperative that a clear picture of a single "Vendor of Choice," can be identified to proceed into the next phase of work. Prior to contract negotiations with the preferred Solution Vendor, TMG conducts additional due diligence for scoping as well as developing the high-level Implementation Plan. Optionally, the City may choose to visit the vendor's clients to view the solution in operation and discuss how the vendor handled the AMI deployment.

Step 5: Solution Scope

Conduct Scope Workshops

These workshops only occur with the "Vendor of Choice." However, the procurement remains open, and the City may decide at any time to begin discussions with the 2nd place vendor if there are any issues with the primary "Vendor of Choice." This keeps tension on the 1st place vendor and maintains the City in a strong negotiating position without requiring the City to take multiple vendors through a lengthy and time-consuming process.

The primary objective of these workshops is to detail the solution components and to ensure that all parties understand each other's expectations. This is a typically 3-5-day series of workshops focused on all aspects of the solution. Each day is a series of topics and within each topic are specific items or questions. The agenda covers the software, the technology, and the services. City personnel can schedule their time to attend specific dates and times based on the published agenda.

The vendor will be given time to prepare for these workshops. TMG will work with the City to coordinate the daily activities and keep things on time, take notes, identify follow-up items, parking lot items, ask questions, document potential contract issues, etc. TMG will forward the results of the workshops to the City PM and the vendor (upon City approval).

Follow-up Items & Workshops

The final session during these workshops is a review of the follow-up items. There may be some that require additional work and perhaps even additional work sessions. These items need to be resolved quickly. TMG will work with the City PM and the vendor to schedule these work sessions.

TMG will assign all items for resolution. TMG will participate in these follow-up workshops and document the results of these workshops and the resolution of the follow-up items. TMG will forward the results of these follow-up items and workshops to the City PM and the vendor (upon City approval).

Vendor of Choice BAFO

Following these scope and confirmation workshops, the vendor will receive the documentation. Based on this documentation, the vendor submits a Scope-based BAFO detailing all aspects of the final solution and the vendor's best pricing. The below example reflects a BAFO submission from an SV providing software and an SI providing services.

BAFO Pricing Submission			
Services		Software	
Category	Unit	Rate	Price
Management & Oversight	12,068	\$241	\$2,904,057
Business Services	9,654	\$201	\$1,936,038
Technical Services	45,859	\$160	\$7,356,945
Training, Change & Communication	8,448	\$160	\$1,355,227
Data Conversion	14,482	\$174	\$2,516,850
Testing	25,343	\$92	\$2,323,246
Hypercare	4,827	\$201	\$968,019
Total Fees	120,681	\$160	\$19,360,382
Tools & Accelerators			
Expenses			\$1,611,515
Contingency			\$1,196,452
Total Cost			\$22,168,349

Figure 16: Sample BAFO Matrix

TMG Confirmed BAFO

TMG will ensure the BAFO is complete, it meets with the City's expectations, it is competitive, it is within industry guidelines, and it is the best possible terms/deal for the City. A workshop or meeting may be conducted with the City as required to review any outstanding issues with the BAFO or the final solution and the pricing to resolve open items.

Step 6: Solution Confirmation

The following activities are associated with the solution confirmation work phase.

Implementation Blueprint

TMG will develop an implementation blueprint/plan and populate it with all vendor, third party, and City project-related costs. This workbook becomes the “one stop” project document that pulls together the entire solution in one place, even though portions of it may belong to other areas of responsibility, e.g., platform, edge systems, etc.

TMG will work with the City to identify all required Independence project resources and costs necessary to support this project. This includes any staffing costs, project facilities, training room facilities, telecommunication charges, project supplies, overtime, third-party costs for edge systems, QA services, staffing support services, etc. This will all be entered into the implementation blueprint.

Timeline

The timeline established in the Solution Requirements and proposed by the vendor will be used to agree on and confirm the project timeline. This considers other City project initiatives, City resource constraints, and other key City dates that may have arisen.

Resourcing

Staffing is identified for the following groups, Independence – Business, Independence – Technical, and Third Party. This staffing has been established in the scoping and blueprinting sections; it feeds necessary information into this cost section.

Implementation Costs

For an AMI/MDM replacement or upgrade project, there are equipment/hardware costs, software costs, installation labor costs, professional services costs, subscription costs, performance bonds, miscellaneous costs associated with the project, pre-planning, or pre-implementation projects, and an assigned contingency amount. Then, a total implementation cost is identified. During these calculations, the individual costs are identified as capital or operational, and the total amount of CAPX vs OPEX dollars are identified.

3.0 Professional Services					
Item #	Item Description	Number units	Manufacturer	Model Number	Unit Price
Professional Services					
Prime Contracting Professional Services					
Project Management Services					
TechS-1	Project Management (Including on-site project manager)	1.00			
TechS-3	Training and Documentation	1.00			
Project Management Services Sub-total					
Prime Contracting Professional Services Total					
Installation of Headend					
Headend Installation Services					
App-1	Software Installation	1.00			
App-2	Proposed Business Processes/Gap Analysis	1.00			
App-5	AMI System Integration with MDM	1.00			
App-6	Interface(s) Installation	1.00			
App-8	Training Requirements (Planning and end user)	1.00			
App-9	Change Management	1.00			
Headend Professional Services Sub-total					
Application Installation Services Total					
Installation of MDM					

Figure 17: Example of Implementation Costs

Operating Costs

Significant time is spent gathering data on what is currently spent on operating and supporting the current environment. New operating costs associated with network infrastructure maintenance including hiring skilled staff to manage the solution (Network and MDM administrators), testing new meters, replacement of non-functioning meters and meter devices ("acceptable failure rate"), replacement batteries for data collectors, recurring software subscription fees are identified. In many cases these costs can be associated with the project during development months up to go-live and considered as CAPX, then considered as operating costs and OPEX after go-live.

Business Value-Case

The implementation and operational costs are distributed across the project timeline based on the implementation and deployment plan. The benefit dollars (if any) are distributed across the timeline using the implementation and deploy model, with most benefits not realized until 6 months to 1 year after go-live. If the data is provided, the financial model produces the NPV calculations, payback periods, and all other financial analysis aligned to City requests.

Cost Allocations

At a minimum, a disbursement schedule will be provided showing how the project budget is expected to be disbursed over the fiscal years. Other schedules will be generated as required such as: tax withholding schedules, capital vs operating schedules, etc.

Risk Inventory & Mitigations

High-level risks are identified, and a mitigation strategy is identified which may adjust the risk score downward to an acceptable level. TMG reviews the risk model with the City and makes any necessary updates. Any risks that remain at a high or critical level are reported.

Industry Pricing

After the value-case is complete, the City's solution pricing will undergo a final review to make sure it is aligned with TMG's InSight™ DB and any discrepancies or gaps are identified and rationalized.

Business Value-Case Package

TMG feeds all aspects of the business value-case for the AMI solution into a business value-case package for presentation and delivery to the City.

Solution Scope Confirmed

TMG will develop a presentation to summarize the implementation blueprint, business value-case, and highlight key points leading to the identification and confirmation of the final solution. This presentation and confirmation are necessary especially if the pricing has increased over the original amount going into these scope and confirmation workshops, or the price is now more than the 2nd place vendor, or the price now exceeds the City's project budget.

This summary presentation will be delivered, discussed, and if consensus is achieved then work will proceed into Contract Negotiations with the current "Vendor of Choice," or it will move to scope work with the second-place vendor.

Step 7: Contract Negotiations (Optional)

TMG has reviewed and negotiated many (over 100) contract packages with our clients over the years. We have participated in these activities in several different ways and can discuss if the City would like TMG to participate in contract discussions and negotiations, and how TMG can assist in redlining and commenting on contract terms and conditions, bills of materials, and statements of work.

If the optional contract services are selected, TMG will assist with the development of contracts that will be used to manage both the AMI solution implementation and the support and maintenance of the solution after deployment. Whether the City's preference is for a single contract or multiple vendor agreements, an AMI deployment requires multiple disciplines, knowledge, and experience because of the diverse nature of the solution. Therefore, agreements will be required that describe all aspects of the solution, including equipment supply and installation, material purchase, software licensing, subscription, integration, and support services.

TMG has significant experience in cloud-based solution contracts for utilities, and based on our robust negotiation and planning experience, we can expertly guide and build an ideal contract so terms protect the City. Further, TMG boasts proven, superior results with above-industry average norm results in read rates, coverage, and redundancy for all contracts negotiated by us. TMG is highly respected by industry solution vendors, integrators, and installation firms, and we are known to vigorously advocate for our customers during the contract negotiation process. TMG has years of experience in developing, reviewing, and negotiating contract packages, however we are not lawyers. We encourage our clients to engage legal counsel, and many retain outside counsel on a regular basis. Some clients use them extensively, while others use them as an oversight or as a final check on TMG's work.

TMG will work with The City to carefully plan the contracting and negotiation effort. In preparation, TMG conducts a contract negotiation strategy meeting with the City to determine how negotiations will be conducted with the final vendor(s). We identify the key aspects of how the City wishes to engage with vendors both from the perspective of the solution implementation and the longer-term relationship. TMG is very flexible in working with clients, including internal and external legal counsel, and procurement personnel. TMG can take the lead and an aggressive role, a moderate and supportive role, a behind the scenes role, or some combination thereof. This is discussed and agreed upon during the project planning process with the City.

Contract Package Review

The contract package will be reviewed and redlined with comments made. These redlines and comments will initially be based on the most recent and best deal that TMG has made on behalf of one or more other clients as a reference point using the specific vendor that the City has decided to contract with. This ensures that before the City sees the vendor contract package, it will have the best deal with the best terms and conditions

that TMG has been able to negotiate. TMG will then look specifically at City situation specifics and continue the review and redline with comments made.

TMG fully expects the vendor to have populated the SOW and any supporting Attachments and Addendums based on data from the detailed scope workshops and pricing from the BAFO. This document will then be redlined and commented on, just like the other documents. TMG's approach will be based upon TMG's experience obtaining the best deal in the industry either with this specific vendor or other vendors that TMG has worked with at other clients.

Upon completion of our review, TMG will notify the City of the availability of these files in the project repository. TMG anticipates the City will have key individuals from the team, management, procurement, legal, Information Technology, commercial, and others as required involved in the contract review. This will be an iterative process of internal review and at some point, the contract package will be forwarded to the vendor. If significant redlines and comments remain, then a second and third round of redlines and comment reviews, and discussion is warranted.

Contract Negotiations Conducted

TMG will participate in these activities as requested by the City. TMG suggests the team be reduced from a large group of contract reviewers to a small group of key negotiators at this stage. They will identify the list of open negotiating points that require resolution. For the most critical points, we will identify the City's negotiating positions, agree on what the City wants, where the City will go, and where the City will not go. This group will publish the list of open points to the vendor and ask if they agree with the list. Subsequently, the list is updated as required.

Then, TMG and the City will indicate the need for vendor attendance by a small group of key decision makers in this meeting and decide on a meeting date/time, conduct the meeting, and resolve as many open items as possible. If necessary, the parties will jointly agree on another meeting date/time.

Remember, for the vendor, the procurement remains open and not finalized, and although the City does not want to, the City can walk from the table and proceed with the 2nd place vendor and initiate discussions if the City is getting nowhere with the first selected vendor. This is the negotiation leverage that the City has with this methodology/approach – TMG has only had to use it twice during TMG's 33-year tenure – it works. Outputs: Document the successful results of the negotiations and the resolution of the remaining open items and update the documents.

Final Contracted Solution Delivered

A final vendor contract package is assembled with a signature page and delivered as TMG's final project milestone. The vendor contract package is an attachment to the Implementation Blueprint and becomes the informational resource for this project as it represents the culmination of all work done in the Strategic Sourcing & Procurement activities.

TMG VAST™ Strategic Program Management Office (SPMO) Methodology

TMG follows deliberate, prescribed steps with quality checkpoints and client involvement at every stage to ensure quality pervades our work and that tangible value is rendered to the client from the process. Our **TMG VAST™** SPMO (Strategic Program Management Office) Methodology combines the program planning and implementation components into a proven and comprehensive methodology framework. The eight (8) primary phases of the methodology are presented in the diagram below:

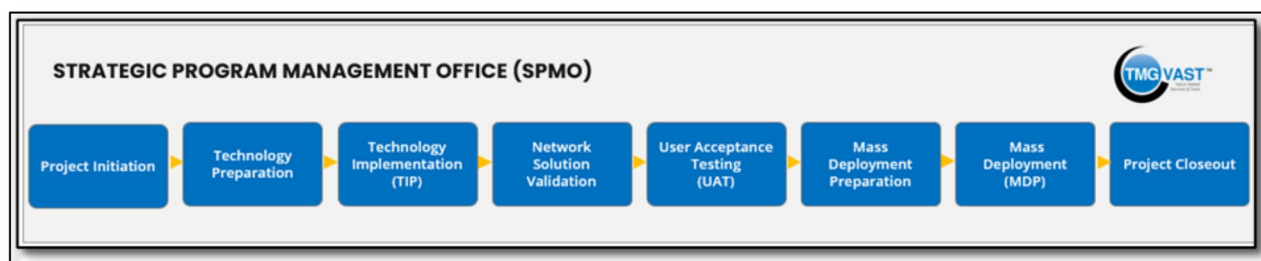


Figure 18: TMG VAST™ SPMO Methodology

The following diagram further describes the activities within each of the TMG work phases and how each aligns with the City's scope of work.

Phases	Project Initiation	Technology Preparation	Technology Implementation (TIP)	Network Solution Validation	User Acceptance Testing (UAT)	Mass Deployment Preparation	Mass Deployment (MDP)	Project Closeout
Activities	1. Conduct Project Kick-Off 2. Establish PMO and Project Governance 3. Review Program Goals & Objective 4. Review Vendor Contract 5. Develop Master Project Schedule 6. Develop Resource Plan, Budgets, & Project Tracking Logs 7. Develop Project Organizational Chart 8. Discuss Change Management & Customer Outreach Plans 9. Discuss Facility & Warehousing Needs 10. Initiate Hardware Order Required for TIP	1. Verify Assets 2. Review Propagation Study 3. Schedule Vendor & Design Workshops ▪ Meter Deployment Planning ▪ Network & Head-End Workshops ▪ Edge System Workshops (MDM, CIS, if applicable) 4. Approve First Article Meters 5. Initiate Hardware Order for TIP 6. Document Test Plan, SOPs & Business Redesign 7. Identify & Assess TIP Deployment Route 8. Notify Vendor for TIP Mobilization 9. Develop Comprehensive Training Plan	1. Track Network Install & Configuration 2. Monitor Head-end & System Configuration 3. Track Back-haul Install & Configuration 4. Monitor Software Configuration 5. Monitor Software Interface Development 6. Facilitate SOP Training for TIP 7. Coordinate Handheld Configuration 8. Track TIP meters & Endpoint Installation 9. Proctor Meter Installation Inspections and Quality Assurance	1. Mitigate Underperforming Meters 2. Conduct End-to-End Network Software Performance Validation 3. Develop Mass Installation Plan 4. Develop SOP for Mass Installation 5. Monitor System Stabilization 6. Obtain System Sign-off	1. Initiate Test Environment Data Refresh 2. Manage System Integration Testing 3. Manage User Acceptance Testing 4. Facilitate Vendor Software Training 5. Document and Initiate Go-Live Activities ▪ Mock AMI Launch ▪ Mock MDM System Launch ▪ Mock CIS System Launch 6. Oversee Production Launch of AMI Solution	1. Evaluate Pilot Results 2. Deliver Notice to Proceed 3. Initiate Hardware Order Required for FDP 4. Finalize Route Deployment Schedule 5. Facilitate Warehouse Inspection 6. Discuss Salvage Process 7. Discuss Field Service Worker Training 8. Review Customer Outreach Plans 9. SOP Training for Mass Deployment 10. Design Ongoing Training Program 11. Develop Technical Support Plan	1. Start Mass Installation 2. Review Inventory Levels 3. Weekly Deployment Status & Performance Metrics Report 4. Conduct Ongoing Validation of Meter Deployment	1. Determine Final Acceptance 2. Facilitate Warehouse Ramp Down 3. Conduct Inventory Reconciliation 4. Document Lessons Learned (Outcomes, Challenges, & Key Insights) 5. Perform Accounting Reconciliation 6. Deliver Final Required Reports 7. Archive Project Documents 8. Set-up Support Team 9. Release Project Resources

Figure 19: SPMO Work Phases

Our appointed Program Manager will work on the City's behalf, ensuring your interests are the primary focus throughout the effort. As such, our Program Manager will create and maintain open communications among all stakeholders and coordinate all interactions with your AMI Solution Vendors, their sub-contractors, the City, and other third parties.

Our Program Manager will lead formal, recurring status meetings with the AMI team members to ensure that the project tracks against the milestones outlined in the project plan. In addition, our team constantly communicates with project participants, following up on action items and fielding questions daily. Finally, our team will provide structured oversight of activities to ensure that all program components are executed efficiently and meet program expectations.

Moreover, we will provide vendor contract administration and management services. This includes reviewing all vendor invoices and comparing them to the contracted milestones. In leveraging our SPMO, our mission is to ensure your overall program is a success and that it meets your timeline, budget, customer value, and benefit objectives. TMG will leverage its robust collection of program service accelerators and tools to ensure overall program success.

Step 1: Project Initiation for the Implementation Phase

TMG will coordinate and schedule the project kickoff meeting with the City's program sponsor or point of contact. During the onsite kickoff, TMG, the City, and project stakeholders will meet to review the project scope, formalize project goals, objectives, and project plans, and solidify the next steps for TMG's involvement.

Start-up Activities – Planning

TMG will participate in the project planning with your AMI Solution Vendors, their sub-contractors, the City, and other third parties to develop the Master Project Plan. This will determine the final staffing expectations, project facility requirements, the project phases with their timelines, and entry and exit criteria for acceptance of each part of the solution. Once established, these plans will be utilized throughout the project and adjusted based on lessons learned.

Planning activities will include but not be limited to:

- Project scope
- Change management planning
- Customer communication planning
- Issue/problem management
- Cost/budget management

TMG will leverage its robust collection of program service accelerators and tools to ensure overall program success.

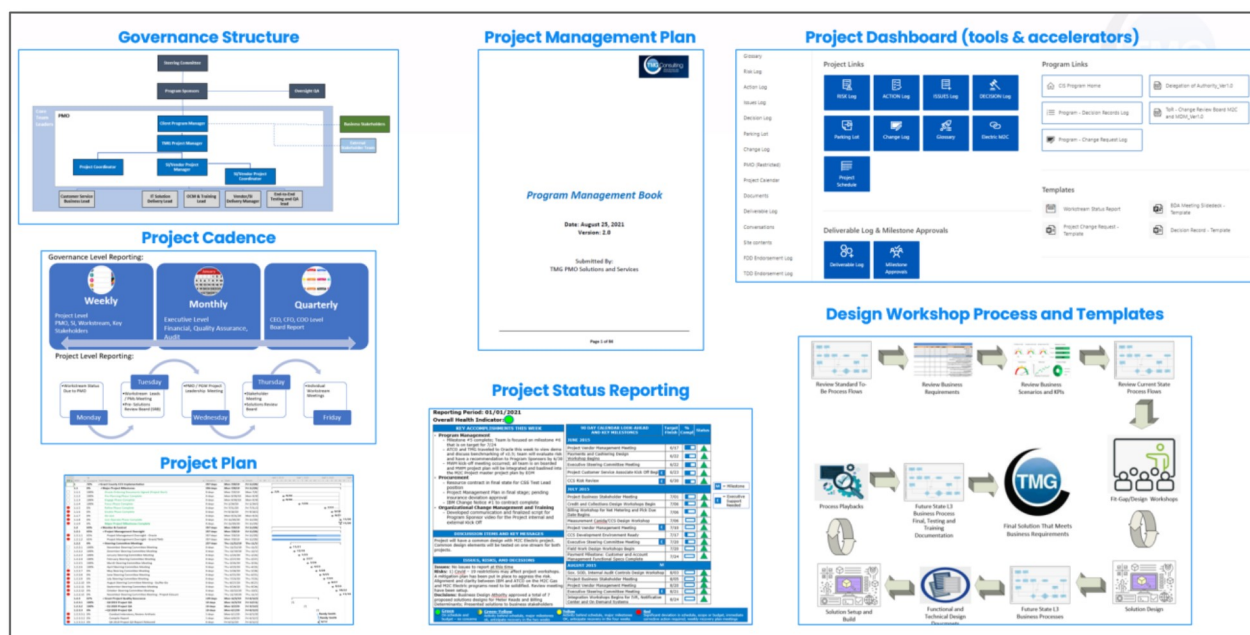


Figure 20: TMG Program Service Accelerators and Tools

Start-up Activities – Preparation

TMG recommends that the AMI solution be implemented in two phases, a Technology Implementation Phase (TIP) and a Mass Deployment Phase. (MDP) The TIP phase intends to demonstrate complete AMI network and system functionality through a limited deployment. The TIP will establish the necessary foundation and maximize the learning and training of internal processes that will benefit the City in a large-scale deployment.

Upon successful completion and approval of the TIP phase, the City will proceed with the Mass Deployment Phase (MDP) to deploy the entire solution using the methods, SOPs, processes, systems, etc., that were implemented during the TIP. As part of this preparation, TMG will review in-depth planning considerations that lead to successful AMI deployments.

Step 2: Technology Preparation

Implementation Activities – Project Management, TIP

Once the Master Project Plan is completed, the Technical Implementation Phase (TIP) deployment will begin. This step will begin the work to execute the project plan. TMG will lead these efforts with the vendor and facilitate the discussions and decisions that need to be made by the City's personnel.

Preparation Activities will include but will not be limited to:

- AMI deployment preparation
- Head-end configuration
- System Acceptance Test (SAT) planning
- Integration to CIS (and other systems)
- Training

TMG understands the complex integrations that are required between applications and the implications to the business of tactical and strategic decisions that are made during the implementation and will provide coaching to the project team based on years of hands-on, real-world experience in doing so. Our project managers are excellent administrators, equipped with disciplines that enable them to manage the most complex deployments and the ecosystem of client stakeholders and 3rd party delivery partners that are always involved in these engagements. TMG will review the interdependent integrations specific to the City as part of TIP preparation activities.

Step 3: Technology Implementation (TIP)

TMG will work with the City's project team, the vendor(s), and the designated systems integrator to execute the work identified during TIP preparation, provide overall Program Management oversight, and subject matter expertise.

TIP will consist of the following project tasks:

- Installation of the entire solution network to include data collectors, head-end software, and system integrations
- Installation of a small quantity of AMI meters/endpoints within a specific billing route (a representative sample of the utility meter population)
- Exercise all aspects of the AMI system per the established System Acceptance Testing (SAT) plan
- Assess system performance and stabilization

TMG's PM will provide leadership, management, and industry/product expertise to ensure a successful implementation process for the City. In addition, TMG will provide project advice and recommendations to the Project Staff, Management, and Steering Committee.

Implementation activities by TMG will include but will not be limited to:

- Onsite visits during the pilot phase
- Detailed project planning and project auditing
- Monitoring progress against deliverables and milestones

- Managing the preparation of plans (e.g., training, cutover, etc.)
- Scheduling
- Progress reports
- Meeting minutes
- Project team management
- Issue tracking between the vendor and the City
- Formal and informal communication on all relevant events
- Participation in staff meetings to ensure information sharing, problem-solving, and decision-making
- Manage and document issue resolution activities

Step 4: Network Solution Validation

During this phase, the goal is to validate the system on two dimensions. The first dimension will seek to confirm that hourly, nightly, periodic, etc., batch streams execute efficiently and without negatively impacting the system's performance. The second dimension will seek to verify that the system's performance is not negatively impacted when the maximum number of expected users are using the system simultaneously.

TMG will support the City during the Network Solution Validation phase and initiate go-live activities before the production launch of the AMI system.

Step 5: User Acceptance Testing (UAT)

Testing is essential in evaluating the success of the AMI TIP and whether the City objectives are met. The AMI vendor is responsible for delivering, installing, and configuring the infrastructure based on the City's specific requirements. This will include integrating the AMI Head-end System (HES) with MDM, CIS, GIS, OMS, SCADA, asset management, the work order system, and/or other systems identified during the RFP scope creation phase.

TMG will advise the City on all aspects of client testing (including functional, system, integration, stress, user acceptance, and parallel testing) to ensure plans are sound and on track for success.

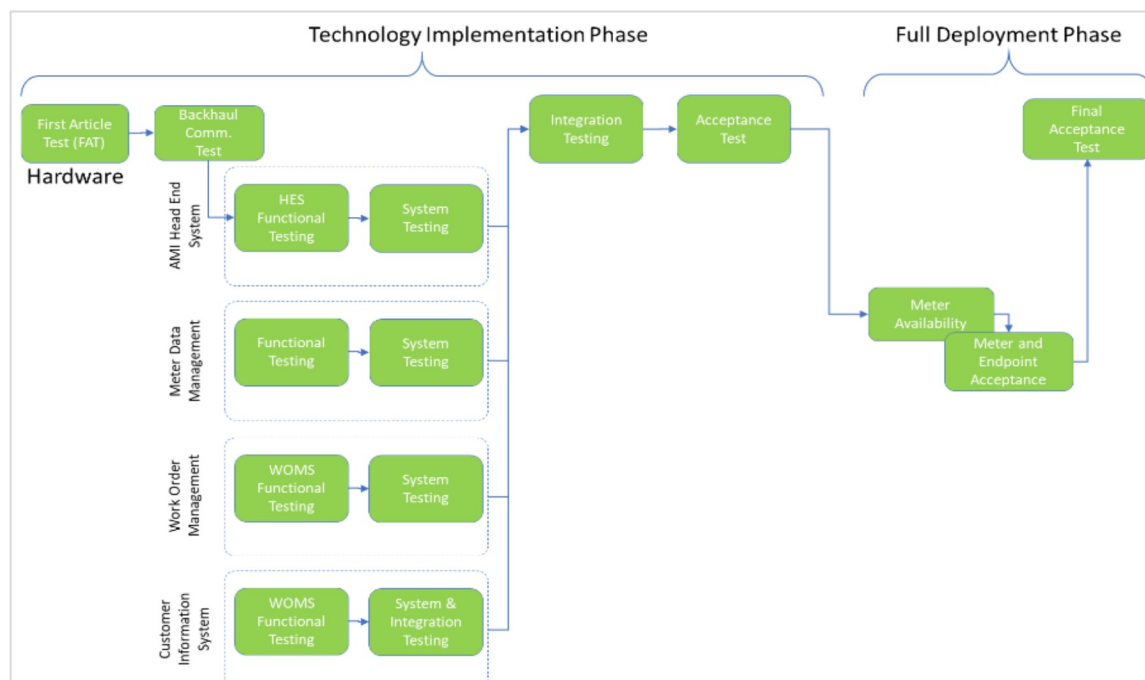


Figure 21: TMG Implementation Testing

Step 6: Mass Deployment Preparation

Once the Network Solution Validation is completed, the Mass Deployment Phase (MDP) deployment will begin. This step will begin the work to execute the project plan. TMG will lead these efforts with the vendor and facilitate the discussions and decisions that need to be made by the City's personnel.

Preparation Activities will include but will not be limited to:

- Initiate Hardware Order Required for MDP
- Finalize Route Deployment Schedule
- Facilitate Warehouse Inspection
- Discuss Salvage Process
- Discuss Field Service Worker Training
- Review Customer Outreach Plans
- SOP Training for Mass Deployment
- Ongoing Training Program
- Technical Support Plan

Step 7: Mass Deployment (MDP)

The Mass Deployment Phase (MDP) will consist of the following project tasks:

- Perform the remainder of the installation of AMI meters/endpoints
- Disposal of used meters
- Quality assurance
- Exercise final testing of the AMI Solution per the SAT plan
- Weekly Deployment Status & Performance Metrics Report
- Ongoing Validation of Meter Deployment

TMG's Project Manager will provide leadership, management, and industry/product expertise to ensure a successful implementation process for the City. In addition, TMG will provide project advice and recommendations to the Project Staff, Management, and Steering Committee. Implementation activities during this stage are identical to those exercised during the TIP.

Step 8: Project Closeout

A review of all deliverables to date will be conducted with the City to determine final project acceptance. Once all data is compiled, analyzed, and reviewed by TMG and the City, TMG will document lessons learned for the City (outcomes, challenges, and key insights), perform final project accounting reconciliation, deliver all final project reports and project documents, set-up a support team, and relinquish all program management duties to the City Project Manager.

Organizational Change Management

Our OCM team works closely with the other project workstreams, sponsors, and key stakeholders to align the project goals with the business needs. AMI requires both internal and significant external communication and change management strategy. TMG has the experience to help prepare the organization to deal with these unique challenges. Our experience suggests there are predictable organizational dynamics and communication goals that OCM will focus on.

Internal to the organization these include:

- Reduction in need of positions requires a close relationship with labor and plan, fully mitigating changes over time.
- Increased availability of business and operational analytics may require the creation or acquisition of new organizational capabilities.
- New technology may require the creation or acquisition of new organizational capabilities.
- Roles and responsibilities due to the automation of many activities may need to be evaluated to ensure operational optimization and customer service enhancements.
- Heavy impact on business activities such as decreased manual meter reading, network maintenance, and increased reliance on support activities during implementation.
- Emergence of new business activities including the development, management and maintenance of the smart meter infrastructure.

Communication goals will include:

- Strengthen image of Independence in the community.
- Inform customers of the benefits and reasons for the AMI project.
- Inform customers the process that will be followed and what they can expect.
- Minimize traction by vocal individuals and groups that are opposed to "Smart Meters".
- Minimize the level of potential inquiries through our call center and business office.
- Prepare to manage and gain positive media coverage.
- Ensure there is consistent and strong organizational alignment among leadership supporting all aspects of the AMI program.
- Prepare employees to be community ambassadors and knowledgeable resources for the AMI program.
- Eliminate internal noise
- Create the ability to articulate project vision, objectives and Guiding Principles

Approach:

The visual below provides a high-level view of our methodology:

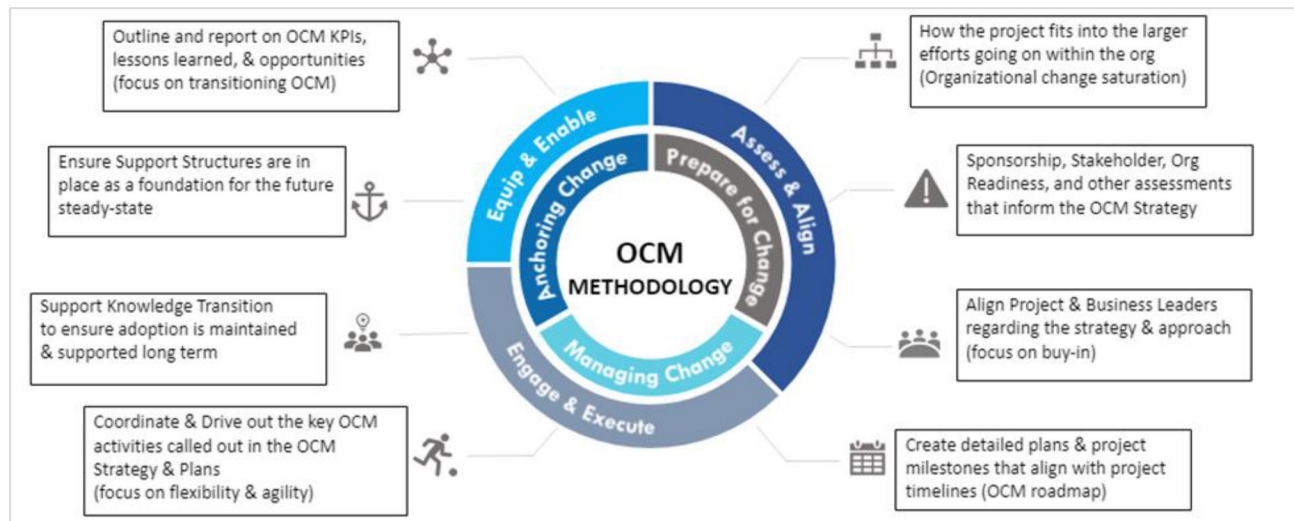


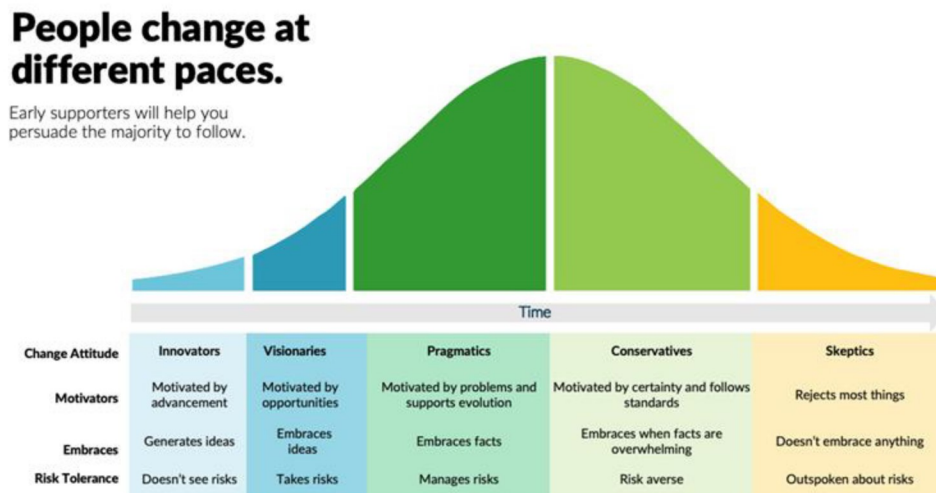
Figure 22: Organizational Change Management

Step 1: Prepare for Change

Assess & Align

This phase is about buy-in: Building a compelling reason for change with strong, visible change sponsorship, and tailoring an approach that considers the unique variables of your company. Meaningful engagements, a clearly defined future state, and change readiness-focused messaging slowly build commitment to the change. We will work closely with your internal resources to ensure we adhere to and leverage existing communication processes and guidelines.

People change at different paces and what they need in order to buy into change differs. OCM acknowledges this through the application of a broad spectrum of tactics and activities designed to maximize buy-in across the organization at the individual, impacted group, and leadership levels. The chart below illustrates some of the considerations that go into designing the best solutions for your specific organizational characteristics:



Understanding that people will be at different stages of readiness along the change journey, we set out to outline the best path from the current state, through the transition, and into the desired future state. First, we partner with the project sponsors and the PMO to concisely define what success looks like for the effort. It is critical that we can articulate clearly and concisely what success looks like, the benefits of the change, and why now is the right time for change. These are the building blocks for creating a compelling reason for

change, in turn, helping build excitement and buy-in for the change. It is the first step in preparing for resistance within the organization.

After clearly articulating what success looks like, we dig into assessing the current state by examining:

- Risk Factors - organizational attributes such as past changes, resistance, and sponsorship
- Change Characteristics – the type and scope of change examining the technology, culture, behavior, structure, or any combination
- Key Audiences - including rate payers, change agents, resisters, and so on

The insights and information gathered shape foundational accelerators including the OCM Strategy, the Communications Plan, and our Stakeholder Engagement Approach. A vital activity that needs to take place during this phase is to establish feedback loops with key stakeholders within the business areas that are impacted most by the change. These recurring checkpoints are an important way to keep the effort and stakeholders in sync. Establishing that alignment allows the project to quickly adjust to obstacles and concerns and improve the effectiveness of OCM. The checkpoints also offer the ability to triangulate how well the change is going via qualitative and quantitative feedback from the organization, operational areas, and even individuals.

This engagement with key stakeholders lays the groundwork for a full assessment of the impacts that the new technology may have on the stakeholders inside and outside of your organization. It begins in this initial phase of OCM and continues throughout the implementation and even into the technology stabilization phase, ultimately allowing us to:

- Identify, document, and mitigate change impacts
- Plan and coordinate stakeholder communications
- Enable job design and responsibility changes
- Support change leadership and sponsorship activities
- Assess business change readiness
- Plan and implement post-implementation user support processes

The assessments and related interviews help us understand the WIIFMs ("What's In It For Me"), or benefits, and the challenges that various groups impacted by the change will face. This key information is inherent to getting leaders and, thus, stakeholders behind the change. With a good understanding of the landscape, and leaders aligned in accordance with what success looks like, we are ready to move into the second phase, Managing Change.

Step 2: Manage Change

Engage & Execute

Although it begins in Phase 1 with the initial assessments and interviews, Phase 2 is all about Engagement. Involving stakeholders during key milestones to ensure alignment and gather and act on their feedback, showcases that stakeholder concerns are not only heard but influence the project in meaningful ways. Trustful relationship building, including enlisting partnership from stakeholders, is the pathway to disarming resistance, the biggest barrier to successfully adopting change. Engagement will be designed based on historical success, OCM best practices, and assessments with the goal of gaining buy-in and overcoming resistance among these key audiences:

EXECUTIVES

- Disconnect with their strategy
- Financial objectives or compensation



MID-LEVEL MANAGEMENT

- Loss of power or control
- Overload of current responsibilities

EMPLOYEES

- Lack of awareness of why the change is happening
- Lack of understanding of how it will affect / benefit them
- Comfort with the current state
- Fear of the unknown

Through these trustful relationships, OCM will help ensure alignment between the business and the project on key project messaging which often includes significant content review and or creation, facilitating and guiding discussions, and ensuring our ability to create a meaningful change story.

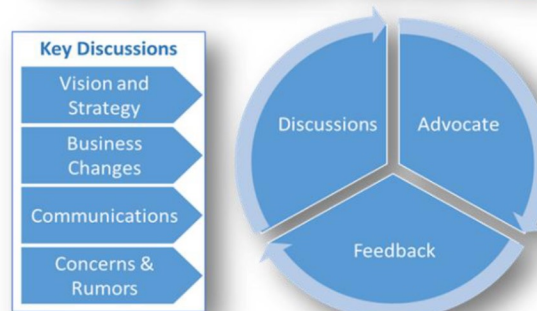
There are key groups that are important to work closely with, but additional groups are identified as the Stakeholder Impact Analysis is matured. The following groups are always engaged which is outlined in detail in the Stakeholder Engagement Approach and Communication Strategy.

Leadership Engagement

OCM will engage business leader stakeholders by facilitating a partnership with the CIS Project. This will ensure business stakeholder concerns are addressed, help build trust between the project and business leaders and assist in securing change partnership for reinforcing messages. Below are some of the ways we will engage business leaders:

- Communications – partnership with leaders in communications cascading and message reinforcement
- CLARC Roles – introducing leaders to the Prosci CLARC roles (Communicator, Liaison, Advocate, Resistance Manager, and Coach) that front-line leaders play during successful change initiatives
- Mitigating Resistance – front-line leaders are the first line of defense in identifying and overcoming resistance to change
- Feedback Loops – leaders will aid in identifying course corrections and measuring the effectiveness of OCM
- Change Network – business area leader change agents play a critical part in successful change initiatives (partners in outreach, guidance on tactics, and source of honest feedback)

Change Network Partnership



End User Engagement

OCM will map out the best way to engage Pasadena Water and Power end users with the guidance of project and business area leadership. We will leverage existing communication channels, consider the culture and organizational structure so the approach is tailored to fit the ecosystem. Below are some of the ways we will engage end users:

- Super Users – using existing project engagements to upskill Go-Live business support resources
- Demos and Roadshows – milestone-based showcases to build comfort and excitement among end-users
- Change Agents – leveraging end users who embrace change more quickly to help move others to the future desired state
- Communications – push & pull messaging and multichannel abilities to keep end users aware and up to date about the change
- Feedback Loops – timely and intentional collection of actionable data that provide insight on how best to guide end users toward adoption

Change is complex, multifaceted, and often happening in an environment that is constantly evolving. TMG OCM consultants know how to deconstruct and understand the moving parts within levels of change, in order to better align at the macro and micro levels of your organization:

- **Organizational (Macro)** – ensuring company policy, culture, and systemic changes align with future direction
- **Departments and Teams** – understanding and managing business process, support channels, and structure changes
- **Individuals (Micro)** – focuses on building Awareness, Desire, Knowledge, Ability, and Reinforcement (ADKAR) to increase buy-in at the individual level. As stated earlier, people go through change at different paces. ADKAR allows us to meet people where they are and help guide them through the change:
 - Awareness of need for change and the nature of the change
 - Desire to support the change, to participate and engage
 - Knowledge of how to change, how to implement new skills and behaviors
 - Ability to implement the change and demonstrate performance
 - Reinforcement to sustain the change, to build a culture and competence around change

Engagement is the keyway to ensure that stakeholders feel they are part of the change and not that the change is happening to them. Feedback from surveys and interviews help us to measure our progress along the way and give insights into the best mitigation and action plans. As these plans and activities are executed and progress is apparent, we can begin to shift our focus toward anchoring the change.

Step 3: Anchor Change

Equip & Enable

The first two phases focused on buy-in and engagement. Ultimately, the goal of those activities is to remove obstacles to adoption so that we can focus on enabling the business to take on and sustain the change.

The strong relationships with stakeholders that were developed early and maintained throughout the project give us the chance to maximize learning opportunities and to create change agents that collectively reinforce adoption. Our emphasis on knowledge transfer and training efficacy is used to confirm your staff is equipped to support and utilize the new technology so that the benefits of the change are fully realized.

To maintain healthy adoption, after implementation, it is important to maintain functional feedback loops that include the following: collection and analysis of feedback, actionable solutions with task owners, and follow up with stakeholders on effectiveness of the solution.

The OCM Team will perform analysis and confirm readiness through the following activities:

- Readiness Check-ins and Solution Focused Reporting
- Readiness gaps mitigation and resolution
- Leveraging OCM feedback loops to supplement readiness data
- Maintaining regular communication to remain proactive

TMG designs and executes feedback loop strategies that enable the collection of feedback (qualitative and/or quantitative) for analysis, process improvement, and measuring effectiveness. We help leadership diagnose gaps, identify root causes, and manage resistance. Some of the ways we measure readiness include:

Project Readiness (coordination and integration with PMO readiness)

- Project Health – check points to determine core team morale and ability to perform their role
- Project Onboarding – help ensure onboarding documentation exists and is useful for joining resources
- Knowledge Transfer – aligning on what knowledge should be transitioned and that receivers feel they are ready to perform support roles in the future state
- Hyper Care Readiness - perception and ability to provide tiered-level support to the organization during and after cutover

Stakeholder Readiness

- Stakeholder Impact Analysis – understanding the unique impact that the change will have on each stakeholder group
- Change Log and Mitigation Mapping - understanding current state, what's changing, and planned mitigations
- Business Process – supporting the business in securing proper validation of future state business processes
- Training and Knowledge Efficacy – determining of stakeholders' comfort with knowledge transition

Utility Readiness Measures

- End Users / ADKAR – identifying where stakeholders are in their change journey and defining solutions for obstacles that arise
- Training and New Hires – assessing whether people can do their jobs and if training is in place for new hires
- Leadership / Change Network – tracking engagement and buy-in within leadership to strengthen the commitment to the change
- Support Readiness – planning for and confirming support areas are ready upon conclusion of hyper care
 - Technical Support Communication and Expectations (war room, triage, SLAs, etc.)
 - Business Support Coordination (Super Users and Boots on the ground)

Change readiness is measured throughout the project allowing adjustments that improve readiness and build confidence in preparation for Go-Live. This ensures that the business and project remain in sync and that

everyone has a voice as to whether the skill and will exist to support a successful implementation and sustained change.

OCM PHASES	OCM DELIVERABLES
Prepare for Change	- Sponsor Change Vision - Stakeholder Readiness Assessment - Baseline - Stakeholder Register
Manage Change	- OCM Strategy - Communications Strategy - Knowledge Transfer Strategy - Knowledge Transfer Assessment - Communications Plan - Change Impacts Assessment
Anchor Change	- Stakeholder Readiness Assessment – Go-live - Training Efficacy Assessment - Post Go-Live Assessment

OCM Deliverables and Key Activities

OCM DELIVERABLES				
Plan	Solution	Test	Deploy	Stabilize
Prepare for Change	Manage Change		Anchor Change	
Change Vision Assessment (Vision & Sponsorship)	OCM Strategy	Knowledge Transfer Assessment	Stakeholder Readiness Assessment - Go-live	Post go-live Assessment
Stakeholder Readiness Assessment - Baseline	Communications Strategy	Communications Plan	Training Efficacy Assessment	
Stakeholder Register	Knowledge Transfer Strategy	Change Impacts Assessment		
OCM Key Activities				
*Change vision exercise with sponsors to build a case for change and align leadership and the organization, change sponsorship overview to help sponsors understand how to best support change and how to self assess progress	*Create an OCM Strategy document that details key OCM activities, work products, and deliverables for the project	*Conduct KT assessment surveys	*Snapshot assessment/interviews/survey of impacted stakeholders to assess all aspects of ADKAR and go-live readiness	*Planning around Tiered level end-user support model for cutover and stabilization period (who to call, at-the-elbow support resources, etc.)/future state planning
*Snapshot assessment/interviews/survey of impacted stakeholders to assess A&D of ADKAR, organizational attributes and change characteristics	*Communications Strategy that documents specific communications (key message, intended audience, delivery medium) needed throughout the project	*Create and execute internal/external communications plan	*Develop & conduct Training Efficacy survey in close coordination with Training Proficiency Check-Ins	*Lessons learned assessment investigating how things went, how comfortable end users are in the new system post go-live
*Identify draft stakeholder matrix of impacted organizations	*Identify key roles & responsibilities for Knowledge Transfer (KT); *Develop and introduce template tracking tool for Knowledge Transfer (KT) Plan for each in-scope KT item, items and activities updated by knowledge holders;	*Capture and document change impacts to the business as identified during User Journey workshops	*Final Review of KT assessment results, any gaps, recommended actions, etc.	
*Gain understanding of communication hierarchy, most effective vehicles and mediums and partnerships	*Stakeholder Engagement Analysis (bubble staffing, super users, etc.)	*Stakeholder engagement recommendations, timeline, etc.		

Enterprise View Change Management

Independence may have multiple significant change projects underway. In order to optimize those changes from an enterprise perspective we may recommend the consideration of a Change Management Office. This level program would work directly with the program manager, sponsors and steering committee to ensure alignment and the effective development of an organizational and leadership predisposition to effective business transformation. This approach would support a holistic view of the utility's operations.

Throughout the project, TMG will:

- Work with senior level leadership to ensure messaging and alignment is consistent with needs of the project.
- Provide a consistent approach to managing change across all affected departments;
- Assess and manage change capacity over the course of the program;
- Develop and assess the operational readiness of impacted departments; and
- Build internal OCM capabilities.

TMG will address the change needs for all impacted personnel including front-office, back-office and field staff. TMG will assist the utility in identifying “change agents” within the organization, typically key frontline leaders, who are critical to the adoption of change and sustained improvement beyond implementation.

Project Organization

At TMG, we employ the industry's leading talent, including seasoned consultants with exemplary track records and substantial experience working within the walls of utility companies. They are laser-focused on delivering strategic, operational, and organizational solutions directly supporting utilities' business objectives.

The human capital factor should be heavily weighted and considered by any Utility looking into a potential partner. Our consultants bring at least/over 20+ years of industry experience on average. In previous careers, TMG's proposed team for this engagement has provided smart grid/smart metering consulting services on multiple previous engagements, including:

- The provision of multiple business cases, market studies, and feasibility studies
- The management of procurements for utilities for both AMI and MDM systems
- The provision of Project Management services, delivering implementation and technical integration services on many projects that have included smart metering components, including AMI, HES, MDM, and CIS, involving various equipment and product vendors
- Serving as sub-consultants to other smart metering consultants on other contracts where expertise in AMI/MDM integration with CIS and adjacent systems was required
- Managing the customer, operational, and business process impacts of smart metering implementations in large energy utilities throughout North America

TMG's overall approach to procurement requires close collaboration between TMG professionals and the City. TMG firmly believes in a single, unified team approach and a high degree of collaboration.

Regarding the strategic importance and transformational nature of the City's project, TMG proposes utilizing the experienced professional resources identified in the organizational chart below. The proposed diagram depicts the entire program, showing the cross-functional teams and resources within the City that typically comprise an AMI project team, yet the City should keep in mind that TMG is flexible on how the final organization structure will be characterized, and we are sensitive to each utility's unique needs and personnel availability. As such we are open to making adjustments and optimizations to suit the City as needed.

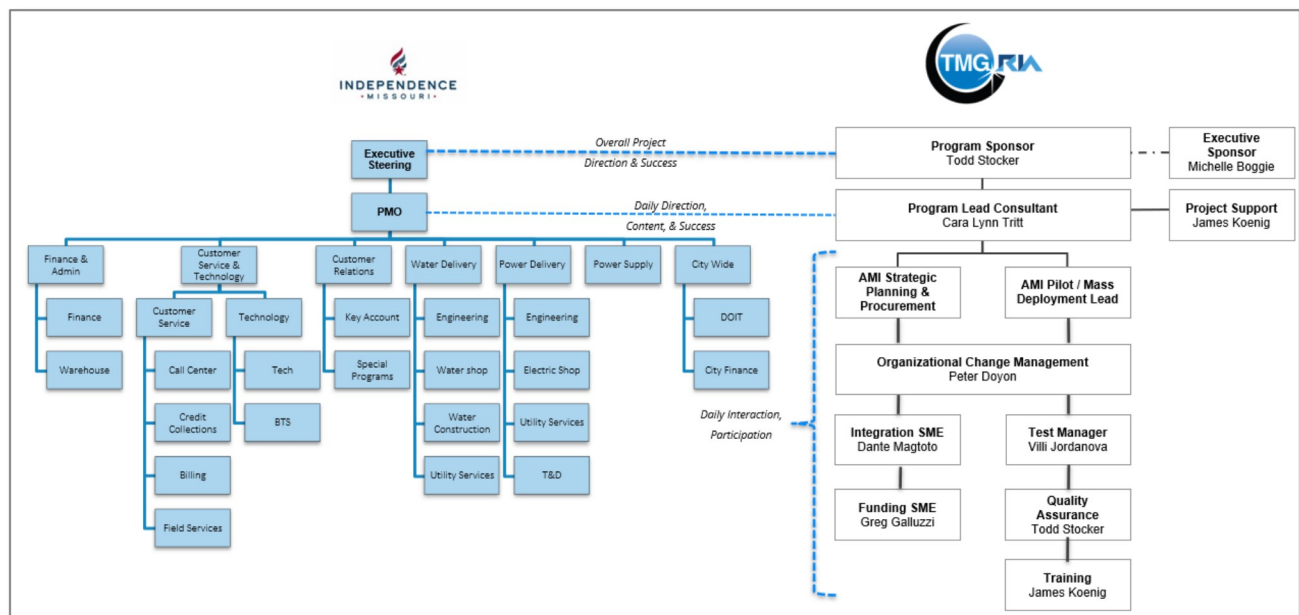
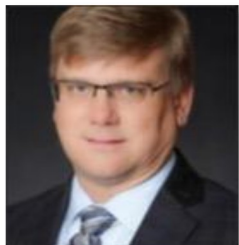


Figure 23: TMG's Proposed Organizational Chart

TMG Staffing Bios

Below is information on the team profile summary for the City's reference.

Todd Stocker - Program Sponsor and Quality Assurance



Todd Stocker has over **twenty-five (25) years of experience** in the utility, industrial automation, test and measurement, and semiconductor industries. He is a strategic leader of advanced technical products with acute expertise in Advanced Metering Infrastructure (AMI). With extensive experience supporting municipalities and investor-owned utilities in North America, he specializes in identifying utility needs, defining new solutions, and extending the reach of existing solutions in the "meter to cash" and distribution automation arena, including various edge systems such as CIS, MDM, EAM/WAM, FSM/MWM, GIS, OMS, and SCADA. Before TMG Consulting, he served as the **Director of Water and Gas industry** and P&L Manager at a major AMI vendor. In this role, he developed and brought to market a fixed-network leak detection solution that was deployed by American Water, San Francisco PUC, New Orleans SWBNO, and the City of Houston. Todd is a technical and commercial problem solver and has worked on AMI projects of all sizes, totaling more than 12 million endpoints deployed. Todd is an electrical engineer with a master's degree in business administration and a unique combination of technical skills and commercial aptitude. Todd's notable utility experience includes:

Education & Certifications

- Case Western Reserve University, Cleveland, OH – Master of Business Administration
- Grove City College, Grove City, PA – Bachelor of Science in Electrical Engineering

SJI Industries (Folsom, NJ) – PMO Services

- Providing PMO consulting services to support the AMI Implementation project of over 450,000 natural gas meters.

Lubbock Power and Light (Lubbock, TX) - Project Manager

- Led the AMI Implementation project of 110,000 electric meters and 90,000 water meters.

Riviera Utilities (Foley, AL) - Project Manager

- Led the contract negotiations with the selected vendor(s).

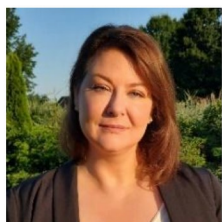
Southern California Gas (Los Angeles, CA) - Technical Lead

- Provided technical oversight throughout the implementation of the AMI solution at SoCal Gas for over 6 million gas meters.

San Francisco PUC (San Francisco, CA) - Technical and Commercial Lead

- Managed the triage and resolution of post-implementation performance problems with the AMI solution for SFPUC, which serves over 250,000 water customers.

Cara Lynn Tritt – Program Lead Consultant



Cara Lynn Tritt is an experienced senior manager, strategic leader, and project management professional with a long history of helping deliver insight and new technologies to global utility technology partners. Cara Lynn has over **twenty-five (25) years of experience** in the energy industry planning, directing, and implementing end-to-end complex integrated Advanced Metering Infrastructure (AMI) hardware, SaaS software, advanced network solutions, and services at investor-owned, cooperatives, and municipal utilities.

Education & Certifications

- University of Dayton, Dayton, OH – Master of Business Administration

- Greenville Tech, Greenville, SC – PMP Core
- The University of Akron, Akron, OH – Bachelor of Science, Public Policy Management

The City of Cedar Hill (Cedar Hill, TX) – Project Manager

- Conducting a system performance assessment and root cause analysis of the City's existing AMI system that services ~16,000 customers.

CoServ (Denton, TX) – Project Manager

- Conducting an alternative analysis study for the AMI 2.0 replacement project and managing the entire procurement process.

Rivera Utilities (Foley, AL) – Project Manager

- Leading the AMI implementation of 50,000 electric, 15,000 water, and 5,000 natural gas accounts.

First Energy (OH/PA/NJ/WV/MD) – Project Manager

- Managed PJM Interconnect RTO integration with FirstEnergy to support automated Demand Response messages.

Southern California Gas (Los Angeles, CA) - Project Stakeholder

- Steering committee member providing support, guidance, and oversight of behavioral and analytical energy programs.

San Diego Gas & Electric (San Diego, CA) – Technical Lead

- Technical lead providing rate engine oversight and requirements identification to ensure regulatory rate calculation compliance.

James Koenig – Project Support & Training



James is a veteran of the utility industry, working with investor-owned, municipal, and cooperative utilities to identify needs, develop strategic solutions, and lead system implementations. His experience includes leading Smart Grid, AMI, CIS, and ERP initiatives with a focus on business change management and system operations to meet utility objectives. He has led systems delivery and support teams across key utility business areas, including customer services, metering, engineering, distribution, field services, supply chain, work management, finance, and administrative systems. His experience includes SaaS/cloud-based implementations, management of offshore development resources, and overseeing datacenter, telecommunications, and field infrastructure installations. For the past 15 years his primary focus has been the implementation of electric, water, and gas AMI and smart grid projects. James' notable utility experience includes:

Education & Certifications

- Abilene Christian University, Abilene TX -BBA/ Information Systems
- Amberton University, Garland, TX – MBA
- Project Management Professional – PMI

Pasadena Water & Power (Pasadena, CA) – Lead Consultant

Conducted a needs assessment and developed the business case and roadmap for an electric and water AMI solution.

Kansas City BPU (Kansas City, KS) – Lead Consultant

- Evaluated an existing electric and water AMI system and provided options for replacing versus upgrading the system. The analysis included cost comparisons and action plans for each option.

Maritime Electric (Prince Edward Island, Canada) – Lead Consultant

Facilitated the AMI vendor contract negotiations to replace the existing AMR system and integrate with the CIS/MDM systems.

Entergy (New Orleans, LA) – Consulting Manager

Managed the deployment of automated distribution technology consisting of over 9,000 distribution devices as part of a 1.3B grid modernization initiative over a five-state service territory.

Lubbock Power & Light (Lubbock, TX) – Delivery Manager

- Managed the delivery of AMI implementation and deployment services for a large electric and water municipal utility.

South Central Connecticut Regional Water Authority (New Haven, CT) – Project Manager

Responsible for a \$17 million implementation and integration of AMI, SAP CIS, and MDM systems and field network technology.

Michelle Boggie – Vice President - Executive Sponsor



Michelle has over eighteen years of operational and implementation experience, with a strong aptitude for business integration, change management and organizational readiness, across multiple technologies within the energy industry. She offers a keen understanding of leading practices for full lifecycle Utility Systems implementations for customer information, customer experience, and enterprise resource planning platforms as well as for supply chain management and business transformation initiatives. Michelle is Prosci-certified and collaborates effectively across all levels within an organization. She possesses strong leadership, teambuilding, presentation, and written communication skills, along with extensive functional and business process expertise.

Education & Certifications

- Kellogg School of University of Colorado- MBA, Business Administration
- Michigan State University- BA, Supply Chain Management
- Prosci Change Management
- Six Sigma

Salt River Project (SRP) – CIS Quality Assurance

- QA Engagement Executive

SoCalGas Company – CIS Procurement Project & Workforce Management QA Support

- Industry SME and Business Integration (BI) Lead

Seattle Public Utilities – Enterprise Roadmap

- Engagement Executive & OCM Lead

Salt River Project (SRP) – CIS Procurerent

- Industry SME and BI Lead

Centuri Group – ERP Quality Assurance Health Assessment

- Quality Assurance Subject Matter Expert

Southwest Gas Corporation

- Program Lead, Business Integration

Madison Gas & Electric – OCM Transformation Project

- Change Management Office Lead

Arizona Public Service

- Program Lead, Business Integration

Alectra Utilities

- Learning & Proficiency Lead

City of Hamilton

- Change Management, Learning & Proficiency Lead

Greg Galluzzi – Funding SME & Expert Consultant



Greg Galluzzi is the original founder of TMG, having started the firm back in 1992, and he brings 40+ years of Utility industry focus. He is the architect and creator of TMG's Methodologies and Tools for "Meter-to-Cash" business and technology advisory and strategy, including AMI and MDM. Today, Greg contributes to the constant refinement and modernization of TMG methods and tools, and he is a Senior Industry SME & Expert Consultant for TMG, participating in detailed project activities including Regulatory/Finance-related work and business/technology strategy work for TMG projects with Utilities.

Greg Galluzzi is a highly-credentialed and experienced utility industry expert consultant with extensive application related projects and high visibility across the industry. Greg is frequently:

- Hired by product vendors and utilities to provide competitive information on application pricing and installation costs.
- Hired by Utilities to assist in the development of a business plans to evaluate alternative application strategies, assemble digital
- enterprise plans, digital solution roadmaps and architectures, assess implementation projects, and audit application production implementations. He has participated in nearly 60 planning projects.
- Hired by utilities to assist in evaluation and selection efforts. He has participated in over 100 selection efforts.
- Hired by utilities to provide a third-party quality assurance role during the application installation effort. He has participated in nearly 50 installation efforts as a QA manager.
- Hired by utilities to assist in the assessment, selection, and implementation of various operating platforms including: on premise, hosted, cloud IaaS, cloud PaaS, cloud MPaaS, cloud BPaaS, cloud SaaS and cloud MSaaS solutions and various deployment models, e.g. public, private, hybrid, etc.
- Hired by utilities to assist them in planning and moving toward a Digital Utility and Customer Transformation experience.
- Experienced with project budgets in the \$1 million to \$500 million-dollar range and project teams of 5 to 350 persons.
- Involved with **over 150 utilities and has participated in a total of 300 IT and CIS, CRM, AMI, MDM, ERP, EAM/WAM, OMS, FSM/MWM related projects.**

of utilities and all types of sizes, from the smallest public owned utility to the largest Investor Owned Utility (IOU). Greg has been working in the market for almost 40 years across hundreds of projects and is focused on CIS, CRM, CIC or CxT, ERP, EAM/WAM, OMS, FSM/MWM, AMI, and many other applicationsresilience.

Education & Certifications

- University of Kansas – Master of Business Administration
- Fort Hays KS State College – Bachelor of Science in Accounting & Computer Science

Key Competencies

- Planning Workshops
- Strategy Workshops
- Design Workshops
- Assessment Workshops
- Financial Modeling
- Audits & Reporting
- Interviewing Techniques
- Executive Presentations
- Large Group Presentations
- Regulatory Testifying
- Industry Metrics
- Methodology & Tools

Pete Doyon - Organizational Change Management



Pete Doyon is Innovative, agile and results driven business improvement and organizational behavior executive specializing in directing organizational change in structure and culture, technology implementation, leadership and organizational renewal. Highly effective at leading large-scale restructuring and organizational effectiveness initiatives resulting in 15-30% productivity/cost improvements. Pete Doyon brings over 25 years of expertise in the utility industry, specializing in collaborative leadership and organizational transformation. Known for his stabilizing influence, Pete excels in building momentum within organizations, mitigating conflicts, and mentoring teams to leverage their full potential. His track record of success spans across key areas including organizational change leadership, business

transformation, change management, leadership coaching, and corporate restructuring. Pete is adept at guiding companies through technology-driven changes, ensuring effective outcomes while fostering growth and resilience.

Education & Certifications

- Kellogg School of Management – Strategic Change Management Certified
- Institute of Organizational Science and Mindfulness – Organizational Mindfulness Certified
- St. Thomas University -MBA

OCM/PMO/Steering Committee - Pasadena Water and Power

- OCM/PMO for Oracle C2M Implementation
- Successful On-Time On Budget Implementation
- Leadership Coaching and Alignment

OCM/PMO/Steering Committee - Louisville Water Company

- OCM/PMO/Steering Committee Oracle CCB, Oracle WAM, Kloudgin Field Service
- Leadership Coaching and Alignment
- All projects CS Week Award winners

OCM -City of Lubbock Utilities

- Design of initial OCM Strategy and Approach

OCM/PMO - Lansing Bureau of Water and Light

- Develop OCM Strategy and Approach for implementation of multiple systems including AMI/CIS/Field Service/Outage Management/Asset Management
- Mentored internal OCM Staff
- Leadership Coaching

OCM– Central Hudson Utilities

- Revitalized Enterprise Asset Management/Content Management project
- Coached Executive leadership in the role of project sponsorship

OCM/QA - Idaho Power

- Assessment and redesign of failing OCM for CIS Implementation
- Scaled approach and resources to better meet needs of the project

OCM/QA– Newfoundland Power

- Assess and advise CIS implementation

Northwestern Corporation

- Business transformation initiative supporting newly appointed CEO with organizational restructuring, restaffing and cultural development.

Xcel Energy/Northern States Power Company

- Business process re-engineering project focusing on Corporate Operations
- Led IT Outsourcing analysis and selection
- Directed enterprise-wide consulting team focusing on process improvement, cost reduction, customer service
- Led initiative consolidating 5 walk in sites to centralized customer service center

Dante Magtoto - Integration SME



Over 15 years leading Oracle Customer Care & Billing (CC&B), ancillary products, and Web Self Service implementations in the Utility sector. Specializing in software development life cycle (SDLC) methodologies to guide customers through software and business transformation. Proven track record of successful delivery, managing cross functional teams across multiple time zones.

Education & Certifications

- George Mason University, Fairfax, VA – Bachelor of Science in Finance

Orlando Utilities Commission – MDM Load Interval Read Project - Project Manager

Nashville Electric Service (NES) – Transformation Services - Project Manager

Tucson Electric Power – BI & Time of Use Billing Implementation - Project Manager

- Led the implementation of a Business Intelligence (BI) Data Warehouse for Interval Data and Bill Presentment information, specifically in preparation for Time of Use (TOU) Billing.

Colorado Springs Utilities – Managed Services Application Support - Project Manager

- Managed a services project focused on providing development and application support.

Modesto Irrigation District – Implementation of Oracle CC&B 2.5 - Project Manager

- Successfully implemented Oracle CC&B 2.5, MDM 2.1, CSS 2.1, and Origin's MobileLite.

- Implementation of Oracle CC&B 2.5, MDM 2.1, CSS 2.1 and Origin's MobileLite.

Orlando Utilities Commission – MDM Assessment & Reconfiguration - Project Manager

- Provided application support for ongoing operations and ensured the smooth functioning of the system. Successfully delivered major projects related to sustainability, products and services, and MDM assessment and reconfiguration.

City of Jackson – Implementation of Oracle CC&B 2.5 - Project Manager

- Led the implementation of CC&B 2.5, ensuring a smooth transition and successful adoption of the system. Implemented the Stranded Bill Recovery feature, addressing and resolving billing issues and improving revenue recovery processes.

South Jersey Gas – Implementation of Oracle CC&B 2.4 - Solution Architect

- Successfully implemented CC&B 2.4, enabling efficient management of customer billing and related processes. Implemented the Market Transaction Messaging (MTM) feature, facilitating seamless communication and data exchange between market participants.

Puerto Rico Electric Power Authority – Implementation of Oracle CC&B 2.3 - Solution Architect

Artesian Water Company (AWC) – Oracle CC&B & MWM Upgrade Project - Project Manager

Villi Jordanova - Test Manager



Villi is known for her passion and expertise in testing, for crafting the testing processes to suit the specific needs of the projects or organization for all things QA and Testing. Twenty+ years of industry experience; with exceptional analytical skills and demonstrated success in information technology, requirements analysis, business analysis, application testing leadership, quality assurance, and application support. Extensive knowledge of System Testing Standards and Methodology and SQA procedures, including successful experience in testing various utility software using testing methodology standards. Proven track record of managing all phases of implementation and upgrade test cycles to successful completion. She has extensive experience in multiple technology domains, having led large scale testing programs for Oracle CCS (Lubbock Power and Light, Hillsborough County, Grand PUD, ATCO GAS), as well as previous work in Itineris UMAX and Hansen Banner CIS.

Education & Certifications

- Master of Science in Mechanical
- Engineering and Management
- Foundation Level (CTFL)

Grant County Public Utility District - Oracle Cloud CCS Test Manager

- Plan, schedule and estimate testing project – Oracle Cloud C2M/CCS
- Work with Client's Test Manager on as needed basis.

ATCO Gas - CC&B Test Manager

- Work with Client's Test Manager on managing ATCO's Testing team.
- Supported System Integration Testing and Lead User Acceptance Testing.
- Created UAT Test Plan and identified test cases.

Hillsborough County Florida - Oracle Cloud C2M/CCS Test Manager

- Plan, schedule and estimate testing project – Oracle Cloud C2M/CCS
- Work with Client's Test Manager on as needed basis.

City of Lubbock - System Integration Testing and User Acceptance Testing Lead

- Plan, schedule, estimate and implement testing project – Oracle Cloud C2M/CCS/AMI

- Lead System Integration Testing and User Acceptance Testing
- Created master test approach, test plans and identified test cases.

Test Manager for Various Utility Client Projects

- Managed testing on all UMAX North America Projects implementations, including Baltimore City Water, MD; Dakota
- Electric, MN; Georgetown Utilities, TX; and Boston Water and Sewer District, ME.
- Planned, scheduled, estimated, and implemented testing projects.
- Experienced in writing the master test approach, test plans, and test cases.

Vertex Business Services - Various Utility Client Projects

- Senior Consultant on Banner product @ Seattle Gas and Electric, Fort Collins, City of Longmont to name a few.
- Performed complex testing and led tasks on complex projects, including Banner upgrades to 4.2 and client support.

Hansen Technologies - Various Utility Client Projects

- Senior QA Analyst/Tester @ PGE, MLGW, Sierra Pacific and Nevada Power, ATMOS Energy, Virginia Beach, Charlotte
- Water to name a few. Then moved to Test Manager for Banner product.
- Performed complex testing and led tasks on complex projects, including new releases and service packs.
- Planned, scheduled, estimated, and implemented testing projects.

Proposed Project Schedule

TMG is providing sample schedules for strategic planning, procurement, and implementation. Actual implementation schedules (whether compressed or extended) will vary based on the needs of the City to ensure a cost-effective and scalable implementation.

AMI Strategic Solution Roadmap Timeline

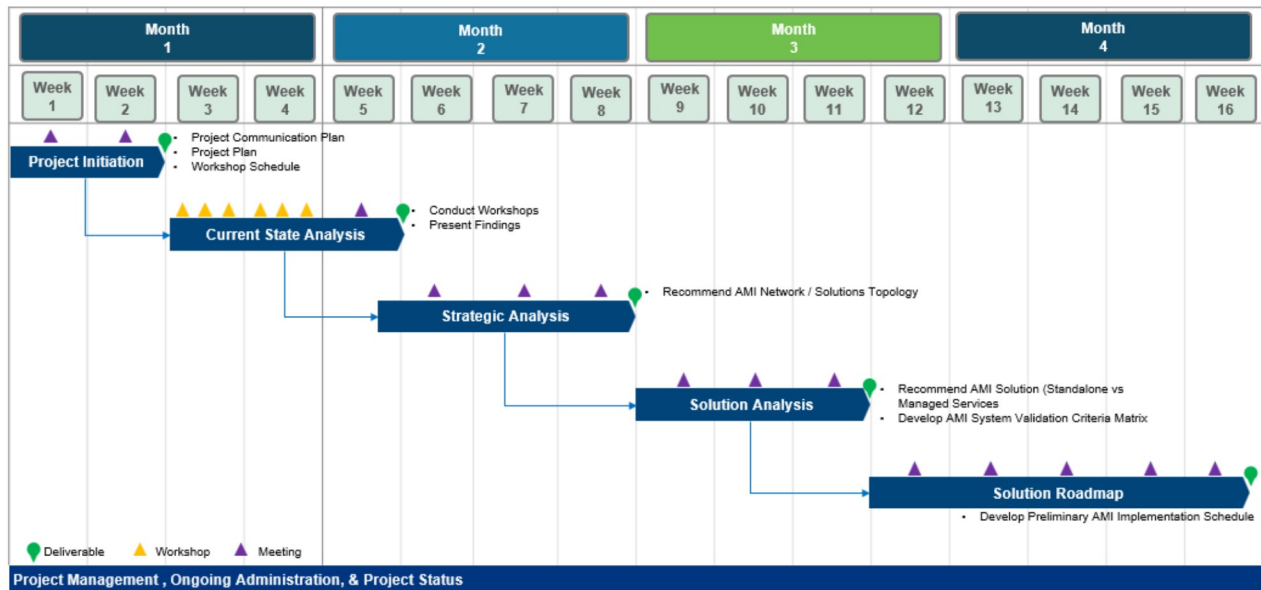


Figure 24: Sample AMI Strategic Planning

AMI Strategic Sourcing & Procurement Timeline

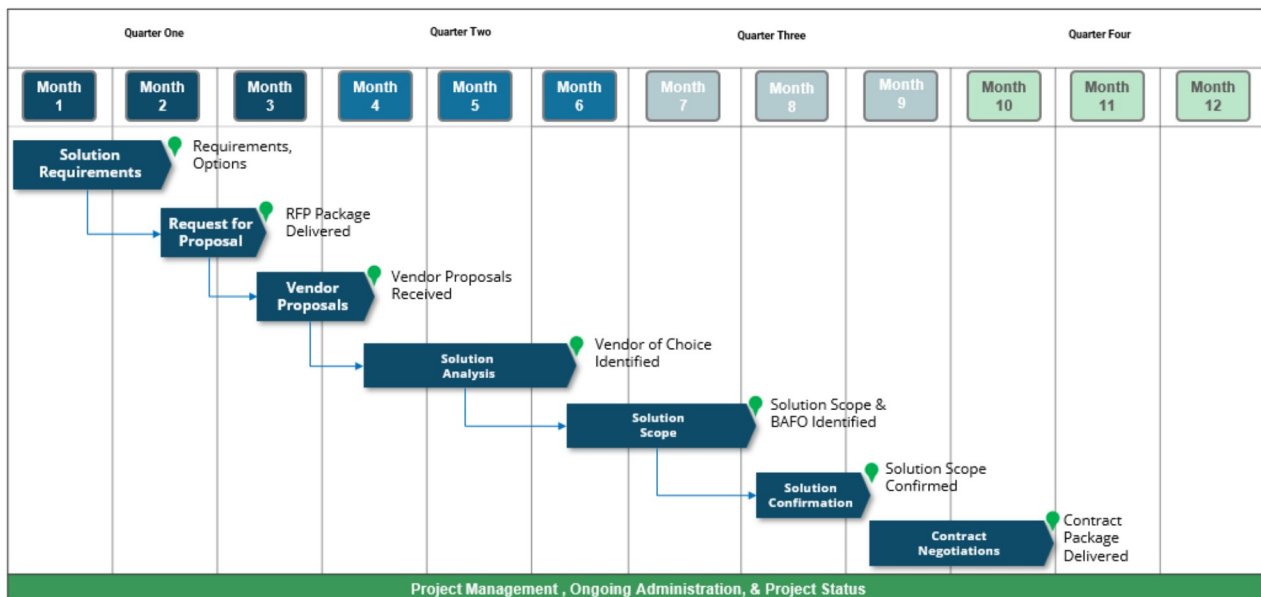


Figure 25: Sample AMI Procurement Timeline

AMI Strategic Program Management – Implementation Timeline

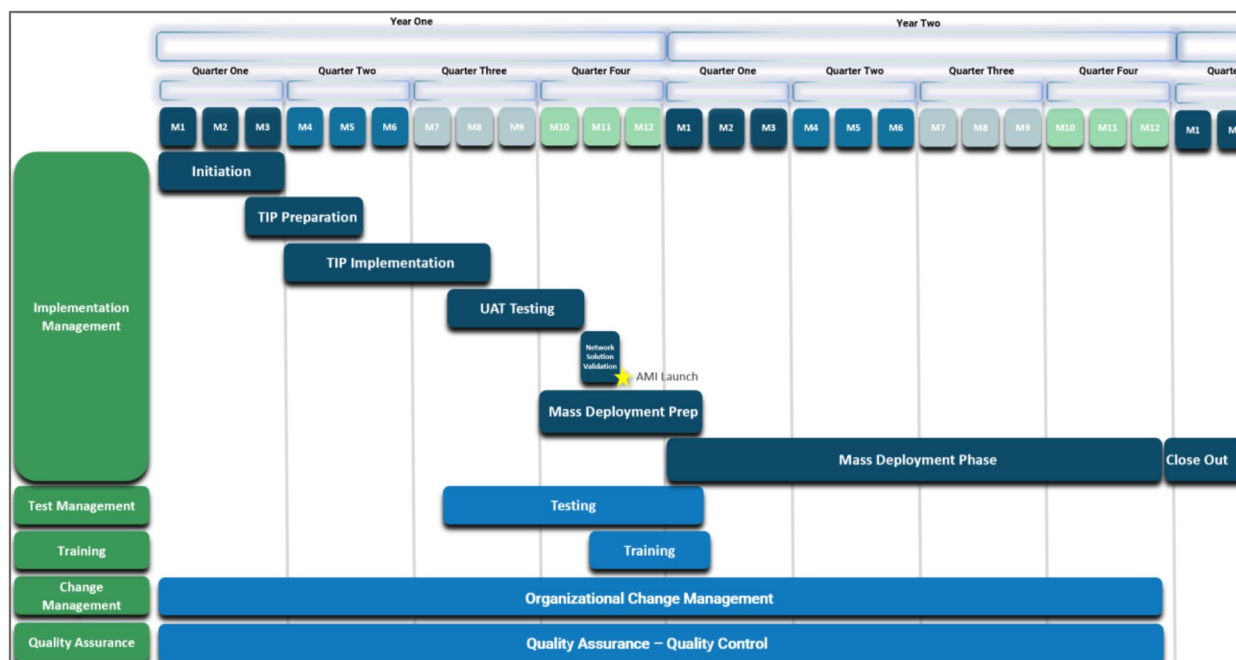


Figure 26: Sample AMI Implementation Timeline

A sample breakdown for each phase during the planning, procurement, and implementation workstreams is listed below. **Please note** that each task's beginning and end may overlap with a prior or subsequent task. Combined, the estimated project duration is a 40-calendar month timeline.

Planning Phase	Duration 4 months	Procurement Phase	Duration 8 - 10 months	Implementation Phase	Duration 26 months
Project Initiation	2 weeks	Solution Requirements	6 weeks	Project Initiation	3 months
Current State Analysis	3 weeks	Request for Proposal	4 weeks	Technology Preparation	3 months
Strategic Analysis	3.5 weeks	Vendor Proposals	4 weeks	Technology Implementation (TIP)	5 months
Solution Analysis	3 weeks	Solution Evaluation	8 weeks	User Acceptance Testing (UAT)	3 months
Solution Roadmap	5 weeks	Solution Scope	6 weeks	Network Solution Validation	1 months
		Solution Confirmation	4 weeks	Mass Deployment Preparation	4 months
		Contract Negotiations (optional)	8 weeks	Mass Deployment	12 months
				Project Closeout	2 months

Figure 27: Phase Timelines



Exceptions to Agreement for Professional Services

TMG's Requested Edits to the City of Independence, MO Terms and Conditions and Contract for Services

TERMS AND CONDITIONS

Section 10.G. – Liability and Indemnification

Add the following new paragraphs at the end of this clause:

"Successful proposer will not be liable under this Agreement for (i) any indirect, exemplary, incidental, punitive, special or consequential damages or for loss of profit, loss of business or loss of goodwill, or (ii) with respect to any subject matter of this Agreement under any contract, tort, negligence, strict liability or other legal or equitable theory, for any amounts in excess, in the aggregate, of the fees paid or owed to successful proposer hereunder during the 12-month period before the claim or cause of action arose, except that successful proposer's liability to City, regardless of the form of action, arising out of successful proposer's indemnification obligations and/or a breach of security obligations hereunder (including any indemnification obligations therefor) will be limited to the maximum amount available under successful proposer's insurance. Nothing in this Agreement will limit Successful proposer's liability for its gross negligence or willful misconduct."

"Except as expressly stated in this Agreement, successful proposer makes no other warranties, representations or conditions of any kind, whether express, implied, statutory or otherwise, and expressly disclaims any implied warranties of merchantability or fitness for a particular purpose."

Section 10.K. – Termination

Add the following to the end of the 1st sentence:

"of thirty (30) days"

Section 10.O – Assignment

Add the following sentence at the end of the clause:

"Notwithstanding anything to the contrary herein, either party may, without the other party's consent, assign or transfer all or part of this agreement to any affiliate or to any successor-in-interest to all or substantially all the business or assets of the assigning party pertaining to the subject matter hereof, whether voluntarily or by merger, reorganization, asset sale, or otherwise."

INSURANCE REQUIREMENTS

Indemnification and Hold Harmless: For purposes of this Agreement, Consultant agrees to indemnify, defend and hold harmless City and its agents from any and all Loss where Loss is caused or incurred as a result of the intentional misconduct, recklessness, negligence, or other actionable fault of Consultant or its subconsultants.

Comply:

Exception: ☒



CONTRACT FOR SERVICES

Article 9 – Liability and Indemnification

Add the following new paragraph at the end of this clause:

“Consultant will not be liable under this Contract for (i) any indirect, exemplary, incidental, punitive, special or consequential damages or for loss of profit, loss of business or loss of goodwill, or (ii) with respect to any subject matter of this Contract under any contract, tort, negligence, strict liability or other legal or equitable theory, for any amounts in excess, in the aggregate, of the fees paid or owed to Consultant hereunder during the 12-month period before the claim or cause of action arose, except that Consultant’s liability to City, regardless of the form of action, arising out of Consultant’s indemnification obligations and/or a breach of security obligations hereunder (including any indemnification obligations therefor) will be limited to the maximum amount available under Consultant’s insurance. Nothing in this Contract will limit Consultant’s liability for its gross negligence or willful misconduct.”

Article 10 – Insurance

Indemnification and Hold Harmless: For purposes of this Agreement, Consultant agrees to indemnify, defend and hold harmless City and its agents from any and all Loss where Loss is caused or incurred as a result of the intentional misconduct, recklessness, negligence, or other actionable fault of Consultant or its subconsultants.

Comply: Exception: ✓

Article 13 – Termination

Add the following to the end of the 1st sentence:

“of thirty (30) days”

Article 17 – Assignment

Add the following sentence at the end of the clause:

“Notwithstanding anything to the contrary herein, either party may, without the other party’s consent, assign or transfer all or part of this agreement to any affiliate or to any successor-in-interest to all or substantially all the business or assets of the assigning party pertaining to the subject matter hereof, whether voluntarily or by merger, reorganization, asset sale, or otherwise.”

Article 28 – Warranty Disclaimer

Add the following new Article 28 Warranty Disclaimer:

“Except as expressly stated in this Agreement, Consultant makes no other warranties, representations or conditions of any kind, whether express, implied, statutory or otherwise, and expressly disclaims any implied warranties of merchantability or fitness for a particular purpose.”



Fee Schedule

TMG will provide the services identified above on a not-to-exceed basis plus travel and living expenses. Based on the Strategic Solution Roadmap, Strategic Sourcing and Procurement and Strategic Program Management Office methodologies and timelines, TMG's total fees are as shown in table below.

Project Phase	TMG Methodology	Monthly Fee	Duration	Total
Planning	SSR (Roadmap)	\$37,150	4 months	\$148,600
Procurement	SSP (Procurement)	\$26,110	8 months	\$208,880
Implementation	SPMO (PMO)	\$62,750	28 months	\$1,757,000
TOTAL			40 months	\$2,114,480

TMG's policy is to bill expenses based only on actuals incurred. TMG always abides by client expense policies and guidelines.

Notes:

- 1) This is proposed as a fixed-price contract: no additional fees will be billed unless work is discussed and agreed to in advance through a change control process.
- 2) TMG invoices at the end of each month with payment terms of net 30 for the completion and acceptance of project milestones.
- 3) Travel costs (if any) are not included.
- 4) Travel to be billed with client pre-approval and based only on expenses as actually incurred. TMG always abides by client expense policies and guidelines.
- 5) The City may engage with TMG for additional services on a T&M basis or on a Fixed Price basis either through a Change Request Process or through separate discussions and written mutual agreement.
- 6) The blended hourly billable rate for additional TMG services is \$235 per hour.



Procurement Division
111 E Maple, PO Box 1019
Independence, MO 64051-0519

**REQUEST FOR PROPOSAL (RFP)# 25007
AMI PROGRAM AND PERFORMANCE MANAGEMENT SERVICES**

Pre-Proposal Conference: 10:00AM-11:30AM CDT April 3, 2025
[Click here for the link to register for the online conference.](#)

ATTENTION PROPOSER – COMPLETE AND RETURN WITH PROPOSAL

Proposing Firm TMG Utility Advisory Services, Inc. dba TMG Consulting, Inc. Phone Number 773 294 1931
(Please print or type)

Address 2000 Ponce De Leon Blvd., Suite # 600 City Coral Gables State FL Zip 33134

Name of Authorized Agent Supriya Mukhapadhyay Email Supriya.Mukhapadhyay@riaadvisory.com

The only authorized source for Request for Proposal (RFP) forms, addenda, and information regarding this RFP is www.publicpurchase.com. Using RFP forms, addenda, and information not obtained from www.publicpurchase.com creates the risk of not receiving necessary information about the RFP that may eliminate your proposal from consideration.

Submit questions regarding this RFP online at www.publicpurchase.com by deadline in the RFP schedule.

Proposals shall be submitted online via www.publicpurchase.com by the date and time indicated. Paper, fax, or email responses will NOT be accepted and will not be returned to sender. Proposals are sealed in a virtual lockbox that can only be opened after the Request for Proposal (RFP) closing date and time, to maintain confidentiality of the proposal. All proposals are subject to the terms and conditions herein.

Submission of a proposal shall be deemed a firm offer and is not revocable within 120 days after response deadline.



Procurement Division
111 E Maple, PO Box 1019
Independence, MO 64051-0519

**REQUEST FOR PROPOSAL (RFP)# 25007
AMI PROGRAM AND PERFORMANCE MANAGEMENT SERVICES**

Pre-Proposal Conference: 10:00AM-11:30AM CDT April 3, 2025
[Click here for the link to register for the online conference.](#)

ATTENTION PROPOSER - COMPLETE AND RETURN WITH PROPOSAL

Proposing Firm _____ Phone Number _____
(Please print or type)

Address _____ City _____ State _____ Zip _____

Name of Authorized Agent _____ Email _____

The only authorized source for Request for Proposal (RFP) forms, addenda, and information regarding this RFP is www.publicpurchase.com. Using RFP forms, addenda, and information not obtained from www.publicpurchase.com creates the risk of not receiving necessary information about the RFP that may eliminate your proposal from consideration.

Submit questions regarding this RFP online at www.publicpurchase.com by deadline in the RFP schedule.

Proposals shall be submitted online via www.publicpurchase.com by the date and time indicated. Paper, fax, or email responses will NOT be accepted and will not be returned to sender. Proposals are sealed in a virtual lockbox that can only be opened after the Request for Proposal (RFP) closing date and time, to maintain confidentiality of the proposal. All proposals are subject to the terms and conditions herein.

Submission of a proposal shall be deemed a firm offer and is not revocable within 120 days after response deadline.

**AMI Program and Performance Management Services
Request for Proposal #25007**

The City of Independence (City) invites interested firms to submit a proposal for services as described herein. Proposals submitted online are sealed in a virtual lockbox that can only be opened after the RFP closing date and time, maintaining confidentiality of the proposal.

Structure of the RFP

For the convenience of the respondent, this RFP is structured as follows:

- 1 Introduction
- 2 Background
- 3 Scope of Services
- 4 Fee Schedule
- 5 Proposal Submission Requirements
- 6 Evaluation Criteria
- 7 Evaluation Process
- 8 Right of Protest
- 9 Proposed Time Schedule
- 10 TERMS AND CONDITIONS

Insurance Requirements

Affidavit

Contract for Services

Missouri Sunshine Law

The Respondent acknowledges and agrees that the City is bound by the Missouri Open Records Law (Sunshine Law) and cannot protect information for the sole reason that it is marked "confidential" or "proprietary". All information submitted in response to this RFP shall be available for public review in accordance with all federal, state and local laws after: 1) posting of the Notice of Intent to Award; 2) a contract has been executed; or 3) all proposals have been rejected. Requests must be submitted in writing to the Purchasing Manager, City of Independence.

1 Introduction

The City of Independence, Missouri, is seeking proposals from qualified firms to provide **Program and Performance Management Services** for the Advanced Metering Infrastructure (AMI) project. The selected firm will play a crucial role in the successful planning, deployment, and oversight of the AMI initiative, ensuring alignment with strategic goals, compliance standards, and stakeholder expectations.

The firm will be responsible for:

- a) **Reviewing and updating a previously composed AMI Request for Proposal (RFP)** to reflect the latest industry standards and City requirements.
- b) **Working alongside the selected AMI vendor(s) to facilitate implementation and integration with IPL and City systems.**
- c) **Providing oversight and compliance monitoring** throughout the infrastructure installation, ensuring the project meets milestones, budget, and quality standards.

2 Background

The City of Independence aims to modernize its electric and water metering infrastructure through the deployment of an AMI system. The City has approximately 58,500 electric meters and 50,000 water meters. To ensure project success, the City requires a **Program and Performance Management firm** that will oversee all aspects of the project, from **RFP development to post-implementation support**.

The current RFP needs revision to incorporate evolving technologies, cybersecurity requirements, and best practices. The awarded firm will work closely with the selected AMI vendor to ensure seamless deployment and successful project execution.

3 Scope of Services

The Program and Performance Management firm will provide comprehensive oversight of the AMI project, ensuring successful implementation across the following focus areas:

3.1 Strategic Vision, Ecosystem Development, and Funding Opportunities

- a) Partner with City Leadership to establish a strategic vision for AMI as a transformative initiative that enhances operational efficiency, customer engagement, and sustainability across the City's utility infrastructure.
- b) Define AMI as an ecosystem initiative, integrating metering, communications, data analytics, and customer service platforms into a scalable, future-ready framework.
- c) Develop a phased implementation roadmap that outlines short-term, mid-term, and long-term milestones, ensuring a structured and adaptable deployment approach.
- d) Document and track the AMI evolution, mapping key technological advancements, system integrations, workforce transitions, and operational improvements over time.
- e) Provide strategic recommendations for leveraging AMI capabilities beyond metering, including demand response, outage management, grid optimization, and future smart city applications.
- f) Identify and pursue funding opportunities, including federal, state, and private grants, to support AMI deployment and related smart infrastructure initiatives.
- g) Assist in grant writing and application processes, ensuring alignment with eligibility requirements, sustainability goals, and industry best practices.
- h) Ensure alignment with City priorities and industry funding opportunities, maximizing financial support while accelerating the AMI implementation strategy.

3.2 Project Management and Oversight

- a) Establish and lead a **Project Management Office (PMO)** to oversee all phases of the AMI Project including the project charter through AMI deployment, using established project management practices.
- b) Track project progress, identify potential risks, and implement mitigation strategies.
- c) Provide regular reports to City leadership, outlining key performance indicators (KPIs), budget adherence, and project milestones.
- d) Oversee compliance with contractual obligations and industry standards.
- e) Advise on any other outside concerns or benefits such as grants, communications, etc. from APPA, AWWA, MPUA, IEEE, and federal and state agencies.

3.3 RFP Revision and Vendor Selection Support

- a) **Review and update the existing AMI RFP**, ensuring it aligns with current utility trends and regulatory requirements.
- b) Work with City stakeholders to incorporate emerging technologies, cybersecurity best practices, and integration considerations into the updated RFP.
- c) Assist in the evaluation and selection of the AMI vendor by developing objective scoring criteria and facilitating proposal reviews.

3.4 Integration and Technical Coordination

- a) Ensure seamless integration with existing systems, including:
 - Customer Information System (CIS)
 - Outage Management System (OMS)
 - Enterprise Resource Planning (ERP) System
 - Supervisory Control and Data Acquisition (SCADA)
 - City's existing wide area fiber and radio networks
 - Cellular service and internet service providers
- b) Collaborate with IT and engineering teams to resolve technical challenges during deployment.
- c) Provide subject matter expertise in AMI system architecture and interoperability.

3.5 Customer Outreach and Communication Strategy

- a) Develop and oversee the execution of a public outreach plan to educate residents and businesses on the AMI project.
- b) Prepare materials such as brochures, FAQs, and online content to communicate project benefits and address common concerns.
- c) Facilitate community engagement events and public meetings.
- d) Identify and track key customer experience metrics to measure public approval, satisfaction, and overall perception of AMI implementation, using surveys, feedback mechanisms, and customer engagement analytics.
- e) Develop strategy for customer communication when a meter is about to be replaced.
- f) Provide ongoing support for addressing customer inquiries and concerns throughout deployment.

3.6 Data Protection and Cybersecurity Compliance

- a) Ensure all data protection and cybersecurity policies align with the cybersecurity policies of the City and with industry standards such as:
 - NERC CIP
 - AWIA
 - ISO 27001
 - NIST Cybersecurity Framework
- b) Conduct risk assessments to identify vulnerabilities and recommend mitigation measures.
- c) Work with the AMI vendor to ensure robust data encryption, access controls, and incident response planning.

3.7 Pilot Deployment Strategy

- a) Assist in designing and implementing a phased pilot deployment, allowing the City to evaluate system performance and customer feedback before full-scale implementation.
- b) Define success criteria for pilot evaluation, including meter accuracy, communication reliability, and system integration success.
- c) Provide analysis and recommendations for optimizing deployment strategies based on pilot results.

3.8 Installation Oversight and Compliance Monitoring

- a) Monitor the installation of meters and supporting infrastructure to ensure adherence to specifications and quality standards, and pilot study outcomes.
- b) Validate the proper configuration and testing of the AMI technology platform.
- c) Ensure vendor adherence to project milestones, providing corrective action plans when needed.
- d) Conduct site inspections and acceptance testing to confirm system functionality.

3.9 Performance Evaluation and Reporting

- a) Establish key performance metrics to measure AMI system performance, reliability, and customer satisfaction.
- b) Provide monthly and quarterly performance reports to City leadership.
- c) Identify continuous improvement opportunities for system optimization.

3.10 Change Management Support

- a) Develop and implement a change management plan to support staff and stakeholders throughout the transition to AMI, ensuring a smooth shift from legacy systems to new operational system and business processes.
- b) Evaluate workforce transitions by identifying positions impacted by AMI deployment, evaluate existing roles, and assist with the development of new positions to support advanced metering technology and new business processes.
- c) Advise and support staff transition strategies, including opportunities to retrain and redeploy impacted employees.
- d) Design and facilitate training documents and programs to equip employees with the knowledge and skills necessary to operate and manage AMI systems effectively.
- e) Provide leadership coaching and transition support to ensure management can effectively guide teams through the organizational changes and measure employee performance in new positions.
- f) Develop performance management metrics to track operational efficiency and workforce adaptation during and after AMI implementation.
- g) Monitor the adoption of AMI technologies and address challenges proactively.

- h) Support long-term workforce planning, ensuring staffing levels and job roles align with the City's evolving utility operations post-implementation.

3.11 Governance, Steering Committee, and Reporting Structure

- a) Establish a Project Steering Committee to provide strategic direction, oversee progress, and facilitate decision-making for AMI deployment.
- b) Work directly with Executive Sponsors from the electric and water utility divisions to ensure alignment with City objectives.
- c) Attend monthly Steering Committee meetings to present status updates, risk assessments, and key recommendations.
- d) Provide biweekly executive briefings to sponsors, offering high-level project insights and decision support.
- e) Develop and implement a structured reporting framework, including project status, risk assessments, customer outreach impact, and vendor performance.

4 Fee Schedule

The respondent shall provide a detailed fee schedule for the Program and Performance Management services addressing the RFP.

Furthermore, the respondent shall provide an explanation of the process and fee structure for change orders.

5 Proposal Submission Requirements

Proposals must be received by the deadline stated on the first page of this RFP. The respondent shall submit the following information/documents as part of the proposal:

- a) Cover sheet, completed and signed
- b) Responses to the evaluation criteria and all parts of the RFP
- c) Agreement for Professional Services, completed and signed, or list of exceptions to be negotiated
- d) Fee schedule

Proposals will not be accepted after the deadline for submission, regardless of the reason. Any exceptions to the Scope of Services and/or Agreement contained herein must be submitted as part of the proposal. Firms selected for award will be required to provide proof of insurance, as stipulated herein, and a notarized affidavit of non-collusion.

6 Evaluation Criteria

Proposals submitted to this RFP will be evaluated by the City according to the following criteria:

- a) Experience in AMI project oversight
- b) Technical expertise in utility integration
- c) Project management methodology & approach
- d) Cybersecurity and compliance capabilities
- e) Customer outreach strategies
- f) Cost-competitiveness

The respondent is cautioned that it is the respondent's sole responsibility to submit information related to the evaluation categories. The City is under no obligation to solicit such information if it is not included in the respondent's original proposal. Failure to provide such information may have an adverse impact on the evaluation of the respondent's proposal.

7 Evaluation Process

The City will consider a proposal nonresponsive when critical information is lacking, or the submission represents a major deviation from the requirements of this RFP. Minor omissions or informalities may be waived at the sole option and discretion of the City. The City also reserves the right to reject any and all proposals, make no award or multiple awards as result of this solicitation. Responsive proposals will be evaluated in the following manner:

- a) An evaluation committee will review and rank all proposals individually on their technical merits and according to the criteria established in this RFP. The committee may contact respondents if any clarification is needed on the proposal.
- b) Respondents whose proposals are ranked the highest by the evaluation committee may be asked to participate in an interview process to ensure a mutual understanding of both the City's requirements and the respondent's proposal. Interviews may be conducted either in person or by telephone. However, the committee may decide that interviews are not necessary and make recommendations for award based on the information provided in the proposal. If interviews are conducted, the respondents being interviewed will be evaluated with the same evaluation criteria delineated in this RFP.
- c) The firm that provides the City with the most complete, reliable, and cost-effective services based on the established evaluation criteria will be recommended for approval by the Purchasing Manager.

In accordance with federal, state, and local laws, the proposal documents will be available for public review following rejection of all proposals; posting of the Notice of Intent to Award; or execution of the contract and/or purchase order.

8 Right of Protest

A Notice of Intent to Award will be posted on the Internet at www.publicpurchase.com. Any protest must be filed within five (5) business days of the date of posting of the Notice. Neither the City nor www.publicpurchase.com shall be responsible for directly notifying respondent of the Notice of Intent to Award. Protests must be received in the office of the Purchasing Manager and must contain the company name, address, phone number and signature of the authorized representative; solicitation number; a detailed statement describing the grounds for the protest; and supporting evidence or documents to substantiate the claim. The Director of Finance will review the information provided and issue a written decision within five (5) business days of receipt of the protest. This decision shall be final.

9 Proposed Time Schedule

This proposed timeline may vary according to the scheduling needs of the City.

Issuance of RFP	March 24, 2025
Pre-proposal conference	April 3, 2025, 10:00 AM - 11:30 AM CDT
Deadline for questions	April 18, 2025, 4:00 PM CDT
Proposals due	April 25, 2025, 4:00 PM CDT
Evaluation	April 28, 2025 through May 15, 2025
Council approval request	June 2, 2025
Notification of award	June 3, 2025

10 TERMS AND CONDITIONS

A. COMPENSATION

The City shall pay the successful proposer an amount not to exceed the amount stated in the fee schedule included in the proposer's proposal. Regular (e.g. monthly) invoices shall be submitted by the successful proposer to the City for payment of services performed and expenses incurred. Invoices shall indicate the hours expended for each person, the total labor billing, and a summary of other expenses and charges with supporting documentation. Payment will be made by the City within thirty (30) days of receipt of invoice. Payment with the City's credit card is the preferred method of payment, provided no processing fees are assessed. If proposer will not accept the City's credit card, payment will be made via check on a Net 30 basis. The City is exempt from State of Missouri sales and use taxes on purchases made directly for the City. Successful proposer shall not include any sales or use taxes on transactions between the successful proposer and City.

B. VENDOR SELF SERVICE (VSS)

Vendors contracted with the City shall register online as a vendor on the City's Vendor Self-Service (VSS) portal at <https://independencemo.munisselfservice.com>. All contracts, purchase orders, and other documentation is uploaded to VSS from the City's financial system. Contracts and purchase orders are no longer mailed, faxed, or emailed. Invoices may also be submitted to the City on this portal. Complete instructions for registering are included in the documents listed with this RFP.

C. PERMITS AND LICENSES

The successful proposer shall procure all necessary local permits and licenses and a City of Independence business license, unless exempt under state law. Successful proposer will abide by all applicable laws, regulations, and ordinances of all federal, state, and local governments in which work under this contract is performed and will require the same of all sub-consultants. The successful proposer must furnish and maintain certification of authority to conduct business in the State of Missouri.

D. OWNERSHIP OF DOCUMENTS AND INTELLECTUAL PROPERTY

Except as otherwise provided herein, documents, drawings, and specifications prepared by successful proposer as part of the services shall become the property of City, provided, however, that successful proposer shall have the unrestricted right to their use. Notwithstanding the foregoing, City accepts that any re-use of the documents or intellectual property shall be at City's sole risk and liability.

E. CHANGES, DELETIONS, OR ADDITIONS TO CONTRACT

Either party may request changes within the general scope if a contract is awarded. If a requested change causes an increase or decrease in the price or time required to perform the contract, City and successful proposer will agree to an equitable adjustment of the contract price, period of service, or both, and will reflect such adjustment in a change order or written modification.

F. STANDARD OF CARE

Successful proposer shall exercise the same degree of care, skill, and diligence in the performance of the services as is ordinarily possessed and exercised by a peer professional under similar circumstances.

G. LIABILITY AND INDEMNIFICATION

Having considered the potential liabilities that may exist during the performance of a potential contract and the successful proposer's fee, and in consideration of the mutual covenants contained in the contract, City and successful proposer agree to allocate and limit such liabilities in accordance with this section:

Successful proposer agrees, to the fullest extent permitted by law, to indemnify and hold harmless the City, its officers, directors, and employees, against all damages liabilities or costs, including reasonable attorneys' fees and defense costs, to the extent caused by the successful proposer's negligent performance of services under the contract and that of its sub-consultants, or anyone for whom the successful proposer is legally liable. Successful proposer shall indemnify City against legal liability for damages arising out of claims by successful proposer's employees.

Successful proposer will not be liable under this Agreement for (i) any indirect, exemplary, incidental, punitive, special or consequential damages or for loss of profit, loss of business or loss of goodwill, or (ii) with respect to any subject matter of this Agreement under any contract, tort, negligence, strict liability or other legal or equitable theory, for any amounts in excess, in the aggregate, of the fees paid or payable to successful proposer for the project contract, except that successful proposer's liability to City, regardless of the form of action, arising out of successful proposer's indemnification obligations and/or a breach of security obligations hereunder (including any indemnification obligations therefor) will be limited to the maximum amount available under successful proposer's insurance. Notwithstanding the foregoing to the contrary, nothing in this Agreement will limit successful proposer's liability (including any indemnification liability hereunder) for its gross negligence or willful

misconduct or liability for the death or bodily injury of a person or damage to tangible property due to successful proposer's negligence or for damages arising out of claims by successful proposer's employees.

H. INSURANCE

See attached Insurance Requirements.

I. SHIPPING, TITLE, AND RISK OF LOSS

All sales and deliveries are F.O.B. City.

J. DELAY IN PERFORMANCE

Neither City nor successful proposer shall be considered in default of this contract for delays in performance caused by circumstances beyond the reasonable control of the nonperforming party. Such circumstances include, but are not limited to abnormal weather conditions; floods; earthquakes; fire; epidemics; war, riots, and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage; judicial restrains; and inability to procure permits, licenses, or authorizations from any local, state, or federal agency for any of the supplies, materials, accesses, or services required to be provided by either City or successful proposer as required. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of the contract.

K. TERMINATION

City may terminate or suspend performance of a contract that results from this solicitation, for City's convenience upon written notice to successful proposer whom becomes the consultant of thirty (30) days. Consultant shall terminate or suspend performance of the services on a schedule acceptable to City. If termination or suspension is for City's convenience, City shall pay consultant for all the services performed till the date of the termination by the City or suspension expenses. If contract is restarted, an equitable adjustment shall be made to consultant's compensation.

The contract may be terminated by either party upon written notice in the event of substantial failure by the other party to perform in accordance with the terms of the contract. The nonperforming party shall have fifteen (15) calendar days from the date of the termination notice to cure or to submit a plan for cure acceptable to the other party.

In the event that funding for the contract is discontinued, City shall have the right to terminate this contract immediately upon written notice to consultant.

L. WAIVER

A waiver by either City or successful proposer of any breach of the contract shall be in writing. Such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

M. SEVERABILITY

The invalidity, illegality, or unenforceability of any provision of the contract or the occurrence of any event that renders any portion or provision of the contract void shall in no way affect the validity or enforceability of any other portion or provision of the contract. Any void provision shall be deemed severed from the contract, and the balance of the contract shall be construed and enforced as if this contract did not contain the particular portion or provision held to be void. The parties further agree to amend the contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent the entire contract from being void if a provision, which is of the essence of this contract, be determined void.

N. SUCCESSORS AND ASSIGNS

City and successful proposer each binds itself and its directors, officers, partners, successors, executors, administrators, assigns, and legal representatives to the other party to the contract and to the directors, officers,

partners, successors, executors, administrators, assigns, and legal representatives of such other party in respect to all provisions of the contract.

O. ASSIGNMENT

Neither City nor successful proposer shall assign any rights or duties under the contract without the prior written consent of the other party. Unless otherwise stated in the written consent to an assignment, no assignment will release or discharge the assignor from any obligation under the contract. Notwithstanding anything to the contrary herein, either party may, without the other party's consent, assign or transfer all or part of this agreement to any affiliate or to any successor-in-interest to all or substantially all the business or assets of the assigning party pertaining to the subject matter hereof, whether voluntarily or by merger, reorganization, asset sale, or otherwise.

P. THIRD PARTY RIGHTS

Nothing in this document shall be construed to give any rights or benefits to anyone other than City and successful proposer.

Q. INDEPENDENT CONSULTANT

Each party shall perform its activities and duties hereunder only as an independent consultant. The parties and their personnel shall not be considered to be employees or agents of the other party. Nothing shall be interpreted as granting either party the right or authority to make commitments of any kind for the other. A contract resulting from this solicitation shall not constitute, create, or in any way be interpreted as a joint venture, partnership, or formal business organization of any kind.

R. AUDIT

Successful proposer agrees that the City, or a duly authorized representative, shall, until the expiration of three (3) years after final payment under a successful contract, have access to and the right to examine and copy any pertinent books, documents, papers, and records of the successful proposer involving transactions related to the contract.

S. EQUAL EMPLOYMENT OPPORTUNITY

During the performance of this contract or purchase order, the successful proposer agrees:

Not to discriminate against any employee or applicant for employment because of race, age, color, religion, sex, national origin or any other legally protected category. The successful proposer will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, age, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship. The successful proposer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

To state in all solicitations or advertisements for employees placed by or on behalf of the successful proposer that all qualified applicants will receive consideration for employment without regard to race, age, color, religion, sex, or national origin.

To send to each labor union or representative of workers with which they has a collective bargaining agreement or other contract or understanding a notice to be provided by the City advising the said labor union or workers' representatives of the successful proposer's commitment under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

To comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

To furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his or her books, records, and accounts by the department and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

In the event the successful proposer is not compliant with the non-discrimination clauses of this contract or purchase order, with any of the said rules, regulations, or orders, this contract or purchase order may be canceled, terminated, or suspended in whole or in part, and the organization may be declared ineligible for any further government contracts or purchase order or federally assisted contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, or by rules, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

The proposer will include the entire text of this Equal Employment Opportunity section and its subsections in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each sub-consultant or vendor. The successful proposer will take such action with respect to any sub-consultant or purchase order as the department may direct as a means of enforcing such provisions, including sanctions of noncompliance; provided, however, that in the event an successful proposer becomes involved in, or is threatened with litigation with a sub-consultant or vendor as a result of such direction by the department, the successful proposer may request the United States to enter into such litigation to protect the interest of the United States.

T. ANTI-DISCRIMINATION AGAINST ISRAEL ACT

Consultants working on behalf of the City of Independence are to abide by Missouri Revised Statute 34.600, otherwise known as the Anti-Discrimination against Israel Act.

U. GOVERNING LAW

Contracts shall be governed by the laws of the State of Missouri. The City and the successful proposer agree that the performance of a contract will be deemed to have occurred in the State of Missouri and that successful proposer's performance under the contract will be deemed the transaction of business in Missouri. Jurisdiction and venue for any claim or cause of action arising under the contract shall be exclusively in the Sixteenth Judicial Circuit of Missouri and the successful proposer submits to personal jurisdiction of and waives any personal jurisdiction or inconvenient forum objection to, that court.

V. MISSOURI SUNSHINE LAW

The proposer acknowledges and agrees that the City is bound by the Missouri Open Records Law (Sunshine Law) and cannot protect information for the sole reason that it is marked "confidential" or "proprietary". All information submitted in response to this RFP shall be available for public review in accordance with all federal, state and local laws after: 1) posting of the Notice of Intent to Award; 2) a contract has been executed; or 3) all proposals have been rejected. Requests must be submitted in writing to the Procurement Manager, City of Independence

W. COMMUNICATIONS

Any communication shall be made in writing to the authorized representative at the address specified below on the cover page of the proposal response. Communications with the City shall be to Procurement Manager, 111 E. Maple, Independence, MO 64050. Nothing contained in this section shall be construed to restrict the transmission of routine communications between representatives of successful proposer and City.

X. SEPARATE CONTRACTS

City and successful proposer each reserve the right to, from time to time, enter into other contracts for specific projects. If such contracts are separately approved in writing by the parties, the terms and conditions of those contracts shall prevail for the specific projects set forth therein.

Y. ENTIRE CONTRACT

A contract resulting from this solicitation and successful proposer's proposal represents the entire agreement between the City and successful proposer. All previous or contemporaneous agreements, representations, promises and conditions relating the successful proposer's services described herein are superseded.

Z. PRECEDENCE OF DOCUMENTS

The RFP including the terms and conditions, the successful proposer's proposal, and purchase order shall constitute the entire contract for each project. If these General Terms & Conditions be in conflict with any attached Special Conditions, the Special Conditions will supersede the General Terms & Conditions. In case of a discrepancy, the purchase order or contract shall take precedence over the RFP and the RFP shall take precedence over the proposer's proposal.

INSURANCE REQUIREMENTS

Professional Services

Service Provider agrees to secure and maintain throughout the duration of this Agreement insurance of such types and in at least such amounts as set forth below from an insurance company which carries a Best's Policyholder rating of "A-" or better and carries at least a Class "VIII" financial rating, unless otherwise agreed to by the City. All policies shall be on an occurrence basis unless otherwise agreed and cover sub-consultants and independent consultants performing work on behalf of Service Provider under this Agreement. Service Provider shall provide certificate(s) of insurance confirming the required protection on the standard Acord insurance certificate forms. The certificate(s) shall be filed with the City prior to commencement of any work.

Professional Liability: Service Provider shall maintain throughout the duration of this Agreement and for a period of three (3) years after the termination of this Agreement, Professional Liability Insurance.

Limits -

Each Claim:	\$1,000,000
General Aggregate:	\$1,000,000

Commercial General Liability: The City shall be listed by ISO endorsement or its equivalent as an additional insured on a primary and noncontributory basis on any commercial general liability policy of insurance.

Limits -

Each Occurrence:	\$1,000,000
Personal & Advertising Injury:	\$1,000,000
Products/Completed Operations Aggregate:	\$1,000,000
General Aggregate:	\$2,000,000

Automobile Insurance: Policy shall protect Service Provider against claims for bodily injury and/or property damage arising out of the ownership or use of any owned, hired and/or non-owned vehicle and must include protection for either:

Any Auto; OR

All Owned Autos; Hired Autos; and Non-Owned Autos

Notwithstanding the foregoing, should Service Provider not own any automobiles, the automobile liability requirements shall be amended to allow Consulting to maintain only Hired and Non-Owned Auto protection.

Limits -

Each Accident;	
Bodily Injury and Property Damage:	\$1,000,000

Worker's Compensation: The insurance shall protect Service Provider against all claims under applicable state Worker's Compensation laws. Service Provider shall also be protected against claims for injury, disease, or death of employees which, for any reason, may not fall within the provisions of a Workers' Compensation law. The policy limits shall not be less than the statutory limits currently applicable. Coverage shall extend to include the "All States" endorsement.

Employer's Liability (Provision under the WC program):

Limits -

Bodily Injury by Accident:	\$100,000 Each Accident
Bodily Injury by Disease:	\$500,000 Policy Limit
Bodily Injury by Disease:	\$100,000 Each Employee

Exposure Limits: The above are minimum acceptable coverage limits and do not infer or place a limit on the liability of Service Provider nor has the City assessed the risk that may be applicable to Service Provider. Service Provider shall assess its own risks and if it deems appropriate and/or prudent maintain higher limits and/or broader coverage. Any

deviation from the requirements set forth in this Insurance section may be allowed by the City Risk Manager subject to the City Legal Department's review and approval.

INDEMNITY

Loss: For purposes of indemnification requirements, the term "Loss" means any and all loss, damage, liability or expense, of any nature whatsoever, whether incurred as a judgment, settlement, penalty, fine or otherwise (including attorney's fees and the cost of defense), in connection with any action, proceeding, demand or claim for injury, including death, to any person or persons or damages to or loss of, or loss of the use of, property of any person, firm or corporation, including the parties hereto, which arise out of or are connected with the performance of this Agreement.

Indemnification and Hold Harmless: For purposes of this Agreement, Consultant agrees to indemnify, defend and hold harmless City and its agents from any and all Loss where Loss is caused or incurred as a result of the intentional misconduct, recklessness, negligence, or other actionable fault of Consultant or its subconsultants.

Comply: Exception:

ACKNOWLEDGEMENT OF INSURANCE REQUIREMENTS

By signing its proposal, respondent acknowledges that is has read and understand the insurance requirements for the proposal. Respondent also understand that the certificate of required insurance must be submitted within fifteen (15) days following the notification of award. No final contract will be signed by the City until all Certificate of Insurance are received and meet the minimums noted herein.

AFFIDAVIT

STATE OF _____)
) SS.
COUNTY OF _____)

_____ of the City of _____
_____, County of _____, State of _____,

being duly sworn on her or his oath, deposes and says:

1. That I am the _____ (Title of Affiant) of
_____ (Name of Proposer) and
have been authorized by said proposer to make this affidavit on the proposer's behalf;
2. No Councilmember, City Manager, Director of Finance and Administration, City Procurement Manager, or any City employee is financially interested in what the proposer is offering to sell to the City pursuant to this RFP, nor is the proposer a City employee or board member whose proposal creates a conflict of interest. A conflict of interest would arise if any person named in this section is in a position to affect either the decision to solicit proposals or the selection of the successful proposer;
3. Proposer has not participated in collusion or committed any act in restraint of trade, directly or indirectly, which bears upon anyone's response or lack of response to this RFP; and
4. Proposer is responsible for submitting with his or her proposal a record of any discussion with a Councilmember, City Manager, Director of Finance and Administration, City Procurement Manager, or any other City employee regarding this RFP; and
5. The authorized signer of this document certifies that the organization and each of its principals are not suspended or debarred by the City of Independence, State of Missouri or Federal government.

_____ (Name of Proposer)
By: _____ (Signature of Affiant)
_____ (Title of Affiant)

Subscribed and sworn to before me this _____ day of _____, 20____.

(SEAL)

NOTARY PUBLIC in and for the County of _____
State of _____

My commission expires:

CONTRACT FOR SERVICES

This contract, made by and between the City of Independence, Missouri (hereinafter called City) and, TMG Utility Advisory Services, Inc., d/b/a/ TMG Consulting, Inc. , a Texas corporation(hereinafter called consultant).

WITNESSETH:

WHEREAS, City requires AMI Program and Performance Management and,

WHEREAS, Consultant is prepared to provide said services and shall give consultation and advice to City during the performance of said services;

NOW THEREFORE, City and Consultant in consideration of the mutual covenants contained in this contract, agree as follows:

ARTICLE 1 - EFFECTIVE DATE

The effective date of this contract shall be _____.

ARTICLE 2 - SERVICES TO BE PERFORMED BY CONSULTANT

Consultant shall perform the services set forth in the documents attached hereto and made a part of this contract, which include one or more of these documents: Request for Proposals, scope of work, statement of work, Consultant's proposal, and pricing.

ARTICLE 3 - PERIOD OF SERVICE

The services shall be completed by _____.

ARTICLE 4 - COMPENSATION

For services performed, the City shall pay the Consultant, an amount not to exceed the pricing proposed in the solicitation response, which is incorporated herein by this reference.

Regular (e.g. monthly) invoices shall be submitted by the Consultant to the City for payment of services performed and expenses incurred during the preceding month. Invoices shall indicate the hours expended for each individual person, the total labor billing, and a summary of other expenses and charges with supporting documentation.

The City's payment terms are Net 30. Payment will be made by the City within thirty (30) days of receipt of the complete invoice. The City's preferred method of payment is via City credit card with no added fees. If credit is not acceptable, payment will be made by check.

The City is exempt from State of Missouri sales and use taxes on purchases made directly for the City. Consultant shall not include any sales or use taxes on transactions between the Consultant and City.

ARTICLE 5 - PERMITS AND LICENSES

The Consultant shall procure all necessary local construction permits and licenses and a City of Independence occupation license, unless exempt under state law. Consultant will abide by all applicable laws, regulations, and ordinances of all federal, state, and local governments in which work under this contract is performed, and will require the same of all sub-consultants. The Consultant must furnish and maintain certification of authority to conduct business in the State of Missouri.

ARTICLE 6 - OWNERSHIP OF DOCUMENTS AND INTELLECTUAL PROPERTY

Except as otherwise provided herein, documents, drawings, and specifications prepared by Consultant as part of the services shall become the property of City, provided Consultant has the unrestricted right to their use. Notwithstanding the foregoing, City accepts that any re-use of the documents or intellectual property shall be at City's sole risk and liability.

ARTICLE 7 - CHANGES, DELETIONS, OR ADDITIONS TO CONTRACT

Either party may request changes within the general scope of this Contract. If a requested change causes an increase or decrease in the cost or time required to perform this contract, City and Consultant will agree to an equitable adjustment of the contract price, period of service, or both, and will reflect such adjustment in a change order or formal modification.

ARTICLE 8 – STANDARD OF CARE

Consultant shall exercise the same degree of care, skill, and diligence in the performance of the services as is ordinarily possessed and exercised by a peer professional under similar circumstances.

ARTICLE 9- LIABILITY AND INDEMNIFICATION

Having considered the potential liabilities that may exist during the performance of this contract and the Consultant's fee, and in consideration of the mutual covenants contained in the contract, City and Consultant agree to allocate and limit such liabilities in accordance with this article.

Consultant agrees, to the fullest extent permitted by law, to indemnify and hold harmless the City, its officers, directors, and employees against all damages liabilities or costs, including reasonable attorney fees and defense costs, to the extent caused by the Consultant's negligent performance of professional services under this contract and that of its sub-consultants or anyone for whom the Consultant is legally liable. Consultant shall indemnify City against legal liability for damages arising out of claims by Consultant and/or its employees.

Consultant will not be liable under this Contract for (i) any indirect, exemplary, incidental, punitive, special or consequential damages or for loss of profit, loss of business or loss of goodwill, or (ii) with respect to any subject matter of this Contract under any contract, tort, negligence, strict liability or other legal or equitable theory, for any amounts in excess, in the aggregate, of the fees paid or payable to Consultant for the project contract, except that Consultant's liability to City, regardless of the form of action, arising out of Consultant's indemnification obligations and/or a breach of security obligations hereunder (including any indemnification obligations therefor) will be limited to the maximum amount available under Consultant's insurance. Notwithstanding the foregoing to the contrary, nothing in this Contract will limit Consultant's liability (including any indemnification liability hereunder) for its gross negligence or willful misconduct or liability for the death or bodily injury of a person or damage to tangible property due to Consultant's negligence or for damages arising out of claims by Consultant's employees.

ARTICLE 10 – INSURANCE

Professional Services

Service Provider agrees to secure and maintain throughout the duration of this Agreement insurance of such types and in at least such amounts as set forth below from an insurance company which carries a Best's Policyholder rating of "A-" or better and carries at least a Class "VIII" financial rating, unless otherwise agreed to by the City. All policies shall be on an occurrence basis unless otherwise agreed and cover sub-consultants and independent consultants performing work on behalf of Service Provider under this Agreement. Service Provider shall provide certificate(s) of insurance confirming the required protection on the standard Acord insurance certificate forms. The certificate(s) shall be filed with the City prior to commencement of any work.

Professional Liability: Service Provider shall maintain throughout the duration of this Agreement and for a period of three (3) years after the termination of this Agreement, Professional Liability Insurance.

Limits –

Each Claim:	\$1,000,000
General Aggregate:	\$1,000,000

Commercial General Liability: The City shall be listed by ISO endorsement or its equivalent as an additional insured on a primary and noncontributory basis on any commercial general liability policy of insurance.

Limits -

Each Occurrence:	\$1,000,000
Personal & Advertising Injury:	\$1,000,000
Products/Completed Operations Aggregate:	\$1,000,000

General Aggregate: \$2,000,000

Automobile Insurance: Policy shall protect Service Provider against claims for bodily injury and/or property damage arising out of the ownership or use of any owned, hired and/or non-owned vehicle and must include protection for either:

Any Auto; OR

All Owned Autos; Hired Autos; and Non-Owned Autos

Notwithstanding the foregoing, should Service Provider not own any automobiles, the automobile liability requirements shall be amended to allow Consulting to maintain only Hired and Non-Owned Auto protection.

Limits -

Each Accident;

Bodily Injury and Property Damage: \$1,000,000

Worker's Compensation: The insurance shall protect Service Provider against all claims under applicable state Worker's Compensation laws. Service Provider shall also be protected against claims for injury, disease, or death of employees which, for any reason, may not fall within the provisions of a Workers' Compensation law. The policy limits shall not be less than the statutory limits currently applicable. Coverage shall extend to include the "All States" endorsement.

Employer's Liability (Provision under the WC program):

Limits -

Bodily Injury by Accident: \$100,000 Each Accident

Bodily Injury by Disease: \$500,000 Policy Limit

Bodily Injury by Disease: \$100,000 Each Employee

Exposure Limits: The above are minimum acceptable coverage limits and do not infer or place a limit on the liability of Service Provider nor has the City assessed the risk that may be applicable to Service Provider. Service Provider shall assess its own risks and if it deems appropriate and/or prudent maintain higher limits and/or broader coverage. Any deviation from the requirements set forth in this Insurance section may be allowed by the City Risk Manager subject to the City Legal Department's review and approval.

INDEMNITY

Loss: For purposes of indemnification requirements, the term "Loss" means any and all loss, damage, liability or expense, of any nature whatsoever, whether incurred as a judgment, settlement, penalty, fine or otherwise (including attorney's fees and the cost of defense), in connection with any action, proceeding, demand or claim for injury, including death, to any person or persons or damages to or loss of, or loss of the use of, property of any person, firm or corporation, including the parties hereto, which arise out of or are connected with the performance of this Agreement.

Indemnification and Hold Harmless: For purposes of this Agreement, Consultant agrees to indemnify, defend and hold harmless City and its agents from any and all Loss where Loss is caused or incurred as a result of the intentional misconduct, recklessness, negligence, or other actionable fault of Consultant or its subconsultants.

Comply: Exception:

ACKNOWLEDGEMENT OF INSURANCE REQUIREMENTS

By signing its proposal, respondent acknowledges that is has read and understand the insurance requirements for the proposal. Respondent also understand that the certificate of required insurance must be submitted within fifteen (15) days following the notification of award. No final contract will be signed by the City until all Certificate of Insurance are received and meet the minimums noted herein.

ARTICLE 11 – SHIPPING, TITLE AND RISK OF LOSS

All sales and deliveries are F.O.B. City.

ARTICLE 12 – DELAY IN PERFORMANCE

Neither City nor Consultant shall be considered in default of this contract for delays in performance caused by circumstances beyond the reasonable control of the nonperforming party. For purposes of this contract, such circumstances include, but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war, riots, and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage; judicial restraints; and inability to procure permits, licenses, or authorizations from any local, state, or federal agency for any of the supplies, materials, accesses, or services required to be provided by either City or Consultant under this contract. If such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this contract.

ARTICLE 13 – TERMINATION

City may terminate or suspend performance of this contract for City's convenience upon written notice to Consultant of thirty (30) days. Consultant shall terminate or suspend performance of the services on a schedule acceptable to City. If termination or suspension is for City's convenience, City shall pay Consultant for all the services performed till the date of the termination by the City or suspension expenses. If contract is restarted, an equitable adjustment shall be made to Consultant's compensation.

This contract may be terminated by either party upon written notice in the event of substantial failure by the other party to perform in accordance with the terms of this contract. The nonperforming party shall have 15 calendar days from the date of the termination notice to cure or to submit a plan for cure acceptable to the other party. In the event that funding for the contract is discontinued, City shall have the right to terminate this contract immediately upon written notice to Consultant.

ARTICLE 14- WAIVER

A waiver by either City or Consultant of any breach of this contract shall be in writing. Such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

ARTICLE 15 – SEVERABILITY

The invalidity, illegality, or unenforceability of any provision of this contract or the occurrence of any event rendering any portion or provision of this contract void shall in no way affect the validity or enforceability of any other portion or provision of this contract. Any void provision shall be deemed severed from this contract, and the balance of this contract shall be construed and enforced as if this contract did not contain the particular portion or provision held to be void. The parties further agree to amend this contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this article shall not prevent this entire contract from being void if a provision which is of the essence of this contract be determined void.

ARTICLE 16 – SUCCESSORS AND ASSIGNS

City and Consultant each binds itself and its directors, officers, partners, successors, executors, administrators, assigns, and legal representatives to the other party to the contract and to the directors, officers, partners, successors, executors, administrators, assigns, and legal representatives of such other party in respect to all provisions of this contract.

ARTICLE 17 – ASSIGNMENT

Neither City nor Consultant shall assign any rights or duties under this contract without the prior written consent of the other party. Unless otherwise stated in the written consent to an assignment, no assignment will release or discharge the assignor from any obligation under this contract. Notwithstanding anything to the contrary herein, either party may, without the other party's consent, assign or transfer all or part of this agreement to any affiliate or to any successor-in-interest to all or substantially all the business or assets of the assigning party pertaining to the subject matter hereof, whether voluntarily or by merger, reorganization, asset sale, or otherwise.

ARTICLE 18- THIRD PARTY RIGHTS

Nothing in this contract shall be construed to give any rights or benefits to anyone other than City and Consultant.

ARTICLE 19- INDEPENDENT CONSULTANTS

Each party shall perform its activities and duties hereunder only as an independent Consultant.

The parties and their personnel shall not be considered to be employees or agents of the other party. Nothing in this contract shall be interpreted as granting either party the right or authority to make commitments of any kind for the other. This contract shall not constitute, create, or in any way be interpreted as a joint venture, partnership or formal business organization of any kind.

ARTICLE 20- AUDIT

Consultant agrees that the City, or a duly authorized representative, shall, until the expiration of three (3) years after final payment under this contract have access to and the right to examine and copy any pertinent books, documents, papers, records, or electronic records of the Consultant involving transactions related to this contract.

ARTICLE 21 - EQUAL EMPLOYMENT OPPORTUNITY

During the performance of this contract or purchase order, the Consultant agrees as follows:

The Consultant will not discriminate against any employee or applicant for employment because of race, age, color, religion, sex, national origin or any other legally protected category. The Consultant will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, age, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship. The Consultant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

The Consultant will, in all solicitations or advertisements for employees placed by or on behalf of the Consultant, state that all qualified applicants will receive consideration for employment without regard to race, age, color, religion, sex, or national origin.

The Consultant will send to each labor union or representative of workers with which Consultant has a collective bargaining agreement or other contract or understanding, a notice to be provided by a contract compliance officer advising the said labor union or workers' representatives of the Consultant's commitment under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The Consultant will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

The Consultant will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his or her books, records, and accounts by the Department and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

In the event of the Consultant's noncompliance with the non-discrimination clauses of this contract or purchase order with any of the said rules, regulations, or orders, this contract or purchase order may be canceled, terminated, or suspended in whole or in part, and the organization may be declared ineligible for any further government contracts or purchase order or federally assisted contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, or by rules, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

The Consultant will include the entire text of this Equal Employment Opportunity section and its subsections in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each sub-Consultant or vendor. The Consultant will take such action with respect to any sub-Consultant or purchase order as the City may direct as a means of enforcing such provisions, including sanctions of noncompliance; provided, however, that in the event a Consultant becomes involved in, or is threatened with litigation with a sub-Consultant or

vendor as a result of such direction by the City, the Consultant may request the United States to enter into such litigation to protect the interest of the United States.

ARTICLE 22 – ANTI-DISCRIMINATION AGAINST ISRAEL ACT

Consultants working on behalf of the City of Independence are to abide by Missouri Revised Statute 34.600, otherwise known as the Anti-Discrimination against Israel Act.

ARTICLE 23 – GOVERNING LAW

This contract shall be governed by the laws of the State of Missouri. The City and the Consultant agree that the performance of this contract will be deemed to have occurred in the State of Missouri and that Consultant's performance under this contract will be deemed the transaction of business in Missouri. Jurisdiction and venue for any claim or cause of action arising under this contract shall be exclusively in the Sixteenth Judicial Circuit of Missouri and the Consultant submits to personal jurisdiction of and waives any personal jurisdiction or inconvenient forum objection to, that court.

ARTICLE 24 – COMMUNICATIONS

Any communication required by this contract to the Consultant shall be made in writing to the authorized representative named on the completed front page or response page of the solicitation. Any communication required by this contract with the City shall be sent to: City of Independence, Attn: Procurement Division, 111 E Maple Avenue, Independence, MO 64050 and also by email to purchasing@indepmo.org.

Nothing contained in this article shall be construed to restrict the transmission of routine communications between representatives of Consultant and City.

ARTICLE 25 – SEPARATE CONTRACTS

City and Consultant each reserve the right to, from time to time, enter into other contracts for specific projects. If such contracts are separately approved in writing by the parties, the terms and conditions of those contracts shall prevail for the specific projects set forth therein.

ARTICLE 26 – ENTIRE CONTRACT

This contract represents the entire agreement between the City and Consultant. All previous or contemporaneous agreements, representations, promises and conditions relating the Consultant's services described herein are superseded. The RFP including the terms and conditions, the Consultant's response and written proposal, and purchase order (where applicable) shall constitute the entire contract. If these General Terms & Conditions be in conflict with any attached Special Conditions, the Special Conditions will supersede the General Terms & Conditions. In case of a discrepancy, the purchase order shall take precedence over the RFP and the RFP shall take precedence over the Consultant's response and written proposal.

ARTICLE 27 – SURVIVAL OF TERMS

The following provisions shall survive the expiration or termination of this contract for any reason: if any payment obligations exist, Article 4 – Compensation; Article 5 – Permits and Licenses; Article 9 – Liability and Indemnification; Article 14 – Waiver; Article 15 – Severability; Article 17 – Assignment; Article 19 – Independent Consultants; Article 22 – Governing Law; Article 26 – Entire Contract; and this Article 27 – Survival of Terms.

IN WITNESS WHEREOF, City and Consultant, by and through their authorized officers, have made and executed this contract.

City

By _____

Consultant

By Supriya Mukhapadhyay

Title CEO

Date _____

Date 11/03/2025

SIGNATURE CERTIFICATE



REFERENCE NUMBER

DECEF82E-0599-4BCC-8769-24C860E0E920

TRANSACTION DETAILS

Reference Number
DECEF82E-0599-4BCC-8769-24C860E0E920

Transaction Type
Signature Request

Sent At
11/03/2025 03:13:32 PM EST

Executed At
11/03/2025 03:45:39 PM EST

Identity Method
email

Distribution Method
email

Signed Checksum
5dfc412b12380c46393b0b686dfb448038bad28e4be80ff4a7f422d901967bdd

Signer Sequencing
Disabled

Document Passcode
Disabled

DOCUMENT DETAILS

Document Name
25007 A AMI Consultant - TMG Consulting 11-03-2025

Filename
25007_A_AMI_Consultant_-_TMG_Consulting_11-03-2025.docx

Pages
22 pages

Content Type
application/vnd.openxmlformats-officedocument.wordprocessingml.document

File Size
1.49 MB

Original Checksum
22ad81cd0a93f73330e1e56d2389ed1736ac574de7662ada13aee1570737b6b6

SIGNERS

SIGNER	E-SIGNATURE	EVENTS
Name Supriya Mukhapadhyay	Status signed	Viewed At 11/03/2025 03:44:41 PM EST
Email supriya.mukhapadhyay@riaadvisory.com	Multi-factor Digital Fingerprint Checksum 4f53cda18c2baa0c0354bb5f9a3ecbe5ed12ab4d8e11ba873c2f11161202b945	Identity Authenticated At 11/03/2025 03:45:39 PM EST
Components 3	IP Address 104.28.103.103	Signed At 11/03/2025 03:45:39 PM EST
	Device Mobile Safari via iOS	
	Typed Signature 	
	Signature Reference ID 3DBEA2DD	

AUDITS

TIMESTAMP	AUDIT
11/03/2025 03:13:32 PM EST	Michelle Boggie (michelle.boggie@tmgconsulting.com) created document '25007_A_AMI_Consultant_-_TMG_Consulting_11-03-2025.docx' on Microsoft Edge via Windows from 174.51.240.127.
11/03/2025 03:13:33 PM EST	Supriya Mukhapadhyay (supriya.mukhapadhyay@riaadvisory.com) was emailed a link to sign.
11/03/2025 03:43:45 PM EST	Supriya Mukhapadhyay (supriya.mukhapadhyay@riaadvisory.com) viewed the document on Mobile Safari via iOS from 104.28.103.103.
11/03/2025 03:44:41 PM EST	Supriya Mukhapadhyay (supriya.mukhapadhyay@riaadvisory.com) viewed the document on Chrome via Windows from 135.232.20.66.
11/03/2025 03:45:39 PM EST	Supriya Mukhapadhyay (supriya.mukhapadhyay@riaadvisory.com) authenticated via email on Mobile Safari via iOS from 104.28.103.103.
11/03/2025 03:45:39 PM EST	Supriya Mukhapadhyay (supriya.mukhapadhyay@riaadvisory.com) signed the document on Mobile Safari via iOS from 104.28.103.103.



MEMORANDUM

DATE: December 3rd, 2025

TO: Honorable Mayor & Members of the City Council

FROM: Andrew R. Frazier, Management Analyst

SUBJECT: Independence Power & Light's and Municipal Services Department Advanced Metering Infrastructure (AMI) Project -Consulting, Program, & Performance Management



I have reviewed the agreement information to ensure compliance with the contracting process per Section 1.43.007(D) of the City Code: The Management Analyst shall audit all proposed City contracts anticipated to cost in excess of \$2,000,000.00 prior to the proposed contracts being submitted to the City Council.

The agenda includes a consent item authorizing the Interim City Manager to execute an agreement with TMG Utility Advisory Services, Inc., in the amount of \$2,114,480. The agreement provides consulting, program management, and performance management services for the Advanced Metering Infrastructure (AMI) program for Independence Power & Light and the Municipal Services Department. These services include, but are not limited to, current state analysis, solution requirements development, AMI system procurement support, and implementation and deployment of AMI technology. The costs will be shared by both Departments.

In accordance with Section 34.040 of the Missouri Revised Statutes regarding competitive bidding and Chapter 8, Article 6 of the Independence Code, the City received nine proposals after the opportunity was published on the public purchase website for 30 days. City staff reviewed each firm's qualifications and ultimately decided to pursue the bid from TMG Utility Advisory Services, Inc. for \$2,114,480. TMG's proposal scored the highest among the nine finalists in the proposal scoring matrix.

TMG Utility Advisory Services, Inc. is headquartered in Coral Gables, Florida. The company has successfully conducted projects of similar size and scope across the nation, including in Folsom, NJ; Lubbock, TX; and Foley, AL.



City staff have provided all relevant documentation, verifying each action taken. I find the agreement satisfactory, and all parties have fulfilled their obligations in accordance with the applicable requirements.

Please let me know if you have any questions regarding this matter.

Respectfully,

A handwritten signature in black ink, appearing to read "Andrew R. Frazier".

Andrew R. Frazier, MPA,
Management Analyst

- C. Lisa Reynolds, Interim City Manager
- Joe Hegendeffe, Director of Independence Power & Light
- Susanne Holland, City Clerk

BILL NO. 26-009
ORDINANCE NO. 19782

AN ORDINANCE ADOPTING AMENDMENTS TO THE FISCAL YEAR 2025-2026 CAPITAL IMPROVEMENT BUDGET, WHICH WAS APPROVED BY ORDINANCE NO. 19682; AND AUTHORIZING THE CITY MANAGER TO AWARD A CONTRACT WITH TMG UTILITY ADVISORY SERVICES, INC., D/B/A TMG CONSULTING, INC. ("TMG") FOR AN ADVANCED METERING INFRASTRUCTURE (AMI) PROGRAM AND PERFORMANCE MANAGEMENT SERVICES FOR A PERIOD OF FOUR (4) YEARS, AND AUTHORIZING CHANGE ORDERS OF UP TO TEN PERCENT (10%) OF THE AUTHORIZED AMOUNT.

WHEREAS, the adopted Operating and Capital budgets for the 2025-26 fiscal year were approved by the City Council by Ordinance No. 19682; and,

WHEREAS, since that time some circumstances have arisen that necessitate changes to the appropriations established in the adopted budget; and,

WHEREAS, the City wishes to award a contract to TMG for an advanced metering infrastructure (AMI) program and performance management services for a period of four (4) years;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. Transfer of funds in the from project number 401608-C Lime Silo in the Water Capital Fund (041) to project number 402609-C – Advanced Metering Infrastructure as shown below:

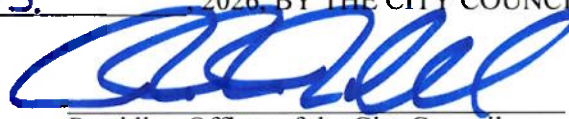
Project Name	Fund	Increase	Decrease
Lime Silo -#401608-C	Water Capital Fund (041)		(\$100,000)
Advanced Metering Infrastructure #402609-C	Water Capital Fund (041)	\$100,000	
Total Water Capital Fund (041)		\$100,000	(\$100,000)

SECTION 2. Transfer of funds from project numbers 203214-C – Construction of a new Substation S – Phase I 69/13kV Station and 202316-C – Construct 6 new Distribution Feeders – New Sub S to project number 202621-C – Advanced Metering Infrastructure as shown below:

Project Name	Fund	Increase	Decrease
Construction of a new Substation S – Phase I 69/13kV Station - #203214-C	Power & Light Capital Fund (021)		(1,000,000)
Construct 6 New Distribution Feeders – New Sub S - #202316-C	Power & Light Capital Fund (021)		(1,500,000)
Advanced Metering Infrastructure - #202621-C	Power & Light Capital Fund (021)	2,500,000	
Total Power & Light Capital Fund		\$2,500,000	(\$2,500,000)

SECTION 3. Authorizes the City Manager to execute the contract in the amount of \$2,114,480 with TMG.

PASSED THIS 16th DAY OF Feb. 2026 BY THE CITY COUNCIL OF
THE CITY OF INDEPENDENCE, MISSOURI.



Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:


City Clerk

APPROVED - FORM AND LEGALITY:


City Counselor

REVIEWED BY:


Interim City Manager

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, sufficient to meet the obligation hereby incurred.

Source is: As Indicated Above


Director of Finance



City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

26-010 **2R** An ordinance amending Section 3.01.001 of the Independence City Code to expand the definition of a public nuisance animal **2R Item postponed indefinitely 7-0**

Recommendations:

Staff recommends Council approval.

Background:

This ordinance expands the definition of "public nuisance animal" to include an animal that "Is repeatedly and without permission loose on property other than that of the owner of the animal."

Emergency Justification:**Fiscal Impact:****Council Action:**

**Department /
Contact**

Legal /

REVIEWERS

Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. Expanding Public Nuisance Animal Definition

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE AMENDING SECTION 3.01.001 OF THE INDEPENDENCE CITY CODE
TO EXPAND THE DEFINITION OF A PUBLIC NUISANCE ANIMAL

WHEREAS, Article 1 or Chapter 3 of the Code of the City of Independence concerning animal and fowl contains definitions of words and phrases applicable to that chapter; and,

WHEREAS, the City of Independence desires to amend Section 3.01.001 of the Code of the City of Independence to provide additional protection of property, health, and general enjoyment of life for its residents,

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF
INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. Section 3.01.001 of the Independence City Code is hereby amended to read as follows:

SEC. 3.01.001 DEFINITIONS

PUBLIC NUISANCE ANIMAL means any animal that unreasonably annoys humans, endangers the life or health of other animals or persons, or substantially interferes with the rights of citizens, other than their owners, to enjoyment of life or property. The term public nuisance animal shall include, but is not limited to, any animal that:

- (a) Molests passerby, domestic animals, or passing vehicles.
- (b) Defecates on public or private property and such excrement remains on said property.
- (c) Causes offensive odors.
- (d) Scatters refuse that is bagged or otherwise contained.
- (e) Damages or destroys property other than that of the owner or caregiver.
- (f) Barks, howls, meows, yelps, growls, crows, cackles or makes any other noises frequently or habitually.
- (g) Causes unsanitary or dangerous conditions.
- (h) Is repeatedly and without permission loose on property other than that of the owner of the animal.**

SECTION 2. That all other parts and provisions of the City Code remain in full force and effect unless previously or subsequently amended or repealed.

PASSED THIS _____ DAY OF _____, 2026, BY THE CITY COUNCIL OF THE
CITY OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED - FORM AND LEGALITY:

City Counselor

REVIEWED BY:

Interim City Manager

City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

26-011 **2R** An ordinance creating Section 12.06.021 of the Independence City Code for the prohibition of nonconsensual dissemination of private sexual images **2R Item passes 7-0 Ord. No. 19783**

Recommendations:

Staff recommends approval.

Background:

Currently, this violation is classified as a Class D felony under Missouri law; however, such cases are not being prosecuted with any regularity. This ordinance provides the City Prosecutor with a mechanism to pursue prosecution at the municipal level, ensuring that offenders can be held accountable.

Emergency Justification:**Fiscal Impact:**

There is no fiscal impact for this item.

Council Action:

Department / Contact	Legal /
---------------------------------	---------

REVIEWERS

Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. Sexual Images Draft 12.06.021
2. Sexual Images Draft 12.06.021
3. Ord. No. 19783

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE CREATING SECTION 12.06.021 OF THE INDEPENDENCE CITY CODE
FOR THE PROHIBITION OF NONCONSENSUAL DISSEMINATION OF PRIVATE
SEXUAL IMAGES

WHEREAS, Article 6 of Chapter 12 of the Code of the City of Independence addresses offenses involving morals and public policy; and,

WHEREAS, the State of Missouri sets forth conduct which it deems constitutes the crime of nonconsensual dissemination of private sexual images in Missouri Revised Statutes Section 573.110; and,

WHEREAS, the City of Independence desires to add 12.06.021 of the Code of the City of Independence to protect citizens from the prohibited conduct set forth in Missouri Revised Statutes Section 573.110 when the State of Missouri fails to file alleged violations of said statute occurring in the City of Independence;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. Section 12.06.021 of the Independence City Code is hereby created to read as follows:

SEC. 12.06.021 – Nonconsensual dissemination of private sexual images

A. Definitions. As used in this section and in section 12.06.022, the following terms shall have the meaning indicated in this subsection:

(1) "Image", a photograph, film, videotape, digital recording, or other depiction or portrayal of an object, including a human body;

(2) "Intimate parts", the fully unclothed, partially unclothed, or transparently clothed genitals, pubic area, or anus or, if the person is female, a partially or fully exposed nipple, including exposure through transparent clothing;

(3) "Public mobile services", air-to-ground radio telephone services, cellular radio telecommunications services, offshore radio, rural radio services, public land mobile telephone services, and other common carrier radio communications services;

(4) "Sexual act", sexual penetration, masturbation, or sexual activity;

(5) "Sexual activity", any:

(a) Knowing touching or fondling by the victim or another person or animal, either directly or through clothing, of the sex organs, anus, or breast of the victim or another person or animal for the purpose of sexual gratification or arousal;

(b) Transfer or transmission of semen upon any part of the clothed or unclothed body of the victim for the purpose of sexual gratification or arousal of the victim or another;

(c) Act of urination within a sexual context;

(d) Bondage, fetter, sadism, or masochism; or

(e) Sadoomasochism abuse in any sexual context.

B. A person commits the offense of nonconsensual dissemination of private sexual images if he or she:

(1) Intentionally disseminates an image with the intent to harass, threaten, or coerce another person:

(a) Who is at least eighteen years of age;

(b) Who is identifiable from the image itself or information displayed in connection with the image; and

(c) Who is engaged in a sexual act or whose intimate parts are exposed, in whole or in part;

(2) Obtains the image under circumstances in which a reasonable person would know or understand that the image was to remain private; and

(3) Knows or should have known that the person in the image did not consent to the dissemination.

C. The following activities are exempt from the provisions of this section:

(1) The intentional dissemination of an image of another identifiable person who is engaged in a sexual act or whose intimate parts are exposed if the dissemination is made for the purpose of a criminal investigation that is otherwise lawful;

(2) The intentional dissemination of an image of another identifiable person who is engaged in a sexual act or whose intimate parts are exposed if the dissemination is for the purpose of, or in connection with, the reporting of unlawful conduct;

(3) The intentional dissemination of an image of another identifiable person who is engaged in a sexual act or whose intimate parts are exposed if the image involves voluntary exposure in a public or commercial setting; or

(4) The intentional dissemination of an image of another identifiable person who is engaged in a sexual act or whose intimate parts are exposed if the dissemination serves a lawful public purpose.

SECTION 2. That all other parts and provisions of the City Code remain in full force and effect unless previously or subsequently amended or repealed.

PASSED THIS _____ DAY OF _____, 2026, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED - FORM AND LEGALITY:

City Counselor

REVIEWED BY:

Interim City Manager

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE CREATING SECTION 12.06.021 OF THE INDEPENDENCE CITY CODE
FOR THE PROHIBITION OF NONCONSENSUAL DISSEMINATION OF PRIVATE
SEXUAL IMAGES

WHEREAS, Article 6 of Chapter 12 of the Code of the City of Independence addresses offenses involving morals and public policy; and,

WHEREAS, the State of Missouri sets forth conduct which it deems constitutes the crime of nonconsensual dissemination of private sexual images in Missouri Revised Statutes Section 573.110; and,

WHEREAS, the City of Independence desires to add 12.06.021 of the Code of the City of Independence to protect citizens from the prohibited conduct set forth in Missouri Revised Statutes Section 573.110 when the State of Missouri fails to file alleged violations of said statute occurring in the City of Independence;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. Section 12.06.021 of the Independence City Code is hereby created to read as follows:

SEC. 12.06.021 – Nonconsensual dissemination of private sexual images

A. Definitions. As used in this section and in section 12.06.022, the following terms shall have the meaning indicated in this subsection:

(1) "Image", a photograph, film, videotape, digital recording, or other depiction or portrayal of an object, including a human body;

(2) "Intimate parts", the fully unclothed, partially unclothed, or transparently clothed genitals, pubic area, or anus or, if the person is female, a partially or fully exposed nipple, including exposure through transparent clothing;

(3) "Public mobile services", air-to-ground radio telephone services, cellular radio telecommunications services, offshore radio, rural radio services, public land mobile telephone services, and other common carrier radio communications services;

(4) "Sexual act", sexual penetration, masturbation, or sexual activity;

(5) "Sexual activity", any:

(a) Knowing touching or fondling by the victim or another person or animal, either directly or through clothing, of the sex organs, anus, or breast of the victim or another person or animal for the purpose of sexual gratification or arousal;

(b) Transfer or transmission of semen upon any part of the clothed or unclothed body of the victim for the purpose of sexual gratification or arousal of the victim or another;

(c) Act of urination within a sexual context;

(d) Bondage, fetter, sadism, or masochism; or

(e) Sadomasochism abuse in any sexual context.

B. A person commits the offense of nonconsensual dissemination of private sexual images if he or she:

(1) Intentionally disseminates an image with the intent to harass, threaten, or coerce another person:

(a) Who is at least eighteen years of age;

(b) Who is identifiable from the image itself or information displayed in connection with the image; and

(c) Who is engaged in a sexual act or whose intimate parts are exposed, in whole or in part;

(2) Obtains the image under circumstances in which a reasonable person would know or understand that the image was to remain private; and

(3) Knows or should have known that the person in the image did not consent to the dissemination.

C. The following activities are exempt from the provisions of this section:

(1) The intentional dissemination of an image of another identifiable person who is engaged in a sexual act or whose intimate parts are exposed if the dissemination is made for the purpose of a criminal investigation that is otherwise lawful;

(2) The intentional dissemination of an image of another identifiable person who is engaged in a sexual act or whose intimate parts are exposed if the dissemination is for the purpose of, or in connection with, the reporting of unlawful conduct;

(3) The intentional dissemination of an image of another identifiable person who is engaged in a sexual act or whose intimate parts are exposed if the image involves voluntary exposure in a public or commercial setting; or

(4) The intentional dissemination of an image of another identifiable person who is engaged in a sexual act or whose intimate parts are exposed if the dissemination serves a lawful public purpose.

SECTION 2. That all other parts and provisions of the City Code remain in full force and effect unless previously or subsequently amended or repealed.

PASSED THIS _____ DAY OF _____, 2026, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED - FORM AND LEGALITY:

City Counselor

REVIEWED BY:

Interim City Manager

BILL NO. 26.011

ORDINANCE NO. 19783

AN ORDINANCE CREATING SECTION 12.06.021 OF THE INDEPENDENCE CITY CODE FOR THE PROHIBITION OF NONCONSENSUAL DISSEMINATION OF PRIVATE SEXUAL IMAGES

WHEREAS, Article 6 of Chapter 12 of the Code of the City of Independence addresses offenses involving morals and public policy; and,

WHEREAS, the State of Missouri sets forth conduct which it deems constitutes the crime of nonconsensual dissemination of private sexual images in Missouri Revised Statutes Section 573.110; and,

WHEREAS, the City of Independence desires to add 12.06.021 of the Code of the City of Independence to protect citizens from the prohibited conduct set forth in Missouri Revised Statutes Section 573.110 when the State of Missouri fails to file alleged violations of said statute occurring in the City of Independence;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. Section 12.06.021 of the Independence City Code is hereby created to read as follows:

SEC. 12.06.021 – Nonconsensual dissemination of private sexual images

A. Definitions. As used in this section and in section 12.06.022, the following terms shall have the meaning indicated in this subsection:

(1) "Image", a photograph, film, videotape, digital recording, or other depiction or portrayal of an object, including a human body;

(2) "Intimate parts", the fully unclothed, partially unclothed, or transparently clothed genitals, pubic area, or anus or, if the person is female, a partially or fully exposed nipple, including exposure through transparent clothing;

(3) "Public mobile services", air-to-ground radio telephone services, cellular radio telecommunications services, offshore radio, rural radio services, public land mobile telephone services, and other common carrier radio communications services;

(4) "Sexual act", sexual penetration, masturbation, or sexual activity;

(5) "Sexual activity", any:

(a) Knowing touching or fondling by the victim or another person or animal, either directly or through clothing, of the sex organs, anus, or breast of the victim or another person or animal for the purpose of sexual gratification or arousal;

(b) Transfer or transmission of semen upon any part of the clothed or unclothed body of the victim for the purpose of sexual gratification or arousal of the victim or another;

(c) Act of urination within a sexual context;

(d) Bondage, fetter, sadism, or masochism; or

(e) Sadomasochism abuse in any sexual context.

B. A person commits the offense of nonconsensual dissemination of private sexual images if he or she:

(1) Intentionally disseminates an image with the intent to harass, threaten, or coerce another person:

(a) Who is at least eighteen years of age;

(b) Who is identifiable from the image itself or information displayed in connection with the image; and

(c) Who is engaged in a sexual act or whose intimate parts are exposed, in whole or in part;

(2) Obtains the image under circumstances in which a reasonable person would know or understand that the image was to remain private; and

(3) Knows or should have known that the person in the image did not consent to the dissemination.

C. The following activities are exempt from the provisions of this section:

(1) The intentional dissemination of an image of another identifiable person who is engaged in a sexual act or whose intimate parts are exposed if the dissemination is made for the purpose of a criminal investigation that is otherwise lawful;

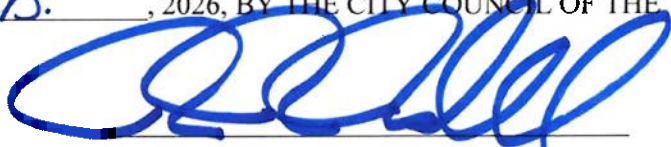
(2) The intentional dissemination of an image of another identifiable person who is engaged in a sexual act or whose intimate parts are exposed if the dissemination is for the purpose of, or in connection with, the reporting of unlawful conduct;

(3) The intentional dissemination of an image of another identifiable person who is engaged in a sexual act or whose intimate parts are exposed if the image involves voluntary exposure in a public or commercial setting; or

(4) The intentional dissemination of an image of another identifiable person who is engaged in a sexual act or whose intimate parts are exposed if the dissemination serves a lawful public purpose.

SECTION 2. That all other parts and provisions of the City Code remain in full force and effect unless previously or subsequently amended or repealed.

PASSED THIS 11th DAY OF Feb., 2026, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.



Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:



City Clerk

APPROVED - FORM AND LEGALITY:



City Counselor

REVIEWED BY:



Interim City Manager



City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

26-012 **2R** An ordinance creating Section 12.06.022 of the Independence City Code for the prohibition of threatening the nonconsensual dissemination of private sexual images **2R Item passes 7-0 Ord. No. 19784**

Recommendations:

Staff recommends approval.

Background:

Currently, this violation is classified as a Class D felony under Missouri law; however, such cases are not being prosecuted with any regularity. This ordinance provides the City Prosecutor with a mechanism to pursue prosecution at the municipal level, ensuring that offenders can be held accountable.

Emergency Justification:**Fiscal Impact:**

There is no fiscal impact for this item.

Council Action:

Department / Contact	Legal /
---------------------------------	---------

REVIEWERS

Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. Sexual Images Threat Draft 12.06.022
2. Sexual Images Threat Draft 12.06.022
3. Ord. No. 19784

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE CREATING SECTION 12.06.022 OF THE INDEPENDENCE CITY CODE
FOR THE PROHIBITION OF THREATENING THE NONCONSENSUAL DISSEMINATION
OF PRIVATE SEXUAL IMAGES

WHEREAS, Article 6 of Chapter 12 of the Code of the City of Independence addresses offenses involving morals and public policy; and,

WHEREAS, the State of Missouri sets forth conduct which it deems constitutes the crime of nonconsensual dissemination of private sexual images in Missouri Revised Statutes Section 573.112; and,

WHEREAS, the City of Independence desires to add 12.06.022 of the Code of the City of Independence to protect citizens from the prohibited conduct set forth in Missouri Revised Statutes Section 573.112 when the State of Missouri fails to file alleged violations of said statute occurring in the City of Independence;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. Section 12.06.022 of the Independence City Code is hereby created to read as follows:

SEC. 12.06.022 – Threatening the nonconsensual dissemination of private sexual images

A. A person commits the offense of threatening the nonconsensual dissemination of private sexual images if he or she gains or attempts to gain anything of value, or coerces or attempts to coerce another person to act or refrain from acting, by threatening to disseminate an image of another person, which was obtained under circumstances in which a reasonable person would know or understand that the image was to remain private, against the will of such person:

(1) Who is at least eighteen years of age;

(2) Who is identifiable from the image itself or information displayed in connection with the image; and

(3) Who is engaged in a sexual act or whose intimate parts are exposed, in whole or in part

SECTION 2. That all other parts and provisions of the City Code remain in full force and effect unless previously or subsequently amended or repealed.

PASSED THIS _____ DAY OF _____, 2026, BY THE CITY COUNCIL OF THE
CITY OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED - FORM AND LEGALITY:

City Counselor

REVIEWED BY:

Interim City Manager

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE CREATING SECTION 12.06.022 OF THE INDEPENDENCE CITY CODE
FOR THE PROHIBITION OF THREATENING THE NONCONSENSUAL DISSEMINATION
OF PRIVATE SEXUAL IMAGES

WHEREAS, Article 6 of Chapter 12 of the Code of the City of Independence addresses offenses involving morals and public policy; and,

WHEREAS, the State of Missouri sets forth conduct which it deems constitutes the crime of nonconsensual dissemination of private sexual images in Missouri Revised Statutes Section 573.112; and,

WHEREAS, the City of Independence desires to add 12.06.022 of the Code of the City of Independence to protect citizens from the prohibited conduct set forth in Missouri Revised Statutes Section 573.112 when the State of Missouri fails to file alleged violations of said statute occurring in the City of Independence;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. Section 12.06.022 of the Independence City Code is hereby created to read as follows:

SEC. 12.06.022 – Threatening the nonconsensual dissemination of private sexual images

A. A person commits the offense of threatening the nonconsensual dissemination of private sexual images if he or she gains or attempts to gain anything of value, or coerces or attempts to coerce another person to act or refrain from acting, by threatening to disseminate an image of another person, which was obtained under circumstances in which a reasonable person would know or understand that the image was to remain private, against the will of such person:

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(3) Who is engaged in a sexual act or whose intimate parts are exposed, in whole or in part

SECTION 2. That all other parts and provisions of the City Code remain in full force and effect unless previously or subsequently amended or repealed.

PASSED THIS _____ DAY OF _____, 2026, BY THE CITY COUNCIL OF THE
CITY OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED - FORM AND LEGALITY:

City Counselor

REVIEWED BY:

Interim City Manager

BILL NO. 26-012
ORDINANCE NO. 19784

AN ORDINANCE CREATING SECTION 12.06.022 OF THE INDEPENDENCE CITY CODE FOR THE PROHIBITION OF THREATENING THE NONCONSENSUAL DISSEMINATION OF PRIVATE SEXUAL IMAGES

WHEREAS, Article 6 of Chapter 12 of the Code of the City of Independence addresses offenses involving morals and public policy; and,

WHEREAS, the State of Missouri sets forth conduct which it deems constitutes the crime of nonconsensual dissemination of private sexual images in Missouri Revised Statutes Section 573.112; and,

WHEREAS, the City of Independence desires to add 12.06.022 of the Code of the City of Independence to protect citizens from the prohibited conduct set forth in Missouri Revised Statutes Section 573.112 when the State of Missouri fails to file alleged violations of said statute occurring in the City of Independence;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. Section 12.06.022 of the Independence City Code is hereby created to read as follows:

SEC. 12.06.022 – Threatening the nonconsensual dissemination of private sexual images

A. A person commits the offense of threatening the nonconsensual dissemination of private sexual images if he or she gains or attempts to gain anything of value, or coerces or attempts to coerce another person to act or refrain from acting, by threatening to disseminate an image of another person, which was obtained under circumstances in which a reasonable person would know or understand that the image was to remain private, against the will of such person:

- (1) Who is at least eighteen years of age;
- (2) Who is identifiable from the image itself or information displayed in connection with the image; and
- (3) Who is engaged in a sexual act or whose intimate parts are exposed, in whole or in part

SECTION 2. That all other parts and provisions of the City Code remain in full force and effect unless previously or subsequently amended or repealed.

PASSED THIS 11th DAY OF Feb., 2026, BY THE CITY COUNCIL OF THE
CITY OF INDEPENDENCE, MISSOURI.



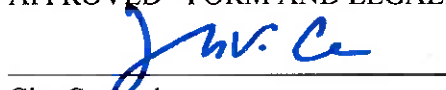
Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:



City Clerk

APPROVED - FORM AND LEGALITY:



City Counselor

REVIEWED BY:



Interim City Manager



City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

26-013 **2R** An ordinance approving a Plan for an Industrial Development Project for the Surgery Center Project; authorizing the City of Independence, Missouri to issue Taxable Industrial Development Revenue Bonds in a principal amount not to exceed \$3,530,000; and authorizing certain documents and actions in connection therewith. **2R Item passes 7-0 Ord. No. 19785**

Recommendations:

Staff recommends approval.

Background:

MKEL Holdings, LLC, a Missouri limited liability company (the “Company”), seeks approval of a Chapter 100 Plan and related bonds and documents with respect to a project consisting of acquiring an abandoned restaurant facility of approximately 5,500 square feet located at 19921 East Jackson Drive, Independence, Missouri 64057 and renovating, improving and expanding the existing facility into a private ambulatory surgery center offering oral surgery under general anesthesia to Medicaid and Medicare patients, as well as hospital-grade pediatric dentistry (the “Project”). The total cost of the Project is estimated to be \$3,530,000, including real property investments, excluding equipment investments which will not be subject to Chapter 100 and will be taxable.

The purpose of the Chapter 100 plan, bonds and documents is to authorize and implement tax abatement for the Project. The abatement program basically imposes payments in lieu of tax on the value of the existing facility (with inflation) over the period from 2026 through 2036, while abating nearly all of the tax on the incremental value produced by the Project. Over the term, this is projected to result in real property tax abatement of approximately 48.5%. The plan also provides sales tax exemption on construction materials.

The ordinance also authorizes the customary bond documents necessary to implement Chapter 100 tax abatement.

Emergency Justification:**Fiscal Impact:****Council Action:**

REVIEWERS

Tom Scannell
Melissa Cabrera
Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. Ordinance
2. Ordinance Exhibit A - Plan
3. Supporting Documents
4. Ord. No. 19785

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE APPROVING A PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT FOR THE SURGERY CENTER PROJECT; AUTHORIZING THE CITY OF INDEPENDENCE, MISSOURI TO ISSUE TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$3,530,000; AND AUTHORIZING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the City of Independence, 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 Article VI, Section 27 of the Missouri Constitution, as amended, and Sections 100.010 to 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the “Act”), to purchase, construct, extend and improve certain projects (as defined in the Act) for the purposes set forth in the Act and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, warehousing and industrial development purposes upon such terms and conditions as the City shall deem advisable; and

WHEREAS, the City, in accordance with Section 100.050 of the Act, has prepared a plan for industrial development (the “Plan”) for MKEL Holdings, LLC, a Missouri limited liability company (the “Company”), with respect to a project consisting of acquiring an abandoned restaurant facility of approximately 5,500 square feet located at 19921 East Jackson Drive, Independence, Missouri 64057 and renovating, improving and expanding the existing facility into a private ambulatory surgery center offering oral surgery under general anesthesia to Medicaid and Medicare patients, as well as hospital-grade pediatric dentistry (the “Project”), notice of the Project was given to the taxing jurisdictions in accordance with Section 100.059.1 of the Act and the City now desires to approve the Plan; and

WHEREAS, the City desires to finance the costs of the Project out of the proceeds of industrial development revenue bonds to be issued under the Act (the “Bonds”); and

WHEREAS, the City has and does hereby find and determine that it is desirable for the economic development of the City and within the public purposes of the Act that the City proceed with the issuance of the Bonds for the purpose described above; and

WHEREAS, Section 10.7 of the City Charter requires that all bonds sold by the City be sold at public sale upon sealed proposals after at least ten days’ notice in a newspaper of general circulation in the City; and

WHEREAS, a notice of sale was published in *The Examiner* inviting potential bond purchasers to submit bids for the Bonds and the City has received one bid for the Bonds; and

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

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

Section 1. Promotion of Economic Development; Commercial Purpose. The Council hereby finds and determines that the Project is a commercial project that will promote the economic welfare and the development of the City, and the issuance of the Bonds by the City to pay the costs of the Project will be in furtherance of the public purposes set forth in the Act.

Section 2. Approval of Plan. The Council hereby approves the Plan for an Industrial Development Project attached hereto as *Exhibit A* in accordance with Section 100.050 of the Act.

Section 3. Authorization and Sale of the Bonds. The City is hereby authorized to issue and sell its Taxable Industrial Development Revenue Bonds (Surgery Center Project), in an aggregate principal amount not to exceed \$3,530,000, for the purpose of providing funds to pay the costs of the Project. The Bonds shall be issued and secured pursuant to the herein authorized Trust Indenture and shall bear such date, shall mature at such time, shall be in such denominations, shall bear interest at such rate, shall be in such form, shall be subject to redemption, shall have such other terms and provisions, shall be issued, executed and delivered in such manner and shall be subject to such provisions, covenants and agreements as are specified in the Trust Indenture upon the execution thereof, and the signatures of the officers of the City executing the Trust Indenture shall constitute conclusive evidence of their approval and the City's approval thereof. The City hereby accepts the bid received from the Company for the sale of the Bonds. The sale of the Bonds to the Company or its designee(s), as the winning bidder at the public sale, at the interest rate set forth in the winning bid and upon the terms set forth in the Trust Indenture is hereby approved.

Section 4. Limited Obligations. The Bonds and the interest thereon shall be limited obligations of the City payable solely out of the payments, revenues and receipts derived by the City from the herein authorized Lease Agreement, and such payments, revenues and receipts shall be pledged and assigned to the Trustee as security for the payment of the Bonds as provided in the Trust Indenture. The Bonds and the 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 5. Approval and Authorization of Documents. The following documents (the "City Documents") are hereby approved in substantially the forms presented to the Council at this meeting (copies of which documents shall be filed in the records of the City), and the City is hereby authorized to execute and deliver the City Documents with such changes therein as shall be approved by the officials of the City executing such documents, such officials' signatures thereon being conclusive evidence of their approval thereof:

- (a) Trust Indenture dated as of the date set forth therein (the "Trust Indenture"), between the City and BOKF, N.A., as trustee (the "Trustee"), pursuant to which the Bonds shall be issued and the City shall pledge and assign the payments, revenues and receipts received pursuant to the Lease Agreement to the Trustee for the benefit and security of the owners of the Bonds upon the terms and conditions as set forth in the Trust Indenture;

(b) Lease Agreement dated as of the date set forth therein (the “Lease Agreement”), between the City and the Company, under which the City will lease the Project to the Company pursuant to the terms and conditions in the Lease Agreement, in consideration of rental payments by the Company which will be sufficient to pay the principal of, premium, if any, and interest on the Bonds; and

(c) Bond Purchase Agreement dated as of the date set forth therein, between the City and the Company, pursuant to which the Company agrees to purchase the Bonds.

Section 6. Execution of Documents. The Mayor or (Interim) City Manager of the City is hereby authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the City in the manner provided in the Indenture. The Mayor and/or (Interim) City Manager of the City is hereby authorized and directed to execute the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the City. The City Clerk of the City is hereby authorized and directed to attest to and affix the seal of the City to the Bonds and the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 7. Further Authority. The Mayor, (Interim) City Manager, City Clerk and other officials, agents and employees of the City as required are hereby authorized and directed to take such further action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Bonds and the City Documents, including but not limited to the execution of any financing documents in accordance with the Lease.

Section 8. Effective Date. This Ordinance shall take effect and be in full force as provided by the City Charter.

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PASSED THIS _____ DAY OF FEBRUARY, 2026, BY THE CITY COUNCIL OF THE CITY
OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED AS TO FORM AND LEGALITY:

City Counselor

REVIEWED BY:

Interim City Manager

EXHIBIT A

PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT

NOTICE TO TAXING JURISDICTIONS

PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT FOR A SURGERY CENTER PROJECT

On behalf of the City of Independence, Missouri (the “City”), please find enclosed a copy of a proposed plan for an industrial development project and cost benefit analysis (the “Plan”).

The City Council will consider an ordinance to approve the Plan during the City Council’s meeting on February 4, 2026, at 6:00 p.m. in the Council Chambers at City Hall, 111 E. Maple in Independence, Missouri.

The City invites you to submit written comments to the Council on the proposed Plan. All comments will be fairly and duly considered by the City. Comments will also be taken during a public hearing at the City Council meeting referred to above.

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

Dated: January 13, 2026

Independence City Hall
111 E Maple Ave
Independence, MO 64050

Taxing Jurisdictions -- Distribution List

Blue Springs School District Superintendent 1801 NW Vesper Street Blue Springs, MO 64015	Junior College District of Metropolitan Kansas City, Missouri (Metropolitan Community College) Chancellor 3200 Broadway Kansas City, MO 64111
Jackson County Board of Disabled Services 8511 Hillcrest Rd., Suite 300 Kansas City, MO 64138	Mid-Continent Public Library Director 15616 E. Highway 24 Independence, MO 64050-2057
Jackson County County Executive 415 E. 12th Street, 2nd Floor Kansas City, MO 64106	Jackson County Community Mental Health Executive Director 1627 Main Street, Suite 500 Kansas City, MO 64108
Jackson County Assessment Department Truman Courthouse 112 W. Lexington 1st Floor Independence, MO 64050	City of Independence City Clerk 111 E Maple Ave Independence, MO 64050
Jackson County Community Children's Services Fund Executive Director 3100 Broadway Blvd., Suite 227 Kansas City, MO 64111	Jackson County Collections Department Truman Courthouse 112 W. Lexington 1st Floor Independence, MO 64050
Missouri Department of Revenue County Tax Section Merchants/Manufacturers Replacement Tax Fund 301 West High Street Jefferson City, MO 65102-0453	Missouri Department of Revenue County Tax Section State Blind Pension Fund 301 West High Street Jefferson City, MO 65102-0453
Kansas City Zoological District Chair of the Board of Directors 6800 Zoo Drive Kansas City, MO 64132	

BEFORE THE

CITY COUNCIL

OF THE

CITY OF INDEPENDENCE, MISSOURI

PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT

FOR THE

SURGERY CENTER PROJECT

Sent to taxing jurisdictions: January 13, 2026

**PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT FOR THE
SURGERY CENTER PROJECT**

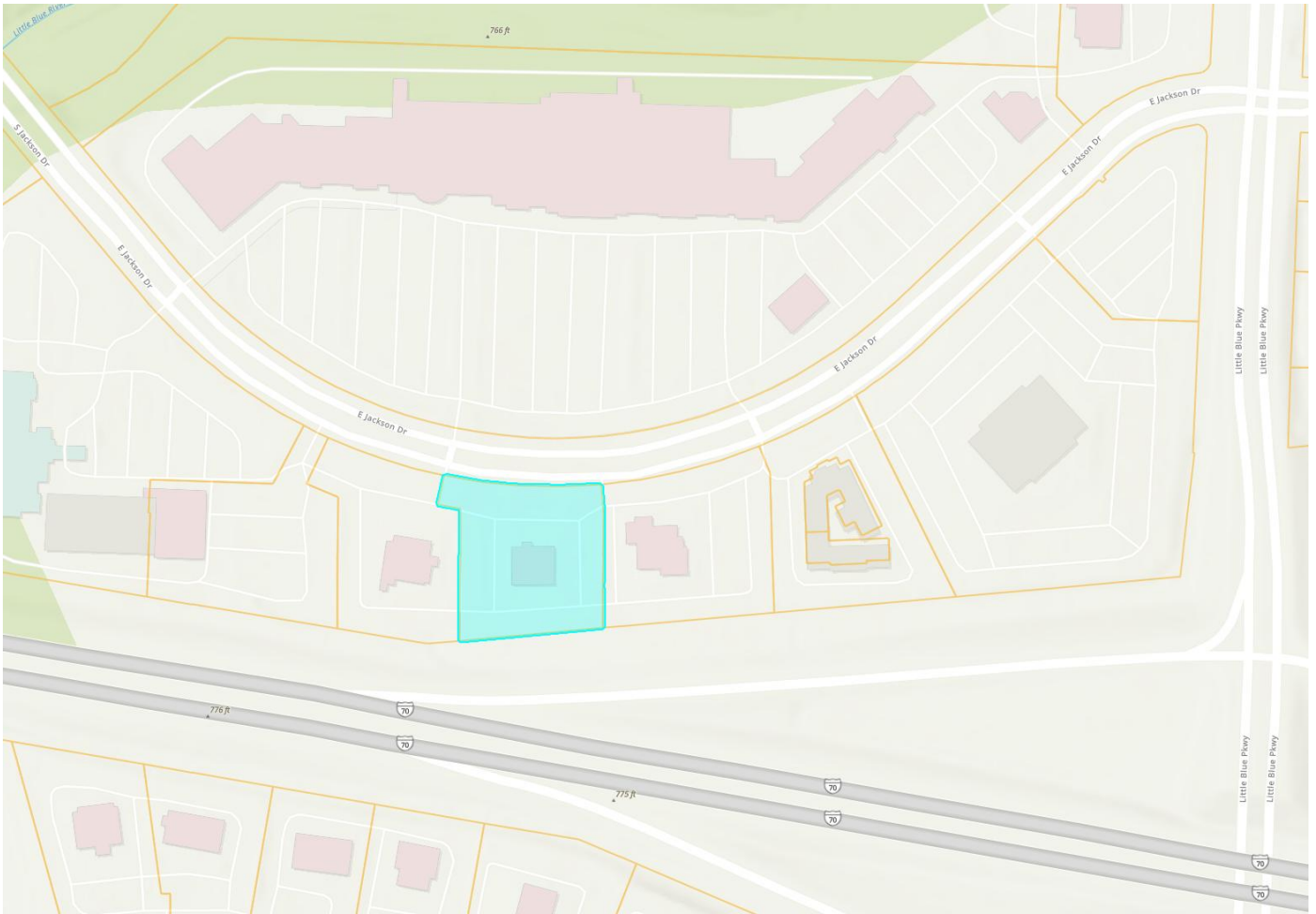
TO: CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI

The project described herein will be undertaken pursuant to the provisions of Sections 100.010 to 100.200 of the Revised Statutes of Missouri, as amended, and Article VI, Section 27(b) of the Missouri Constitution, as amended (collectively, the “Act”). The Act authorizes cities, counties, towns and villages to issue industrial development revenue bonds to finance the purchase, construction, extension and improvement of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities that provide interstate commerce, industrial plants and other commercial facilities. The operation of a surgery center for a profit is a commercial undertaking.

MKEL Holdings, LLC, a Missouri limited liability company (together with its assignees or designees for purposes of implementation of this Plan, the “Company”) has proposed this Plan for an industrial development project as described herein to the City of Independence, Missouri (the “City”), for approval, to be carried out pursuant to the Act and in support of said application submits the following:

1. **Description of the Project.** The Project consists of acquiring an abandoned restaurant facility of approximately 5,500 square feet (together with the land on which it is located, the “Existing Facility”) and renovating, improving and expanding the Existing Facility into a private ambulatory surgery center offering oral surgery under general anesthesia to Medicaid and Medicare patients, as well as hospital-grade pediatric dentistry. The expansion will add approximately 3,000 square feet to the Existing Facility. The Project will be located at 19921 East Jackson Drive, Independence, Missouri 64057. The location of the site is depicted in the map on the following page:

[remainder of page intentionally left blank]



2. **Estimate of the Cost of the Project.** The total cost of the Project is estimated to be \$3,530,000, which will consist of the cost of acquiring the Existing Facility and renovating, improving and expanding such facility, together with the costs of issuing the bonds described below.
3. **Source of Funds to be Expended for the Project.** The source of funds to be expended for the Project will be the proceeds of \$3,530,000 estimated aggregate principal amount of taxable industrial revenue bonds (the “Bonds”) to be issued by the City for the Project and to pay costs of issuance of the Bonds.
4. **Statement of the Terms Upon Which the Project is to be Leased and Otherwise Disposed of by the City.** The Project will be leased (with an option to purchase) to the Company or an affiliate or designee thereof (a “Lessee”) during the abatement period. The lease payments under the lease will equal the principal and interest on the Bonds plus certain payments in lieu of taxes described below. The Bonds will be payable solely from the revenues derived by the City from the lease or other disposition of the Project and the Bonds will not be an indebtedness or general obligation, debt or liability of the City.
5. **General Information Concerning the Company.** The Company is a Missouri limited liability company. The Project will be operated as Independence Surgery Center, a

collaboration among a small group of local practitioners to provide high-quality oral and maxillofacial surgical care to children, adults, and seniors, particularly those with disabilities, complex medical needs, or state insurance.

6. **Bond Purchase Arrangements.** It is expected that the Company will purchase the Bonds in the principal amount of \$3,530,000.
7. **Affected Taxing Jurisdictions.** The Blue Springs School District, Jackson County, Missouri, the Junior College District of Metropolitan Kansas City, Missouri, and the City will be affected by the Project. No ambulance district board operating under chapter 190 or fire protection district board operating under chapter 321 is affected by the Project. Other taxing jurisdictions affected by the Project are set out in the Cost Benefit Analysis attached hereto.
8. **Equalized Assessed Valuation.** The most recent equalized assessed valuation of the real property improvements to be included in the Project is \$384,000 (2025). The estimated total equalized assessed valuation after completion of the Project for real property to be included in the Project is \$815,680.
9. **Cost Benefit Analysis.** Attached hereto as **Exhibit A** is the Cost Benefit Analysis on each affected taxing jurisdiction. A payment in lieu of tax will be required in each year during which the Project is off the tax rolls by virtue of City ownership. The 2025 tax levy rates were utilized for all jurisdictions.
10. **Payments in Lieu of Taxes.** A payment in lieu of tax will be required in each year during which the Project is off the tax rolls by virtue of City ownership, in the amounts and the years shown below:

<u>Year</u>	<u>Payment</u>
2026	\$32,698
2027	33,679
2028	33,679
2029	34,689
2030	34,689
2031	35,730
2032	35,730
2033	36,802
2034	36,802
2035	37,906
2036	44,344

The Project is within the Hartman Heritage Center Community Improvement District, which imposes a special assessment. This Plan is not intended to abate special assessments imposed on the Project and the lease will obligate the Lessee to pay the special assessments imposed by such community improvement district.

11. **Sales and Use Tax Exemption on Construction Materials.** Qualified building materials purchased for the construction of the Project are expected to be exempt from sales and use tax pursuant to the provisions of Section 144.062 of the Revised Statutes of Missouri and the underlying Bond documents upon delivery of a project exemption certificate by the City to the Company. For purposes of determining the impact of the

sales and use tax exemptions for the qualified building materials on the affected taxing jurisdictions, it is assumed that the total amount of qualified building materials purchased will be \$1,000,000 and that the situs of sale for tax purposes will be the site to which the materials are delivered. Please note that any variance in these assumptions will alter the fiscal impact of the sales and use tax exemptions on the affected taxing jurisdictions.

Based on the assumptions set forth above, the fiscal impact on the affected taxing jurisdictions of the sales and use tax exemptions for qualified building materials is as follows:

	Tax Rate	Estimated Sales/Use Tax Revenues Subject to Exemption
State of Missouri	4.225%	\$42,250
Jackson County		
General	0.500	5,000
Drug Task Force	0.250	2,500
Sports Complex	0.375	3,750
Zoo District	0.125	1,250
City of Independence		
General Revenue	1.000	10,000
Capital Improvement - Police	0.125	1,250
Proposition PD – Police	0.250	2,500
Fire Protection	0.500	5,000
Streets	0.500	5,000
Parks	0.250	2,500
Storm water	0.250	2,500
Children’s Services	0.250	2,500
Total	8.60%	\$86,000

* * *

EXHIBIT A

COST BENEFIT ANALYSIS

The Cost Benefit Analysis shows the estimated effect of the Project on taxing jurisdictions. The calendar years shown in the attached Cost Benefit Analysis are for demonstrative purposes only and Project implementation may change the calendar years affected.

**Independence, Missouri
(Surgery Center Project)**

COST BENEFIT ANALYSIS
PLAN FOR INDUSTRIAL DEVELOPMENT PROJECT



Table of Contents

Project Assumptions	1
Summary of Cost Benefit Analysis	2
Taxes on Existing Facility without Improvements	3
Projected Taxes on Existing Facility with Improvements (No Abatement)	4
Projected PILOTS	5
Projected Abatement	6

This information is provided based on the factual information and assumptions provided to Gilmore & Bell, P.C. by a party to or a representative of a party to the proposed transaction. This information is intended to provide factual information only and is provided in conjunction with our legal representation. It is not intended as financial advice or a financial recommendation to any party. Gilmore & Bell, P.C. is not a financial advisor or a “municipal advisor” as defined in the Securities Exchange Act of 1934, as amended.

Project Assumptions

♦ Initial year taxes assessed					2026
♦ Assessed value of existing facility				\$	384,000
♦ Assessed value of improvements				\$	420,160
♦ Biennial growth rate of appraised value of real property					3.0%
♦ Assessed value as a percentage of appraised value (real)					32.0%
♦ Fixed PILOT Payments:					
	2026	32,698	2031	35,730	
	2027	33,679	2032	35,730	
	2028	33,679	2033	36,802	
	2029	34,689	2034	36,802	
	2030	34,689	2035	37,906	
			2036	44,344	

Summary of Cost Benefit Analysis

Taxing Jurisdiction	Tax Rate	Taxes on Existing Facility without Improvements	Projected Taxes on Existing Facility with Improvements (No Abatement)	Projected PILOTS	Projected Abatement
Board of Disabled Services	0.0728	\$ 3,337	\$ 6,585	\$ 3,392	\$ 3,193
City - Independence	0.6657	30,514	60,213	31,017	29,196
Blue Springs School District	5.1685	236,911	467,497	240,818	226,678
Jackson County	0.5556	25,467	50,255	25,887	24,367
Mental Health	0.0969	4,442	8,765	4,515	4,250
Metro Junior College	0.1767	8,099	15,983	8,233	7,750
Mid-Continent Library	0.3119	14,297	28,212	14,533	13,679
State Blind Pension	0.0300	1,375	2,714	1,398	1,316
Surtax	1.4370	65,868	129,978	66,955	63,023
	8.5151	\$ 390,310	\$ 770,200	\$ 396,748	\$ 373,452

Taxes on Existing Facility without Improvements

Estimated Assessed Value of Existing Facility		\$ 384,000	\$ 395,520	\$ 395,520	\$ 407,386	\$ 407,386	\$ 419,607	\$ 419,607	\$ 432,195	\$ 432,195	\$ 445,161	\$ 445,161		
Taxing Jurisdiction		Tax Rate per \$100												
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total	
Board of Disabled Services	0.0728	\$ 280	\$ 288	\$ 288	\$ 297	\$ 297	\$ 305	\$ 305	\$ 315	\$ 315	\$ 324	\$ 324	\$ 3,337	
City - Independence	0.6657	2,556	2,633	2,633	2,712	2,712	2,793	2,793	2,877	2,877	2,963	2,963	30,514	
Blue Springs School District	5.1685	19,847	20,442	20,442	21,056	21,056	21,687	21,687	22,338	22,338	23,008	23,008	236,911	
Jackson County	0.5556	2,134	2,198	2,198	2,263	2,263	2,331	2,331	2,401	2,401	2,473	2,473	25,467	
Mental Health	0.0969	372	383	383	395	395	407	407	419	419	431	431	4,442	
Metro Junior College	0.1767	679	699	699	720	720	741	741	764	764	787	787	8,099	
Mid-Continent Library	0.3119	1,198	1,234	1,234	1,271	1,271	1,309	1,309	1,348	1,348	1,388	1,388	14,297	
State Blind Pension	0.0300	115	119	119	122	122	126	126	130	130	134	134	1,375	
Surtax	1.4370	5,518	5,684	5,684	5,854	5,854	6,030	6,030	6,211	6,211	6,397	6,397	65,868	
	8.5151	32,698	33,679	33,679	34,689	34,689	35,730	35,730	36,802	36,802	37,906	37,906	\$390,310	

Projected Taxes on Existing Facility with Improvements (No Abatement)

Estimated Assessed Value of Existing Facility	\$	384,000	\$	395,520	\$	395,520	\$	407,386	\$	407,386	\$	419,607	\$	419,607	\$	432,195	\$	432,195	\$	445,161	\$	445,161
Estimated Assessed Value of Improvements	\$	-	\$	420,160	\$	420,160	\$	432,765	\$	432,765	\$	445,748	\$	445,748	\$	459,120	\$	459,120	\$	472,894	\$	472,894
	Tax Rate per																					
Taxing Jurisdiction	\$100	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total									
Board of Disabled Services	0.0728	\$ 280	\$ 594	\$ 594	\$ 612	\$ 612	\$ 630	\$ 630	\$ 649	\$ 649	\$ 668	\$ 668	\$ 6,585									
City - Independence	0.6657	2,556	5,430	5,430	5,593	5,593	5,761	5,761	5,933	5,933	6,111	6,111	60,213									
Blue Springs School District	5.1685	19,847	42,158	42,158	43,423	43,423	44,726	44,726	46,068	46,068	47,450	47,450	467,497									
Jackson County	0.5556	2,134	4,532	4,532	4,668	4,668	4,808	4,808	4,952	4,952	5,101	5,101	50,255									
Mental Health	0.0969	372	790	790	814	814	839	839	864	864	890	890	8,765									
Metro Junior College	0.1767	679	1,441	1,441	1,485	1,485	1,529	1,529	1,575	1,575	1,622	1,622	15,983									
Mid-Continent Library	0.3119	1,198	2,544	2,544	2,620	2,620	2,699	2,699	2,780	2,780	2,863	2,863	28,212									
State Blind Pension	0.0300	115	245	245	252	252	260	260	267	267	275	275	2,714									
Surtax	1.4370	5,518	11,721	11,721	12,073	12,073	12,435	12,435	12,808	12,808	13,192	13,192	129,978									
	8.5151	\$ 32,698	\$ 69,456	\$ 69,456	\$ 71,540	\$ 71,540	\$ 73,686	\$ 73,686	\$ 75,896	\$ 75,896	\$ 78,173	\$ 78,173	\$770,200									

Projected PILOTS

PILOT Payment		\$	32,698	\$	33,679	\$	33,679	\$	34,689	\$	34,689	\$	35,730	\$	35,730	\$	36,802	\$	36,802	\$	37,906	\$	44,344	
Taxing Jurisdiction		Tax Rate per \$100													Total									
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036												
Board of Disabled Services	0.0728	\$ 280	\$ 288	\$ 288	\$ 297	\$ 297	\$ 305	\$ 305	\$ 315	\$ 315	\$ 324	\$ 379	\$ 3,392											
City - Independence	0.6657	2,556	2,633	2,633	2,712	2,712	2,793	2,793	2,877	2,877	2,963	3,467	31,017											
Blue Springs School District	5.1685	19,847	20,442	20,442	21,056	21,056	21,687	21,687	22,338	22,338	23,008	26,916	240,818											
Jackson County	0.5556	2,134	2,198	2,198	2,263	2,263	2,331	2,331	2,401	2,401	2,473	2,893	25,887											
Mental Health	0.0969	372	383	383	395	395	407	407	419	419	431	505	4,515											
Metro Junior College	0.1767	679	699	699	720	720	741	741	764	764	787	920	8,233											
Mid-Continent Library	0.3119	1,198	1,234	1,234	1,271	1,271	1,309	1,309	1,348	1,348	1,388	1,624	14,533											
State Blind Pension	0.0300	115	119	119	122	122	126	126	130	130	134	156	1,398											
Surtax	1.4370	5,518	5,684	5,684	5,854	5,854	6,030	6,030	6,211	6,211	6,397	7,483	66,955											
		8.5151	\$ 32,698	\$ 33,679	\$ 33,679	\$ 34,689	\$ 34,689	\$ 35,730	\$ 35,730	\$ 36,802	\$ 36,802	\$ 37,906	\$ 44,344	\$ 396,748										

Projected Abatement

Taxing Jurisdiction	Tax Rate per \$100	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
Board of Disabled Services	0.0728	\$ -	\$ 306	\$ 306	\$ 315	\$ 315	\$ 325	\$ 325	\$ 334	\$ 334	\$ 344	\$ 289	\$ 3,193
City - Independence	0.6657	-	2,797	2,797	2,881	2,881	2,967	2,967	3,056	3,056	3,148	2,645	29,196
Blue Springs School District	5.1685	-	21,716	21,716	22,367	22,367	23,038	23,038	23,730	23,730	24,442	20,534	226,678
Jackson County	0.5556	-	2,334	2,334	2,404	2,404	2,477	2,477	2,551	2,551	2,627	2,207	24,367
Mental Health	0.0969	-	407	407	419	419	432	432	445	445	458	385	4,250
Metro Junior College	0.1767	-	742	742	765	765	788	788	811	811	836	702	7,750
Mid-Continent Library	0.3119	-	1,310	1,310	1,350	1,350	1,390	1,390	1,432	1,432	1,475	1,239	13,679
State Blind Pension	0.0300	-	126	126	130	130	134	134	138	138	142	119	1,316
Surtax	1.4370	-	6,038	6,038	6,219	6,219	6,405	6,405	6,598	6,598	6,795	5,709	63,023
	8.5151	\$ -	\$ 35,777	\$ 35,777	\$ 36,850	\$ 36,850	\$ 37,956	\$ 37,956	\$ 39,095	\$ 39,095	\$ 40,267	\$ 33,829	\$ 373,452

**CITY OF INDEPENDENCE, MISSOURI,
the City**

AND

**BOKF, N.A.,
as Trustee**

TRUST INDENTURE

Dated as of February 1, 2026

Relating to:

**\$3,530,000
(Aggregate Maximum Principal Amount)
City of Independence, Missouri
Taxable Industrial Development Revenue Bonds
(Surgery Center Project)
Series 2026**

TRUST INDENTURE

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TRUST INDENTURE

THIS TRUST INDENTURE dated as of February 1, 2026 (the “Indenture”), is between the **CITY OF INDEPENDENCE, MISSOURI**, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri (the “City”), and **BOKF, N.A.**, Kansas City, Missouri, 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 a corporate trust office located in Kansas City, Missouri, as Trustee (the “Trustee”);

RECITALS:

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

2. Pursuant to the Act, the City Council passed an ordinance (the “Ordinance”), authorizing the City to issue its Taxable Industrial Development Revenue Bonds (Surgery Center Project), Series 2026, in the maximum principal amount of \$3,530,000 (the “Bonds”), for the purpose of acquiring and improving certain real property located at 19921 East Jackson Drive, Independence, Missouri 64057 (the “Project Site,” as more fully described on **Exhibit A** hereto), including the renovation, construction and improvement of a commercial facility on the Project Site (the “Project Improvements,” as more fully described on **Exhibit B** hereto).

3. The Ordinance authorizes the City to lease the Project Site and the Project Improvements (collectively, the “Project”) to MKEL Holdings, LLC, a Missouri limited liability company (the “Company”).

4. Pursuant to the Ordinance, the City is authorized to execute and deliver (a) this Indenture for the purpose of issuing and securing the Bonds, (b) the Lease Agreement of even date herewith (the “Lease”) with the Company, under which the City, as lessor, will, or will cause the Company to, renovate, construct and improve the Project and will lease the Project to the Company, as lessee, in consideration of rentals that will be sufficient to pay the principal of and interest on the Bonds and certain payments in lieu of taxes to be made by the Company with respect to the Project.

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

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

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

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

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

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

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

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

PROVIDED, HOWEVER, that if the City pays, or causes to be paid, the principal of and interest on the Bonds, at the time and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, or provides for the payment thereof (as provided in **Article XIII** hereof), and pays or causes to be paid to the Trustee all other sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights 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 the Trust Estate is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as

hereinafter expressed, and the City does hereby agree and covenant with the Trustee and with the respective Owners from time to time, as follows:

ARTICLE I

DEFINITIONS

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

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

“Additional Rent” means the additional rental described in **Sections 5.2** and **6.2** of the Lease.

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

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

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

“Bond” or **“Bonds”** means the Taxable Industrial Development Revenue Bonds (Surgery Center Project), Series 2026, in the maximum aggregate principal amount of \$3,530,000, issued, authenticated and delivered under and pursuant to this Indenture.

“Bond Fund” means the “City of Independence, Missouri, Bond Fund – MKEL Holdings, LLC” created in **Section 501** of this Indenture.

“Bond Purchase Agreement” means the agreement by that name with respect to the Bonds, dated as of February 1, 2026, by and between the City and the Purchaser.

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

“City” means the City of Independence, Missouri, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri, and its successors and assigns.

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

“Closing Price” means the amount specified in writing by the Purchaser and agreed to by the City as the amount required to pay for the initial issuance of the Bonds on the Closing Date.

“Company” means MKEL Holdings, LLC, a Missouri limited liability company, and its successors or assigns.

“Completion Date” means the date of execution of the certificate required pursuant to **Section 504** hereof.

“Costs of Issuance Fund” means the “City of Independence, Missouri, Costs of Issuance Fund – MKEL Holdings, LLC” created in **Section 501** hereof.

“Cumulative Outstanding Principal Amount” means an amount equal to the aggregate of all amounts paid into the Project Fund in accordance with the provisions of this Indenture, the Bond Purchase Agreement and the Lease, as reflected in the bond registration records maintained by the Trustee or in the Table of Cumulative Outstanding Principal Amount set forth in the form of Bond in **Exhibit C** hereto.

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

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

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

“Investment Securities” means any of the following securities:

- (a) Government Securities;
- (b) obligations of the Federal Financing Bank, the Federal Intermediate Credit Corporation, Federal Banks for Cooperatives, Federal Land Banks, and Farmers Home Administration;
- (c) direct and general obligations of any state of the United States of America, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, provided that at the time of their purchase under this Indenture such obligations are rated in either of the two highest rating categories by a nationally-recognized bond rating agency;
- (d) certificates of deposit, whether negotiable or nonnegotiable, and U.S. dollar denominated deposit accounts issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee or any of its affiliates), provided that such certificates of deposit or deposit accounts shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described above in clauses (a) through (c),

inclusive, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit and shall be deposited with the Trustee or a custodian bank, trust company or national banking association. The bank, trust company or national banking association holding each such certificate of deposit required to be so secured shall furnish the Trustee written evidence that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount at least equal to the principal amount of each such certificate of deposit and the Trustee shall be entitled to rely on each such undertaking;

(e) shares of a fund registered under the Investment Company Act of 1940, as amended, whose shares are registered under the Securities Act of 1933, as amended, having assets of at least \$100,000,000, and which shares, at the time of purchase, are rated by S&P and Moody's in one of the two highest rating categories (without regard to any refinements or gradation of rating category by numerical modifier or otherwise) assigned by such rating agencies for obligations of that nature; or

(f) any other investment approved in writing by the Authorized City Representative and the Owners of all of the Outstanding Bonds.

"Lease" means the Lease Agreement dated as of February 1, 2026, between the City, as lessor, and the Company, as lessee, as from time to time amended and supplemented by Supplemental Leases in accordance with the provisions thereof and of **Article XII** of this Indenture.

"Lender" has the meaning set forth in the Lease.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, "Moody's" will be deemed to refer to any other nationally recognized securities rating agency designated by the Authorized Company Representative.

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

(a) Bonds subsequently cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of **Section 1302** hereof; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Indenture.

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

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

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

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

“Project” means the Project Site and the Project Improvements as they may at any time exist.

“Project Costs” means all costs of renovation, construction and improvement of the Project and acquisition of the Project Site.

“Project Fund” means the “City of Independence, Missouri, Project Fund – MKEL Holdings, LLC” created in **Section 501** hereof.

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

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

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

“S&P” means S&P Global Ratings, a division of Standard & Poor’s Financial Services, LLC, its successors and assigns, and if such company is dissolved or liquidated or no longer performs the functions of a securities rating agency, “S&P” will be deemed to refer to any other nationally recognized securities rating agency designated by the Authorized Company Representative.

“State” means the State of Missouri.

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

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

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

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

“Unassigned Rights” means (1) the City’s right to receive moneys for its own account, including but not limited to payments in lieu of taxes, (2) the City’s rights to indemnification or to be protected from

liabilities by insurance policies required by the Lease, and (3) the rights of the City to provide any consent or approval under the Lease and to enforce provisions of the Lease relating to the completion, condition or use of the Project.

Section 102. Rules of Interpretation.

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

(b) Wherever in this Indenture it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

(c) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision.

(d) Whenever an item or items are listed after the word “including”, such listing is not intended to be a listing that excludes items not listed.

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

ARTICLE II

THE BONDS

Section 201. Title and Amount of Bonds. No Bonds may be issued under this Indenture except in accordance with the provisions of this Article. The Bonds authorized to be issued under this Indenture shall be designated as “City of Independence, Missouri, Taxable Industrial Development Revenue Bonds (Surgery Center Project), Series 2026.” The maximum total principal amount of Bonds that may be issued hereunder is hereby expressly limited to \$3,530,000.

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

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

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

(b) The Bonds shall be dated by the Trustee as of the date of initial delivery thereof as provided herein. If the Bonds are at any time thereafter transferred, any replacement Bonds shall be dated as of the date of authentication thereof and numbered from 1 upward.

Section 204. Method and Place of Payment of Bonds.

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

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

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

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

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

Section 205. Execution and Authentication of Bonds.

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

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

Section 206. Registration, Transfer and Exchange of Bonds.

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

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

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

(d) If any Owner fails to provide a certified taxpayer identification number to the Trustee, the Trustee may make a charge against such Owner sufficient to pay any governmental charge required to be

paid as a result of such failure, which amount may be deducted by the Trustee from amounts otherwise payable to such Owner under such Owner's Bond.

(e) The City and Trustee consent to the pledge of the Bonds to any Lender with a Mortgage (as such term is defined in the Lease) on all or any portion of the Project Site.

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

Section 208. Authorization of the Bonds.

(a) The Bonds are authorized in the aggregate maximum principal amount of \$3,530,000 for the purpose of providing funds to pay the costs of the Project and the costs of issuing the Bonds, which Bonds shall be designated "City of Independence, Missouri, Taxable Industrial Development Revenue Bonds (Surgery Center Project), Series 2026." The Bonds shall be dated as provided in **Section 203(b)** hereof, shall become due on **December 1, 2036** (subject to prior redemption as provided in **Article III** hereof) and shall bear interest as specified in **Section 208(f)** hereof, payable on the dates specified in **Section 208(f)** hereof.

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

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

(1) The ordinance passed by the City Council authorizing the issuance of the Bonds and the execution of this Indenture, the Lease and the Bond Purchase Agreement;

(2) Counterparts of this Indenture, the Lease and the Bond Purchase Agreement;

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

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

(5) An opinion of counsel nationally recognized on the subject of municipal bonds to the effect that the Bonds are in proper form and have been duly authorized in accordance with the Constitution and statutes of the State of Missouri, including the Act, and constitute valid and legally binding special obligations of the City; and

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

(d) When the documents specified in subsection (c) of this Section have been filed with the Trustee, and when the Bonds have been executed and authenticated as required by this Indenture, the Purchaser shall pay the Closing Price to the Trustee, and the Trustee shall endorse the Bonds in an amount equal to the Closing Price and then either hold the Bonds in trust or if so directed in writing deliver the Bonds to or upon the order of the Purchaser.

(e) Following the initial issuance and delivery of the Bonds, the Company may submit additional requisition certificates in accordance with **Section 4.4** of the Lease, and the Trustee shall, based solely of the amount set forth in the requisition, endorse the Bonds in an amount equal to the amount set forth in each requisition certificate. The date of endorsement of each Principal Amount Advanced (as defined in subsection (g) below) as set forth on **Schedule I** to the Bonds shall be the date of the City's approval of each requisition certificate. The Trustee shall keep a record of the total requisitions submitted, and shall notify the City if the requisitions submitted exceed the maximum Cumulative Outstanding Principal Amount of the Bonds permitted hereunder.

(f) The Bonds shall bear interest at the rate of 7.00% per annum on the Cumulative Outstanding Principal Amount of the Bonds. Such interest shall be payable in arrears on each December 1, commencing on December 1, 2026, and continuing thereafter until the Cumulative Outstanding Principal Amount is paid in full; provided that the aggregate maximum principal amount shall not exceed \$3,530,000 and further provided that the Bonds shall be paid in full no later than **December 1, 2036**. Interest shall be calculated on the basis of a year of 360 days consisting of twelve months of 30 days each.

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

Section 209. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond becomes mutilated, or is lost, stolen or destroyed, the City shall execute and the Trustee shall authenticate and deliver a new Bond of like series, date and tenor as the Bond mutilated lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the City and the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity satisfactory to the Trustee to

save each of the City and the Trustee harmless. If any such Bond has matured, instead of delivering a substitute Bond, the Trustee may pay the same without surrender thereof. Upon the issuance of any substitute Bond, the City and the Trustee may require the payment of an amount sufficient to reimburse the City and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 210. Cancellation and Destruction of Bonds Upon Payment.

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

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

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds.

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

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

(c) In connection with a redemption under paragraphs (a) or (b) of this Section, at its option, the Company may deliver to the Trustee for cancellation any Bonds owned by the Company and not previously paid, and the Company shall receive a credit against the amounts payable by the Company for

the redemption of such Bonds in an amount equal to the principal amount of the Bonds so tendered for cancellation, plus accrued interest.

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

Section 303. Notice of Redemption. If the Bonds are to be called for redemption as provided in **Section 301(a)** hereof, the Company shall deliver written notice to the City and the Trustee that it has elected to direct the City to redeem all or a portion of the Bonds at least 40 days (10 days if the Company is the Owner) prior to the scheduled redemption date. The Trustee shall then deliver written notice to the Owners at least 30 days (five days if the Company is the Owner) prior to the scheduled redemption date by facsimile and by first-class mail stating the date upon which the Bonds will be redeemed and paid, unless such notice period is waived by the Owners in writing.

ARTICLE IV

FORM OF BONDS

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

ARTICLE V

CUSTODY AND APPLICATION OF BOND PROCEEDS

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

(a) "City of Independence, Missouri, Project Fund – MKEL Holdings, LLC" (herein called the "Project Fund");

(b) "City of Independence, Missouri, Costs of Issuance Fund – MKEL Holdings, LLC" (herein called the "Costs of Issuance Fund"); and

(c) “City of Independence, Missouri, Bond Fund – MKEL Holdings, LLC” (herein called the “Bond Fund”).

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

Section 503. Disbursements from the Project Fund.

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

(b) If, pursuant to **Section 208** hereof, the Trustee is deemed to have deposited into the Project Fund the amount specified in the requisition certificates submitted by the Company in accordance with the provisions of **Article IV** of the Lease, the Trustee shall upon endorsement of the Bonds in an equal amount be deemed to have disbursed such funds from the Project Fund to the Company (or such other purchaser designated by the Company) in satisfaction of the requisition certificate.

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

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

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

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

ARTICLE VI

REVENUES AND FUNDS

Section 601. Deposits Into the Bond Fund.

(a) The Trustee shall deposit into the Bond Fund, as and when received, (a) all Basic Rent payable by the Company to the City specified in **Section 5.1** of the Lease; (b) any Additional Rent payable by the Company specified in **Section 5.2** of the Lease that is not payable to the City; (c) any amount in the Project Fund to be transferred to the Bond Fund pursuant to **Section 504** hereof upon completion of the Project or pursuant to **Section 506** hereof upon acceleration of the Bonds; (d) the balance of any Net Proceeds (as defined in the Lease) of condemnation awards or insurance received by the Trustee pursuant to **Article IX** of the Lease; (e) the amounts to be deposited in the Bond Fund pursuant to **Sections 9.1(f)** and **9.2(c)** of the Lease; (f) all interest and other income derived from investments of Bond Fund moneys as provided in **Section 702** hereof; and (g) all other moneys received by the Trustee under and pursuant to any of the provisions of the Lease when accompanied by directions from the Person depositing such moneys that such moneys are to be paid into the Bond Fund.

(b) If the Company is not the sole Owner of the Bonds, the Trustee shall notify the Company in writing, at least 15 days before each date on which a payment is due under **Section 5.1** of the Lease, of the amount that is payable by the Company pursuant to such Section.

Section 602. Application of Moneys in the Bond Fund.

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

(b) The City hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay the principal of and the interest on the Bonds as the same become due and payable and to make said funds so withdrawn available to the Paying Agent for the purpose of paying said principal and interest. To the extent the Company is the Owner of all of the Bonds Outstanding, payment may be made via transaction entry on the trust records held by Trustee.

(c) Whenever the amount in the Bond Fund from any source whatsoever is sufficient to redeem all of the Bonds Outstanding and to pay interest to accrue thereon before such redemption, the City covenants and agrees, upon request of the Company, to take and cause to be taken the necessary steps to redeem all such Bonds on the next succeeding redemption date for which the required redemption notice

may be given or on such later redemption date as may be specified by the Company. The Trustee may use any moneys in the Bond Fund to redeem a part of the Bonds Outstanding in accordance with and to the extent permitted by **Article III** hereof so long as the Company is not in default with respect to any payments under the Lease and to the extent said moneys are in excess of the amount required for payment of Bonds theretofore matured or called for redemption and past due interest, if any, in all cases when such Bonds have not been presented for payment.

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

Section 603. Payments Due on Days Other than Business Days. In any case where the date of maturity of principal of or interest, if any, on the Bonds or the date fixed for redemption of any Bonds is not a Business Day, then payment of principal or interest, if any, need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest, if any, shall continue to accrue for the period after such date.

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

Section 605. Repayment to the Company from the Bond Fund. After payment in full of the principal of and interest on the Bonds (or provision has been made for the payment thereof as provided in this Indenture), and the reasonable fees, charges and expenses of the Trustee and the City and any other amounts required to be paid under this Indenture and the Lease, all amounts remaining in the Bond Fund shall be paid to the Company upon the expiration or sooner termination of the Lease.

ARTICLE VII

SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 701. Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee for account of the Bond Fund or the Project Fund under any provision of this Indenture, and all moneys deposited with or paid to any Paying Agent under any provision of this Indenture, shall be held by the

Trustee or Paying Agent in trust and shall be applied only in accordance with the provisions of this Indenture and the Lease, and, until used or applied as herein provided, shall constitute part of the Trust Estate and be subject to the lien hereof. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon in writing.

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

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

ARTICLE VIII

GENERAL COVENANTS AND PROVISIONS

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

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

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

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

Section 805. Recordings and Filings. The City shall file or cause to be kept and filed all financing statements, and hereby authorizes the Trustee to file or cause to be kept and filed continuation statements with respect to such originally filed financing statements related to this Indenture in order to fully preserve and protect the security of the Owners and the rights of the Trustee hereunder provided a copy of the originally filed financing statement is timely delivered to the Trustee. Unless otherwise notified in writing by the Company or City, the Trustee may conclusively rely upon any originally filed financing statements in filing any continuation statements hereunder. The City will cooperate in causing this Indenture and all Supplemental Indentures, the Lease and all Supplemental Leases and all other security instruments to be recorded and filed in such manner and in such places as may be required by law in order to fully preserve and protect the security of the Owners and the rights of the Trustee hereunder.

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

Section 807. Enforcement of Rights Under the Lease. The City covenants and agrees that it will enforce all of its rights and all of the obligations of the Company (at the expense of the Company) under the Lease to the extent necessary to preserve the Project in good repair and reasonably safe operating condition, and to protect the rights of the Trustee and the Owners hereunder with respect to the pledge and assignment of the rents, revenues and receipts coming due under the Lease; provided that, the City and the Trustee, as its assignee, shall refrain from enforcing any such right or obligation (except for the Unassigned Rights, any other rights of the City or the Trustee to receive payments owing to either of them for their own account under the Indenture or the Lease or any other agreement related to the Bonds or for their rights of indemnification or to be protected from liabilities by insurance policies required by the Lease) if so directed in writing by the Owners of 100% of the Outstanding Bonds. The City agrees that the Trustee, as assignee of the rentals and other amounts to be received by the City and paid by the Company under the Lease, or in

its name or in the name of the City, may enforce all rights of the City to receive such rentals and other amounts and all obligations of the Company to pay such rentals and other amounts under and pursuant to the Lease for and on behalf of the Owners, whether or not the City is in default hereunder.

ARTICLE IX

DEFAULT AND REMEDIES

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

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

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

Section 902. Acceleration of Maturity in Event of Default; Rescission. If an Event of Default has occurred and is continuing after the notice and cure period described in **Section 901** elapses, the Trustee may, and upon the written request of the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding, shall, by notice in writing delivered to the City and the Company, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. At any time after such a declaration of acceleration has been made, but before any judgment or decree for payment of money due on any Bonds has been obtained by the Trustee as provided in this Article, the owners of a majority in principal amount of the Bonds Outstanding may, by written notice to the Company and Trustee but with the written consent of the City, rescind and annul such declaration and its consequences if: (a) there is deposited with the Trustee a sum sufficient to pay: (1) all overdue installments of interest on all Bonds; (2) the principal of (and premium, if any, on) any Bonds which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Bonds; and (3) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and (b) all events of default, other than

the non-payment of the principal of Bonds which have become due solely by such declaration of acceleration, have been cured or have been waived as provided in **Section 910** of this Indenture.

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

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

Section 905. Exercise of Remedies by the Trustee.

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

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

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

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

Section 907. Right of Owners to Direct Proceedings.

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

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

Section 908. Application of Moneys in Event of Default.

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

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

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

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

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

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

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

(c) Whenever all of the Bonds and interest thereon, if any, have been paid under the provisions of this Section, and all fees, expenses and charges of the City and the Trustee and any other amounts

required to be paid under this Indenture and the Lease have been paid, any balance remaining in the Bond Fund shall be paid to the Company as provided in **Section 602** hereof.

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

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

ARTICLE X

THE TRUSTEE

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

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

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

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

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

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

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

fact contained in any such certificate, opinion or advice it obtains regarding the accuracy or truth of any statement or correctness of any opinion. The Trustee shall not be liable for any action or inaction taken in good faith in reliance on such a certificate or any advice received from counsel, and the Trustee may conclusively rely as to the truth of the statements and the correctness of the opinions or statements expressed therein.

(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. In no event shall the Trustee be liable for consequential damages. The Trustee shall not be liable for any act or omission, in the absence of bad faith, when the Trustee reasonably believes the act or failure to act is authorized and within its powers to perform under the Indenture.

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

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

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

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

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

(m) Notwithstanding any other provision of this Indenture to the contrary, any provision relating to the conduct of, 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.

(n) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(o) None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

Section 1002. Fees, Charges and Expenses of the Trustee. The Trustee shall be entitled to payment of and/or reimbursement for reasonable fees for its ordinary services rendered hereunder and all advances, agent and counsel fees and other ordinary expenses reasonably made or incurred by the Trustee in connection with such ordinary services. If it becomes necessary for the Trustee to perform extraordinary services, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the neglect or willful misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent for the Bonds. Pursuant to the provisions of **Section 5.2** of the Lease, the Company has agreed to pay to the Trustee all reasonable fees, charges and expenses of the Trustee under this Indenture. The Trustee agrees that the City shall have no liability for any reasonable fees, charges and expenses of the Trustee, and the Trustee agrees to look only to the Company for the payment of all reasonable fees, charges and expenses of the Trustee and any Paying Agent as provided in the Lease. Upon the occurrence of an Event of Default and during its continuance, the Trustee shall have a lien with right of payment before payment on account of principal of or interest on any Bond, upon all moneys in its possession under any provisions hereof for the foregoing reasonable advances, fees, costs and expenses incurred. The Trustee's right to compensation and indemnification relating to period during which it serves as Trustee hereunder shall survive the satisfaction and discharge of this Indenture or its resignation or removal hereunder and payment in full of the Bonds.

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

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

Section 1005. Successor Trustee Upon Merger, Consolidation or Sale. With the prior written consent of the Company, any corporation or association into which the Trustee may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder and shall be vested with all the trusts, powers, rights, obligations, duties, remedies,

immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

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

Section 1007. Removal of Trustee. The Trustee may be removed at any time, with or without cause, by an instrument or concurrent instruments in writing (a) delivered to the Trustee, the City and the Company and signed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding, or (b) so long as no Event of Default under this Indenture or the Lease shall have occurred and be continuing, delivered to the Trustee, the Company and the Owners and signed by the City. The Trustee's rights to indemnity and to any fees, charges or other amounts due and payable to it shall survive such removal.

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

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

remedies, immunities and privileges hereby vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

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

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

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

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

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

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

Section 1012. Accounting. The Trustee shall render an annual accounting for the period ending December 31 of each year, within 90 days following the end of such year, to the City, the Company and to

any Owner requesting the same and, upon the request of the City, the Company or any Owner, a monthly accounting to any such party, showing in reasonable detail all financial transactions relating to the Trust Estate during the accounting period and the balance in any funds or accounts created by this Indenture as of the beginning and close of such accounting period.

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

ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 1101. Supplemental Indentures Not Requiring Consent of Owners. The City and the Trustee may from time to time, without the consent of or notice to any of the Owners, enter into such Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

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

Section 1102. Supplemental Indentures Requiring Consent of Owners.

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

in the aggregate principal amount of Bonds; for any of which the consent of the Owners of 100% of the principal amount of the affected Bonds then Outstanding is required.

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

Section 1103. Company's Consent to Supplemental Indentures. Anything herein to the contrary notwithstanding, a Supplemental Indenture under this Article that 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. The Trustee shall cause notice of the proposed execution and delivery of any Supplemental Indenture (regardless of whether it affects the Company's rights) together with a copy of the proposed Supplemental Indenture to be mailed to the Company at least 15 days prior to the proposed date of execution and delivery of the Supplemental Indenture.

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

ARTICLE XII

SUPPLEMENTAL LEASES

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

Section 1202. Supplemental Leases Requiring Consent of Owners. Except for Supplemental Leases as provided for in **Section 1201** hereof, neither the City nor the Trustee shall consent to the execution

of any Supplemental Lease or Supplemental Leases by the City or the Company without the mailing of notice and the obtaining of the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and obtained as provided in **Section 1102** hereof. If at any time the City and the Company shall request the consent of the Trustee to any such proposed Supplemental Lease, the Trustee shall cause notice of such proposed Supplemental Lease to be mailed in the same manner as provided in **Section 1102** hereof with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed Supplemental Lease and shall state that copies of the same are on file in the corporate trust office of the Trustee for inspection by all Owners. If within 60 days or such longer period as may be prescribed by the City following the mailing of such notice, the Owners of not less than 50% in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Lease shall have consented to and approved the execution thereof as herein provided, no Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof.

Section 1203. Opinion of Counsel. In executing or consenting to any Supplemental Lease permitted by this Article, the City and the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed to the Trustee and the City stating that the executing of such Supplemental Lease is authorized or permitted by the Lease and this Indenture and the applicable law and will upon the execution and delivery thereof be valid and binding obligations of the parties thereof.

ARTICLE XIII

SATISFACTION AND DISCHARGE OF INDENTURE

Section 1301. Satisfaction and Discharge of this Indenture.

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

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

Section 1302. Bonds Deemed to be Paid.

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

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

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

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 1401. Consents and Other Instruments by Owners.

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

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

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

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

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

Section 1403. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Indenture to be given or filed with the City, the Trustee, the Company or Owners if the same is duly mailed, postage prepaid, sent by overnight delivery or other delivery service, as follows:

(a) To the City:

City of Independence, Missouri
111 E. Maple Avenue
Independence, MO 64050
Attention: City Manager

(b) To the Trustee:

BOKF, N.A.
2405 Grand Blvd., Suite 840
Kansas City, Missouri 64108
Attention: Corporate Trust Department

(c) To the Company:

MKEL Holdings, LLC

Attention: _____

With a copy to:

Polsinelli PC
900 W. 48th Place, Suite 900
Kansas City, MO 64112
Attention: Curtis J. Petersen

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

All notices given by certified or registered mail as aforesaid shall be deemed fully given as of the date they are so mailed, provided that any of the foregoing given to the Trustee shall be effective only upon receipt. All notices given by overnight delivery or other delivery service shall be deemed fully given as of the date when received. A duplicate copy of each notice, certificate or other communication given hereunder by either the City or the Trustee to the other shall also be given to the Company. The City, the Company and the Trustee may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

Section 1404. Severability. If any provision of this Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

Section 1405. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

Section 1407. Electronic Storage. The parties agree that the transaction described herein may be conducted and related documents may be sent, received 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 1408. Electronic Notice to Trustee. The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent in writing or by electronic notice, provided, however, that such instructions or directions shall be signed by an Authorized Company Representative. If the Company elects to give the instructions by electronic notice, the Trustee may deem such instructions controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. Pursuant to the Lease, the Company agrees to assume all risks arising out of the use of such electronic notice to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

[Remainder of this page intentionally left blank]

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

CITY OF INDEPENDENCE, MISSOURI

By: _____
Name: Lisa Reynolds
Title: Interim City Manager

[SEAL]

ATTEST:

By: _____
Name: Susanne Holland
Title: City Clerk

Trust Indenture
Independence (Surgery Center Project)

BOKF, N.A.,
as Trustee

[SEAL]

By _____
Name:
Title:

ATTEST:

By _____
Name:
Title:

EXHIBIT A

PROJECT SITE

The following described real estate located in Jackson County, Missouri:

All of Lot 4, "HARTMAN HERITAGE CENTER FIFTH PLAT, LOTS 4 AND 4A", a subdivision in Independence, Jackson County, Missouri recorded January 14, 2008 as Document No. 2001I0001898, in Plat Book I-68, Page 68.

EXHIBIT B

PROJECT IMPROVEMENTS

The Project Improvements consist of the following, to the extent paid for in whole with Bond proceeds:

Renovating, improving and expanding an abandoned restaurant facility of approximately 5,500 square feet into a private ambulatory surgery center offering oral surgery under general anesthesia to Medicaid and Medicare patients, as well as hospital-grade pediatric dentistry. The expansion will add approximately 3,000 square feet to the existing facility.

EXHIBIT C

FORM OF BONDS

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

No. 1

**Not to Exceed
\$3,530,000**

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

**CITY OF INDEPENDENCE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BOND
(SURGERY CENTER PROJECT)
SERIES 2026**

Interest Rate

7.00%

Maturity Date

December 1, 2036

Dated Date

_____, 2026

OWNER:

MKEL HOLDINGS, LLC

MAXIMUM PRINCIPAL AMOUNT:

**NOT TO EXCEED THREE MILLION FIVE
HUNDRED THIRTY THOUSAND
DOLLARS**

THE CITY OF INDEPENDENCE, MISSOURI, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri (the "City"), for value received, promises to pay, but solely from the source hereinafter referred to, to the Owner named above, or registered assigns thereof, on the Maturity Date shown above, the principal amount shown above, or such lesser amount as may be outstanding hereunder as reflected on **Schedule I** hereto held by the Trustee as provided in the hereinafter referred to Indenture. The City agrees to pay such principal amount to the Owner in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and in like manner to pay to the Owner hereof, either by check or draft mailed to the Owner at a stated address as it appears on the bond registration books of the City kept by the Trustee under the within mentioned Indenture or, in certain situations authorized in the Indenture, by internal bank transfer or by wire transfer to an account in a commercial bank or savings institution located in the continental United States. Interest on the Cumulative Outstanding Principal Amount (as hereinafter defined) at the per annum Interest Rate stated above, payable in arrears on each December 1, commencing on December 1, 2026, and continuing thereafter until the earlier of the date on which said Cumulative Outstanding Principal Amount is paid in full or the Maturity Date. Interest on each advancement of the principal amount of this Bond shall accrue from the date that such advancement is made, computed on the basis of a year of 360 days consisting of 12 months of 30 days each.

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

THIS BOND is one of a duly authorized series of Bonds of the City designated “City of Independence, Missouri, Taxable Industrial Development Revenue Bonds (Surgery Center Project), Series 2026,” in the maximum aggregate principal amount of \$3,530,000 (the “Bonds”), to be issued for the purpose of improving certain real property located at 19921 East Jackson Drive, Independence, Missouri 64057 (the “Project Site,” as more fully described on **Exhibit A** to the Lease (defined below)), including the renovation, construction and improvement of a commercial facility (the “Project Improvements”). The City will lease the Project Site and the Project Improvements (collectively, the “Project”) to a private-sector company (the “Company”), under the terms of a Lease Agreement dated as of February 1, 2026 (said Lease Agreement, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Lease”), between the City and the Company, all pursuant to the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution, the statutes of the State of Missouri, including particularly the Act, the charter of the City and pursuant to proceedings duly had by the Council of the City.

THE BONDS are issued under and are equally and ratably secured and entitled to the protection given by a Trust Indenture dated as of February 1, 2026 (said Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Indenture”), between the City and BOKF, N.A., Kansas City, Missouri, as trustee (the “Trustee”). *Capitalized terms not defined herein shall have the meanings set forth in the Indenture.*

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

THE BONDS are subject to redemption and payment prior to maturity as provided in the Indenture.

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

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

accrued thereon. Modifications or alterations of this Bond or the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

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

THE BONDS are issuable in the form of one fully-registered Bond in the maximum principal amount of \$3,530,000.

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

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

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

CERTIFICATE OF AUTHENTICATION

CITY OF INDEPENDENCE, MISSOURI

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

By: _____
Interim City Manager

Registration Date: _____

BOKF, N.A.,
as Trustee

ATTEST: _____ (Seal)

By _____
Authorized Signatory

City Clerk

SCHEDULE I

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

**CITY OF INDEPENDENCE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BOND
(SURGERY CENTER PROJECT)
SERIES 2026**

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

FORM OF ASSIGNMENT

(NOTE RESTRICTIONS ON TRANSFERS)

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

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

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

PLACE SIGNATURE MEDALLION BELOW:

EXHIBIT D

FORM OF REPRESENTATION LETTER

City of Independence, Missouri
111 E. Maple Avenue
Independence, MO 64050
Attention: City Manager

BOKF, N.A., as Trustee
2405 Grand Blvd., Suite 840
Kansas City, Missouri 64108
Attention: Corporate Trust Department

Re: \$3,530,000 Maximum Principal Amount of Taxable Industrial Development Revenue Bonds (Surgery Center Project), Series 2026 of the City of Independence, Missouri

Ladies and Gentlemen:

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

1. The Purchaser fully understands that (a) the Bonds have been issued under and pursuant to a Trust Indenture dated as of February 1, 2026 (the “Indenture”), between the City of Independence, Missouri (the “City”) and BOKF, N.A., Kansas City, Missouri, as trustee (the “Trustee”), and (b) the Bonds are payable solely out of certain rents, revenues and receipts to be derived from the leasing or sale of the Project (as defined in the Indenture) to MKEL Holdings, LLC, a Missouri limited liability company (the “Company”), under a Lease Agreement dated as of February 1, 2026 (the “Lease”), between the City and the Company, with certain of such rents, revenues and receipts being pledged and assigned by the City to the Trustee under the Indenture to secure the payment of the principal of and interest on the Bonds.

2. The Purchaser understands that the Bonds have not been registered under the Securities Act of 1933, as amended (the “1933 Act”), or the securities laws of any state and will be sold to the Purchaser in reliance upon certain exemptions from registration and in reliance upon the representations and warranties of the Purchaser set forth herein.

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

4. The Purchaser agrees not to attempt to offer, sell, hypothecate or otherwise distribute the Bonds to others unless authorized by the terms of the Indenture and upon receipt of any required opinion of counsel acceptable to the City, the Company, the Trustee and the Purchaser that all registration and disclosure requirements of the Securities and Exchange Commission and all other appropriate federal and Missouri securities laws and the securities law of any other applicable state are complied with.

5. The Company has (a) furnished to the Purchaser such information about itself as the Purchaser deems necessary in order for it to make an informed investment decision with respect to the purchase of the Bonds, (b) made available to the Purchaser, during the course of this transaction, ample opportunity to ask questions of, and to receive answers from, appropriate officers of the City and the terms and conditions of the offering of the Bonds, and (c) provided to the undersigned all additional information which it has requested.

6. The Purchaser acknowledges that no offering document has been prepared in connection with the sale of the Bonds. The Purchaser further acknowledges that it has timely received in satisfactory form and manner all proceedings, certificates, opinions, letters and other documents required to be submitted to the Purchaser pursuant to the Bond Purchase Agreement prior to or on the date of the delivery of and payment for the Bonds, and that the City and the Company have in all respects complied with and satisfied all of their respective obligations to the Purchaser which are required under the Bond Purchase Agreement to be complied with and satisfied on or before such date.

7. The Purchaser is now, and was when it agreed to purchase the Bonds, familiar with the operations of the Company and fully aware of terms and risks of the Bonds and that the Purchaser is relying on its own knowledge and investigation of facts and circumstances relating to the purchase of the Bonds. The Purchaser believes that the Bonds being acquired are a security of the type that the Purchaser wishes to purchase and hold for investment and that the nature and amount thereof are consistent with its investment program.

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

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

10. The Purchaser hereby directs the Trustee to hold the Bonds in trust for the undersigned pursuant to **Section 208** of the Indenture.

Dated: _____, 20__

[PURCHASER OF BONDS]

By: _____
Name: _____
Title: _____

**CITY OF INDEPENDENCE, MISSOURI,
As Lessor,**

AND

**MKEL HOLDINGS, LLC,
As Lessee**

LEASE AGREEMENT

Dated as of February 1, 2026

Relating to:

**\$3,530,000
(Aggregate Maximum Principal Amount)
City of Independence, Missouri
Taxable Industrial Development Revenue Bonds
(Surgery Center Project)
Series 2026**

Certain rights of the City of Independence, Missouri (the “City”), in this Lease Agreement have been pledged and assigned to BOKF, N.A., Kansas City, Missouri, as Trustee under the Trust Indenture dated as of February 1, 2026, between the City and the Trustee. Such pledge and assignment does not include the Unassigned Rights (defined in the Indenture).

LEASE AGREEMENT

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Appendix I: PILOT Payment Schedule

LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of February 1, 2026 (the “Lease”), is between the **CITY OF INDEPENDENCE, MISSOURI**, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri, as lessor (the “City”), and **MKEL HOLDINGS, LLC**, a limited liability company organized and existing under the laws of the State of Missouri, as lessee, and its successors or assigns, as permitted hereunder (the “Company”);

RECITALS:

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

2. Pursuant to the Act, the City Council passed an ordinance (the “Ordinance”) authorizing the City to issue its Taxable Industrial Development Revenue Bonds (Surgery Center Project), Series 2026, in the maximum principal amount of \$3,530,000 (the “Bonds”), for the purpose of acquiring and improving certain real property located at 19921 East Jackson Drive, Independence, Missouri 64057 (the “Project Site,” as more fully described on **Exhibit A** hereto), including the renovation, construction and improvement of a commercial facility on the Project Site (the “Project Improvements,” as more fully described on **Exhibit B** hereto).

3. Pursuant to the Ordinance, the City is authorized to enter into a Trust Indenture of even date herewith (the “Indenture”) with BOKF, N.A., Kansas City, Missouri, as Trustee (the “Trustee”), for the purpose of issuing and securing the Bonds, as therein provided, and to enter into this Lease with the Company under which the City will renovate, construct and improve the Project Improvements, and lease the Project Site and the Project Improvements as they may at any time exist (collectively, the “Project”), to the Company in consideration of rental payments by the Company that will be sufficient to pay the principal of and interest on the Bonds and certain payments in lieu of taxes.

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

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

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. In addition to any words and terms defined elsewhere in this Lease and the words and terms defined in **Section 101** of the Indenture which

definitions are hereby incorporated herein by reference, and terms defined, the following words and terms as used in this Lease shall have the following meanings:

“Additional Rent” means the additional rental described in **Sections 5.2** and **6.2** of this Lease.

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

“Certificate of Insurance Compliance” means a certificate in substantially the form set forth on **Exhibit D** hereto evidencing the Company’s compliance with the insurance requirements set forth in **Article VII** hereof, fully executed by the Authorized Company Representative and upon which the Trustee may conclusively rely without further investigation or inquiry.

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

“Full Insurable Value” means the actual replacement cost of the Project less physical depreciation as determined in accordance with **Section 7.1(a)** hereof.

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

“Lender” means any person who from time to time has made a loan to Company which is secured by a Mortgage.

“Mortgage” means any mortgage or deed of trust (together with all related loan documents and security agreements) relating to the Project and permitted pursuant to the provisions of **Section 10.4** hereof or existing prior to the date on which a memorandum of this Lease is recorded.

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

“Permitted Encumbrances” means, as of any particular time, as the same may encumber the Project Site, (a) liens for ad valorem taxes and special assessments not then delinquent, (b) the Indenture and this Lease, (c) utility, access and other easements and rights-of-way, mineral rights, restrictions, exceptions and encumbrances that will not materially interfere with or impair the operations being conducted on the Project Site or easements granted to the City, (d) such minor defects, irregularities, encumbrances, easements, mechanic’s liens, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Project Site and as do not in the aggregate materially impair the property affected thereby for the purpose for which it was acquired or is held by the City, (e) any Mortgage, (f) any assignment of leases and rents or similar assignment delivered by the Company in favor of a Lender in connection with any future Mortgage (delivered pursuant to **Section 10.4(b)** of this Lease), and (g) any encumbrances shown on a title policy or report included in the transcript of proceedings relating to the Bonds.

“PILOT Payments” means the payments set out on **Appendix I**.

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

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

Section 1.2. Rules of Interpretation.

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

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

(c) Wherever in this Lease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

(d) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other subdivision.

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

(f) Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

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

ARTICLE II

REPRESENTATIONS

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

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

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

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

(d) To the City's knowledge, no member of the City Council or any other officer of the City has any significant or conflicting interest, financial, employment or otherwise, in the Company or in the transactions contemplated hereby;

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

(f) The Bonds are to be issued under and secured by the Indenture, pursuant to which the Project and certain net earnings therefrom, including certain rents, revenues and receipts to be derived by the City from the leasing or sale of the Project (but excluding the Unassigned Rights), will be pledged and assigned to the Trustee as security for payment of the principal of and interest on the Bonds and amounts owing pursuant to the Lease;

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

(h) The City shall have no authority to operate the Project as a business or in any other manner except as the lessor thereof, except subsequent to an Event of Default hereunder.

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

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

(b) The Company has lawful power and authority to enter into this Lease and to carry out its obligations hereunder and by proper action of its members the Company has been

duly authorized to execute and deliver this Lease, acting by and through its duly authorized officers and representatives;

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

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

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

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

ARTICLE III

GRANTING PROVISIONS

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

Section 3.2. Lease Term. This Lease shall become effective upon its delivery, and subject to sooner termination pursuant to the provisions of this Lease, shall have a term commencing as of the date of this Lease and terminating on **December 1, 2036**.

Section 3.3. Possession and Use of the Project.

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

in order that the Company may have quiet and peaceable possession and enjoyment of the Project and will defend the Company's enjoyment and possession thereof against all parties.

(b) Subject to the provisions of this Section, the Company shall have the right to use the Project for any lawful purpose allowed by law and contemplated by the Act and this Lease. The Company shall comply in all material respects with all statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Project or to any adjoining public ways, as to the manner of use or the condition of the Project or of adjoining public ways. In the event of demonstrated noncompliance with such statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements the Company will take all reasonable steps to comply with such statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements. The Company shall also comply with the mandatory requirements, rules and regulations of all insurers under the policies carried under the provisions of **Article VII** hereof. The Company shall pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of the Company to comply with the provisions of this Section. Notwithstanding any provision contained in this Section, however, the Company shall have the right, at its own cost and expense, to contest or review by legal or other appropriate procedures the validity or legality of any such governmental statute, law, ordinance, order, judgment, decree, regulation, direction or requirement, or any such requirement, rule or regulation of an insurer, and during such contest or review the Company may refrain from complying therewith.

Section 3.4. Title to the Project. The City shall be the sole owner of the Project during the Lease Term, except for any portions of the Project released from this Lease pursuant to the terms hereof.

ARTICLE IV

RENOVATION, CONSTRUCTION AND IMPROVEMENT OF THE PROJECT

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

Section 4.2. Renovation, Construction and Improvement of the Project. The City and the Company agree that the Company, as the agent of the City, shall renovate, construct and improve the Project as follows:

(a) The City has acquired the Project Site prior to the execution hereof. Concurrently with the execution of this Lease, (i) a deed and any other necessary instruments of transfer will be delivered to the City and placed of record, and (ii) the commitment for title insurance or ownership and encumbrance report (which may be provided in the form of a copy of

the commitment for an owner's or loan policy of title insurance relating to the Company's acquisition of or private financing for the Project) required by **Article VII** hereof will be delivered to the City and the Trustee;

(b) On behalf of the City, the Company will renovate, construct and improve the Project Improvements on the Project Site and otherwise improve the Project Site in accordance with the Plans and Specifications. The Company may revise the Plans and Specifications from time to time as it deems necessary to carry out the Project, but revisions that would materially alter the intended purpose of the Project or any major component thereof may be made only with the prior written approval of the City. The Company agrees that the aforesaid renovation, construction and improvement will, with such changes and additions as may be made hereunder, result in facilities suitable for use by the Company for its purposes, and that all real and personal property described in the Plans and Specifications, with such changes and additions as may be made hereunder, is desirable and appropriate in connection with the Project. The provisions of this paragraph are in addition to and do not supersede the provisions of **Section 8.2**; and

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

Section 4.3. Project Costs. The City hereby agrees to pay for, but solely from the Project Fund, and hereby authorizes and directs the Trustee to pay for, but solely from the Project Fund, all Project Costs upon receipt by the Trustee of a certificate pursuant to **Section 4.4** hereof. The Company may not submit any requisition certificates for Project Costs incurred after the Completion Date. The Company must submit all requisitions for Project Costs incurred before the Completion Date within three months after the Completion Date.

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

Section 4.5. Establishment of Completion Date. The Completion Date shall be evidenced to the Trustee by a certificate signed by the Authorized Company Representative stating (a) the renovation, construction and improvement of the Project has been completed in accordance with the Plans and Specifications, (b) that all costs and expenses incurred in the renovation, construction and improvement of the Project have been paid except costs and expenses the payment of which is not yet due or is being retained or contested in good faith by the Company, and (c) amounts to be retained by Trustee with respect to item (b) above. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. The Company and the City agree to cooperate in causing such certificate to be furnished to the Trustee.

Section 4.6. Surplus or Deficiency in Project Fund.

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

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

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

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

Section 4.9. Environmental Matters. The Company acknowledges that it is responsible for maintaining the Project in compliance with all Environmental Laws. In the event that the Company fails to undertake to comply with any final, non-appealable order issued by any local, state or federal authority under applicable Environmental Law, the City or the Trustee, immediately after notice to the Company, may elect (but shall not be required) to undertake such compliance. Any moneys expended by the City or the Trustee in efforts to comply with any applicable Environmental Law (including the reasonable cost of hiring consultants, undertaking sampling and testing, performing any cleanup necessary or useful in the compliance process and reasonable attorneys' fees) shall be due and payable as Additional Rent hereunder with interest thereon at the average rate of interest per annum on the Bonds, plus two (2) percentage points, from the date such cost is incurred. There shall be unlimited recourse to the Company to the extent of any liability incurred by the City or the Trustee with respect to any breaches of the provisions of this section.

The Company shall and does hereby indemnify the City, the Trustee and the Bondowners and agree to defend and hold them harmless from and against all loss, cost, damage and expense (including, without limitation, reasonable attorneys' fees and costs associated incurred in the investigation, defense

and settlement of claims) that they may incur, directly or indirectly, as a result of or in connection with the assertion against them or any of them of any claim relating to the presence on, escape or removal from the Project during the term of this Lease of any hazardous substance or other material regulated by any applicable Environmental Law, or compliance with any applicable Environmental Law, whether such claim is raised before, during or after the term of this Lease, including claims relating to personal injury or damage to property; provided, however, this indemnity shall only relate to claims resulting from the City's ownership of the Project and the Trustee's acceptance of its duties as Trustee hereunder.

ARTICLE V

RENT PROVISIONS

Section 5.1. Basic Rent. The Company covenants and agrees to pay to the Trustee in same day funds for the account of the City during this Lease Term, for deposit in the Bond Fund on or before 10:00 a.m., Trustee's local time, on or before each December 1, commencing December 1, 2026 and continuing until the principal of and interest on the Bonds shall have been fully paid, an amount which, when added to any collected funds then on deposit in the Bond Fund and available on such Payment Date, shall be equal to the total amount payable on each December 1 as interest on the Bonds. On **December 1, 2036** (or such earlier date as the Company may elect or be required to redeem the Bonds), the Company shall also pay an amount equal to all principal then due on the Bonds in connection with such maturity or redemption. All payments of Basic Rent provided for in this Section shall be paid directly to the Trustee and shall be deposited in accordance with the provisions of the Indenture into the Bond Fund and shall be used and applied by the Trustee in the manner and for the purposes set forth in this Lease and the Indenture, provided that if the Company is the Owner of all the Bonds Outstanding, payment of Basic Rent as provided for in this Section may be made via a transaction entry on the trust records held by the Trustee and the Paying Agent consistent with **Section 204(e)** and **Section 208(g)** of the Indenture. Any Basic Rent paid by the Company which exceeds the total amount payable on such payment dates shall be immediately paid to the Company by wire transfer. At its option, on the final Payment Date, the Company may deliver to the Trustee for cancellation Bonds not previously paid and the Company shall receive a credit against the Basic Rent payable by the Company in an amount equal to the principal amount of the Bonds so tendered for cancellation plus accrued interest thereon.

In furtherance of the foregoing and of **Section 204(e)** and **Section 208(g)** of the Indenture, and notwithstanding any other provision in this Lease, the Indenture or the Bond Purchase Agreement, and provided that the Company is the sole Bondowner, the Company may set-off each Basic Rent payment against the City's obligation to the Company as Bondowner, in lieu of delivery of a payment of Basic Rent on any date on which principal of or interest on the Bonds is payable, without providing notice of such set-off to the Trustee. The Trustee may conclusively rely on the absence of any notice from the Company to the contrary as evidence that such set-off has occurred.

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

- (a) all reasonable fees, charges and expenses, including agent and counsel fees, of the City or the Trustee incurred under the Indenture, this Lease, or any other document entered into in connection with the Bonds, as and when the same become due;

(b) all costs incident to the payment of the principal of and interest on the Bonds as the same becomes due and payable, including all costs and expenses in connection with the call, redemption and payment of all outstanding Bonds;

(c) all reasonable costs which are reasonably incurred in connection with the enforcement of any rights against the Company or the Project or in connection with a failure of the Company to perform its obligations under this Lease or the Indenture by the City, the Trustee or the Bondowners, including counsel fees and expenses;

(d) on each December 1, a PILOT Payment to the City in the amount shown for such year on **Appendix I**; and

(e) all other payments of whatever nature which Company has agreed to pay or assume under the provisions of this Lease.

Section 5.3. Obligations of Company Absolute and Unconditional.

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

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

Section 5.4. Prepayment of Basic Rent. The Company may at any time and from time to time prepay a portion of the Basic Rent provided for hereunder (subject to the limitations of

Section 301(a) of the Indenture relating to the redemption of the Bonds). During such times as the amount held by the Trustee in the Bond Fund shall be sufficient to pay, at the time required, the principal of and interest on all the Bonds then remaining unpaid, the Company shall not be obligated to make payments of Basic Rent under the provisions of this Lease.

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

ARTICLE VI

MAINTENANCE, TAXES AND UTILITIES

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

Section 6.2. Taxes, Assessments and Other Governmental Charges.

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

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

agrees to cooperate fully with the Company in connection with any and all administrative or judicial proceedings related to any tax, assessment or other governmental charge. The Company shall save and hold harmless the City and the Trustee from any costs and expenses the City and the Trustee may incur related to any of the above.

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

(d) The Project Site is within the Hartman Heritage Center Community Improvement District, which imposes a special assessment. The Company shall remain obligated to pay all special assessments imposed by such community improvement district during the time that the Project is owned by the City.

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

Section 6.4. Property Tax Exemption. The City and the Company agree that while the Project is owned by the City and is subject to this Lease, the Project and the leasehold interest of the Company in the Project will be exempt from all *ad valorem* real property taxes by reason of such ownership, and the City agrees that it will (at the expense of the Company) cooperate with the Company to defend such exemption against all parties. Notwithstanding the foregoing, Company will annually pay to the City the payments with respect to the Project set forth in **Appendix I**. Within 30 days of the date of receipt of each PILOT Payment, the City or designated billing/collection agent shall distribute each PILOT Payment among the taxing jurisdictions in proportion to the amount of taxes which would have been paid in each year had the Project not been exempt from taxation.

Section 6.5. Administration Costs. Under Section 100.050 of the Act, the City may require the Company to reimburse the City for its actual costs of issuing the Bonds and administering the plan including costs associated with this Agreement, in an amount of no greater than \$1,000 per year. The City will provide a statement for such costs to the Company not later than November 1 of each year and the Company will reimburse the City for its costs on or before December 31 of each year continuing until December 31 of the year in which this Agreement expires or is terminated.

Section 6.6. Sales Tax Exemption. Upon request of the Company after the issuance of the Bonds, the City will issue a sales tax exemption certificate to the Company for construction materials to be purchased for the Project and the City shall provide such other documentation as may be necessary from time to time to effect said sales tax exemption. The Company shall use the exemption certificate only for the purchase of construction materials to be incorporated into the Project on the Project Site and shall not use the exemption certificate for the purchase of any personal property other than construction materials. The Company shall indemnify and defend the City and its respective officers, employees and agents against and from any and all causes of action or actions in law or equity, liens, claims damages, loss, costs or expenses of any nature whatsoever by any person or entity, arising out of the City's furnishing of the exemption certificate.

ARTICLE VII

INSURANCE

Section 7.1. Title Report. Before conveying title to any real property to the City, the Company will provide a report reasonably acceptable to the City showing the ownership of and encumbrances on the Project Site. Copies of such report shall be provided to the City and the Trustee.

Section 7.2. Property Insurance.

(a) The Company shall at its sole cost and expense obtain and shall maintain throughout the Lease Term, a policy or policies of insurance (including, if appropriate, builder's risk insurance) to keep the Project constantly insured against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State of Missouri in an amount equal to the Full Insurable Value thereof (subject to reasonable loss deductible provisions). The insurance required pursuant to this Section shall be maintained with a generally recognized responsible insurance company or companies authorized to do business in the State of Missouri or generally recognized international insurers or reinsurers with an A.M. Best rating of B+ or the equivalent thereof or better as may be selected by the Company. All such policies of insurance pursuant to this Section, and all renewals thereof, shall name the Company as insured and the City and the Trustee shall be named as loss payees, as their respective interests may appear, and shall contain a provision that the issuer of such insurance will provide at least 10 days' advance written notice to, the Company of the cancellation of such insurance. Company agrees it shall immediately forward any notice of cancellation it receives from the issuer of such insurance to the City and Trustee. The Company shall provide the City and the Trustee, on an annual basis, commencing on December 1, 2026 with a Certificate of Insurance Compliance, in the form of **Exhibit D** attached hereto, certifying compliance with this Section and containing copies of the insurance policies required under this Section, or certificates thereof. The Trustee shall be entitled to conclusively rely upon such certificate as to the Company's compliance with the insurance requirements. The Trustee makes no representation as to, and shall have no responsibility for the sufficiency or adequacy of, the insurance.

(b) In the event of loss or damage to the Project, the Net Proceeds of property insurance carried pursuant to this Section shall be applied as provided in **Article IX** of this Lease, or as may be directed by, or on behalf of, the Owners of 100% in principal amount of the Bonds outstanding.

Section 7.3. Commercial General Liability Insurance.

(a) The Company shall at its sole cost and expense maintain or cause to be maintained at all times during the Lease Term general accident and commercial general liability insurance under which the City, the Company and the Trustee shall be named as additional insureds, properly protecting and indemnifying the City and the Trustee, in an amount not less than the limits of liability set by Section 537.610 of the Revised Statutes of Missouri (subject to loss deductible clauses not to exceed \$50,000). The policies of said insurance shall contain a provision that the issuer of such insurance will provide at least 10 days' advance written notice to the Company of the cancellation of such insurance. The Company agrees it shall immediately forward any notice of cancellation it receives from the issuer of such insurance to the City and Trustee. The Company shall provide the City and the Trustee, on an annual basis, commencing on December 1, 2026 with a Certificate of Insurance Compliance, in the form of **Exhibit D** attached hereto, certifying compliance with this Section and containing copies of the insurance policies required under this Section, or certificates thereof. The Trustee shall be entitled to conclusively rely upon such certificate as to the Company's compliance with the insurance requirements.

The Trustee makes no representation as to, and shall have no responsibility for the sufficiency or adequacy of, the insurance.

(b) In the event of a public liability occurrence, and subject to the rights of Lender under and pursuant to the terms of the Mortgage (except that no right of the Lender under the Mortgage shall affect the right of the City or the Trustee to the protection and indemnification provided as additional insureds pursuant to subsection(a), above), the Net Proceeds of liability insurance carried pursuant to this Section shall be applied toward the extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Section 7.4. Workers' Compensation. The Company agrees throughout the Lease Term to maintain or cause to be maintained the Workers' Compensation coverage required by the laws of the State of Missouri.

Section 7.5. Blanket Insurance Policies; Self-Insurance. The Company may satisfy any of the insurance requirements set forth in this Article by using blanket policies of insurance, provided each and all of the requirements and specifications of this Article respecting insurance are complied with. Nothing in this Lease shall be construed from prohibiting the Company from self-insuring provided the Company, or in combination with its parent corporation, has a net worth in excess of \$200,000,000, as determined by generally accepted accounting principles.

ARTICLE VIII

ALTERATION OF THE PROJECT

Section 8.1. Additions, Modifications and Improvements to the Project. The Company shall have and is hereby given the right, at its sole cost and expense, to make such additions, modifications and improvements in and to any part of the Project as the Company from time to time may deem necessary or desirable for its business purposes. All additions, modifications and improvements made by the Company pursuant to the authority of this Section shall (a) be made in workmanlike manner and will comply in all material respects with all laws and ordinances applicable thereto, (b) when commenced, be prosecuted to completion with due diligence, and (c) when completed, be deemed a part of the Project; provided, however, that additions of machinery, equipment and other personal property installed on the Project Site by the Company not purchased or acquired from funds deposited with the Trustee hereunder and not constituting repairs, renewals or replacements of the Project shall remain the property of the Company and may be removed by the Company. Such property shall be subject to *ad valorem* taxes.

Section 8.2. Additional Improvements on the Project Site. The Company may, at its sole cost and expense, construct on portions of the Project Site not theretofore occupied by buildings or improvements such additional buildings and improvements as the Company from time to time may deem necessary or desirable for its business purposes. All additional buildings and improvements constructed on the Project Site by the Company, and not paid for with Bond proceeds, pursuant to the authority of this Section shall not be included as Project Improvements and, during the life of this Lease, shall remain the property of the Company and may be added to, altered or razed and removed by the Company at any time. All additional buildings and improvements shall be made in a good and workmanlike manner and in strict compliance with all material laws, orders and ordinances applicable thereto and when commenced shall be prosecuted to completion with due diligence. The Company covenants and agrees (a) to make any repairs and restorations required to be made to the Project because of the construction of,

addition to, alteration or removal of said additional buildings or improvements, and (b) to promptly and with due diligence either raze and remove or repair, replace or restore any of said additional buildings and improvements as may from time to time be damaged by fire or other casualty. The Company shall pay all ad valorem taxes and assessments payable with respect to such additional buildings and improvements which remain the property of the Company. If for any reason the County Assessor determines that such additional buildings and improvements are not subject to ad valorem taxes, the Company shall make payments in lieu of taxes in an amount equal to the taxes that would otherwise be due under this Section.

Section 8.3. Permits and Authorizations. The Company shall not do or permit others under its control to do any work on the Project related to any repair, rebuilding, restoration, replacement, modification or addition to the Project, or any part thereof, unless all requisite municipal and other governmental permits and authorizations shall have been first procured. All such work shall be done in a good and workmanlike manner and in material compliance with all applicable building, zoning and other laws, ordinances, governmental regulations. In the event of demonstrated noncompliance with such laws, ordinances, governmental regulations and requirements the Company will take all reasonable steps to comply with laws, ordinances, governmental regulations and requirements.

Section 8.4. Mechanics' Liens.

(a) The Company will not directly or indirectly create, incur, assume or suffer to exist any lien on or with respect to the Project, except Permitted Encumbrances, and the Company shall promptly notify the City of the imposition of such lien of which the Company is aware and shall promptly, at its own expense, take such action as may be necessary to fully discharge or release any such lien. Whenever and as often as any mechanics' or other similar lien is filed against the Project, or any part thereof, purporting to be for or on account of any labor done or materials or services furnished in connection with any work in or about the Project, the Company shall discharge the same of record within 90 days after the date of filing. Notice is hereby given that the City shall not be liable for any labor or materials furnished the Company or anyone claiming by, through or under the Company upon credit, and that, except as may be consented to by the City in a document recorded with the Jackson County Recorder of Deeds, no mechanics' or other similar lien for any such labor, services or materials shall attach to or affect the reversionary or other estate of the City in and to the Project or any part thereof.

(b) Notwithstanding paragraph (a) above, the Company may contest any such mechanics' or other similar lien if the Company (1) within said 90-day period stated above notifies the City and the Trustee in writing of its intention so to do, (2) diligently prosecutes such contest, (3) at all times effectively stays or prevents any official or judicial sale of the Project, or any part thereof or interest therein, under execution or otherwise, (4) promptly pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim and (5) thereafter promptly procures record release or satisfaction thereof. The Company may permit the lien so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Company is notified by the City that, in the opinion of counsel, by nonpayment of any such items, the interest of the City in the Project will be subject to loss or forfeiture. In that event, the Company shall promptly, at its own expense, take such action as may be reasonably necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The Company shall save and hold harmless the City from any loss, costs or expenses the City may incur related to any such contest. The Company shall reimburse the City for any expense incurred by it in connection with the imposition of any such lien or in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim. The City shall cooperate fully with the Company in any such contest.

ARTICLE IX

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 9.1. Damage or Destruction.

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

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

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

(b) Unless the Company makes the determination described in subsection (f) below, if any of the insurance monies paid by the insurance company as hereinabove provided remain after the completion of such repairs, restoration, replacement or rebuilding, and this Lease has not been terminated, the excess shall be deposited in the Bond Fund, subject to the rights of any Lender under the terms of the Mortgage. Completion of such repairs, restoration, replacement or rebuilding shall be evidenced by a certificate of completion in accordance with the provisions of **Section 4.5** hereof. If the Net Proceeds are insufficient to pay the entire cost of such repairs, restoration, replacement or rebuilding, the Company shall pay the deficiency.

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

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

(e) The Company agrees to give prompt notice to the City and the Trustee with respect to all fires and any other casualties occurring in, on, at or about the Project Site which damages a material portion of the Project.

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

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

Section 9.2. Condemnation.

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

(b) If the Company determines that such substitution is practicable and desirable, the Company shall proceed promptly with and complete with reasonable dispatch the acquisition or construction of such substitute improvements, so as to place the Project in substantially the same condition as existed before the exercise of the said power of eminent domain, including the acquisition or construction of other improvements suitable for the Company's operations at the Project (which improvements will be deemed a part of the Project and available for use and occupancy by the Company without the payment of any rent other than herein provided, to the same extent as if such other improvements were specifically described herein and demised hereby); provided, that such improvements

will be acquired by the City subject to no liens, security interests or encumbrances before the lien and/or security interest afforded by the Indenture and this Lease other than Permitted Encumbrances. In such case, any Net Proceeds received from any award or awards with respect to the Project or any part thereof made in such condemnation or eminent domain proceedings, or of the sale proceeds, shall be applied in the same manner as provided in **Section 9.1** hereof (with respect to the receipt of casualty insurance proceeds).

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

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

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

Section 9.3. Bondowner Approval. Notwithstanding anything to the contrary contained in this **Article IX**, and subject to the rights of the Lender, the proceeds of any insurance received subsequent to a casualty or of any condemnation proceedings (or threats thereof) may prior to the application thereof by the City or the Trustee be applied as directed by the Owners of 100% of the principal amount of Bonds Outstanding, subject and subordinate to (a) the terms and conditions of the Mortgage; (b) the rights of the City and the Trustee to be paid all their expenses (including attorneys' fees, trustee's fees and any extraordinary expenses of the City and the Trustee) incurred in the collection of such gross proceeds.

ARTICLE X

SPECIAL COVENANTS

Section 10.1. No Warranty of Condition or Suitability by the City; Exculpation and Indemnification. The City makes no warranty, either express or implied, as to the condition of the Project or that it will be suitable for the Company's purposes or needs. The Company releases the City and the Trustee from, agrees that the City and the Trustee shall not be liable for and agrees to hold the City and the Trustee harmless against, any loss or damage to property or any injury to or death of any

Person that may be occasioned by any cause whatsoever pertaining to the Project or the Company's use thereof, unless such loss is the result of the City's or the Trustee's gross negligence or willful misconduct. This provision shall survive termination of this Lease.

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

Section 10.3. City's Right of Access to the Project. The Company agrees that the City and the Trustee and their duly authorized agents shall have the right at reasonable times during business hours, subject to 24 hours' advance written notice and the Company's usual safety and security requirements, to enter upon the Project Site (a) to examine and inspect the Project without interference or prejudice to the Company's operations, (b) as may be reasonably necessary to cause to be completed the purchase and installation provided for in **Section 4.2** hereof, (c) performing such work in and about the Project Site made necessary by reason of the Company's default under any of the provisions of this Lease, and (d) exhibiting the Project to prospective purchasers, lessees or trustees subsequent to an Event of Default.

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

(a) Subject to **Sections 10.4(b)** and (c), if no Event of Default under this Lease has happened and is continuing, the Company may at any time or times (i) grant subleases (as permitted in **Section 13.1(b)** hereof), easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements that are for the direct use of the Project, or part thereof, by the grantee, (ii) release or terminate existing subleases, easements, licenses, rights-of-way and other rights or privileges, all with or without consideration and upon such terms and conditions as the Company shall determine, or (iii) incur Permitted Encumbrances. The Company may take such actions and may execute any applicable documents in the Company's own name. No separate signature of or authorization from the City shall be required for the execution and delivery of any such document, although the City agrees to execute and deliver such confirming documents as are described below, under the procedures described below, if the Company chooses to make such a request, provided that no such document shall impose any obligation (monetary or otherwise) on the City or require any representations by the City. All third parties entering into agreements with the Company or receiving delivery of or the benefit of such agreements or documents shall be entitled to rely upon the same as having been executed and delivered by the City, unless such third party has actual or constructive notice, expressly in writing, that the agency herein granted by the City to the Company has been terminated by the City because of an uncured Event of Default hereunder. The City agrees that it will execute and deliver and will cause and direct the Trustee to execute and deliver any instrument necessary or appropriate to confirm and grant, release or terminate any such sublease, easement, license, right-of-way or other right or privilege or any such agreement or other arrangement, upon receipt by the City and the Trustee of: (i) a copy of the

instrument of grant, release or termination or of the agreement or other arrangement, (ii) a written application signed by an Authorized Company Representative requesting such instrument, and (iii) a certificate executed by an Authorized Company Representative stating that such grant or release is not detrimental to the proper conduct of the business of the Company, will not impair the effective use or interfere with the efficient and economical operation of the Project, will not materially adversely affect the security intended to be given by or under the Indenture and will be a Permitted Encumbrance; *provided that* the City shall not be required to undertake any duties or payment obligations under such instruments and shall make only such representations as it deems appropriate in its sole discretion. If no Event of Default has happened and is continuing beyond any applicable grace period, any payments or other consideration received by the Company for any such grant or with respect to or under any such agreement or other arrangement shall be and remain the property of the Company; but, subject to **Sections 10.4(b)** and **(c)**, upon (i) termination of this Lease for any reason other than the redemption of the Bonds and/or the purchase of the Project by the Company or (ii) the occurrence and continuance of an Event of Default by the Company, all rights then existing of the Company with respect to or under such grant shall inure to the benefit of and be exercisable by the City and the Trustee.

(b) The City acknowledges and agrees that the Company may finance and refinance its rights and interests in the Project, this Lease, and the leasehold estate created hereby with prior notice to but without the consent of the City, provided and upon condition that a duplicate original or certified copy or photostatic copy of each Mortgage, and the note or other obligation secured thereby, is delivered to the City within thirty (30) days after the execution thereof. The Company may mortgage the fee estate held by the City with the consent of the City, not to be unreasonably withheld, conditioned, or delayed. In either case, in connection therewith, the Company shall have the right to assign this Lease, the leasehold estate, any sublease, and any rights in connection therewith, and/or grant liens or security interests therein, to any Lender. Any further sublease or assignment by any Lender shall be subject to the provisions of **Section 13.1(c)**.

(c) With respect to a future Mortgage, upon notice by the Company to the City in writing that it has executed a Mortgage under which it has granted rights in this Lease to a Lender which includes the name and address of such Lender, the following provisions shall apply in respect of each such Lender:

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

(2) the City shall serve upon each such Lender (at the address, if any, provided to the City) a copy of each notice of the occurrence of an Event of Default and each notice of termination given to the Company under this Lease, at the same time as such notice is served upon the Company. No such notice to the Company shall be effective unless a copy thereof is thus served upon each Lender (at the address, if any, provided to the City);

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

(4) the City may exercise any of its rights or remedies with respect to any other Event of Default by the Company, subject to the rights of each Lender under this **Section 10.4(c)** as to such other events of default. Without limiting the generality of the foregoing, any Lender

holding a Mortgage of the fee simple interest or leasehold interest in the Project may cause the sale of the fee simple interest or any leasehold interest of the Company, as applicable, to be sold at foreclosure sale conducted in accordance with applicable law and the terms of the Mortgage, may accept assignment of this Lease in lieu of foreclosure and may appoint a receiver for the Project, all without obtaining the prior written consent of the City (provided that the City's right to exercise remedies under this Lease against any successor in interest shall not be reduced by virtue of such transfer);

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

(6) such Lenders (and their designees, nominees, assignees, or transferees) shall have the right to enter, possess and use the Project at such reasonable times and manner as are necessary or desirable to effectuate the remedies and enforce their respective rights under the Mortgage(s); and

(7) Any notice sent by the Company to the City and the Trustee pursuant to any provision of this Lease shall also be sent to the Lender.

(d) In connection with the execution of one or more Mortgages, upon the request of the Company, the City agrees to execute such documents as shall be reasonably requested by a Lender and which are usual and customary in connection with the closing of the financing or refinancing pursuant to the Mortgage, provided that the City shall not be required to undertake any duties or payment obligations under such documents and shall make only such representations as it deems appropriate in its sole discretion. The Company agrees to reimburse the City for any and all costs and expenses incurred by the City pursuant to this Section, including reasonable attorneys' fees and expenses, in complying with such request.

(e) Notwithstanding anything contained to the contrary in this Lease, (a) the Company shall have the right to assign this Lease and any subleases to a Lender or to the designee or nominee of a Lender, without the consent of the City, and (b) if a Lender or its designee or nominee shall acquire ownership of the leasehold estate, either following foreclosure of the applicable Mortgage or in liquidation of the indebtedness and in lieu of foreclosure thereof, said Lender or its designee or nominee shall have the further right to further assign this Lease and any subleases and any purchase money mortgage accepted in connection therewith, without the consent of the City and such assignee shall enjoy all rights, powers and privileges granted herein to said Lender; provided, however, that such Lender or its assignee or nominee, or their assignee or nominee, shall assume in writing all rights, duties and obligations of the Company under this Lease.

(f) During the term of any Mortgage, the following provisions shall apply:

(i) this Lease may not be modified, amended, canceled or surrendered by agreement between the City and the Company, without the prior written consent of the applicable Lender;

(ii) if this Lease shall terminate prior to the expiration of the Lease Term, the City shall enter into a new lease for the Project with the applicable Lender or its designee or nominee, for the remainder of the Lease Term, effective as of the date of such termination, at the same rent and upon the same terms, covenants and conditions contained herein, except that such new lease shall not guarantee possession of the Project to the new tenant as against the Company and/or anyone claiming under the Company, and the City, simultaneously with the execution and delivery of such new lease, shall turn over to the new tenant all monies, if any, then held by the City under the Lease on behalf of the Company, on condition that:

(A) The applicable Lender shall make written request for such new lease within thirty (30) days after the date of such termination, and

(B) on the commencement date of the term of the new lease, the applicable Lender shall cure all defaults of the Company under the Lease (susceptible of being cured by such Lender) which remain uncured on that date, and shall pay or cause to be paid all unpaid sums which at such time would have been payable under this Lease but for such termination, and shall pay or cause to be paid to the City on that date all fees, costs, charges and expenses, including, without limitation, reasonable counsel fees, court costs and disbursements, incurred by the City or the Trustee in connection with any such default and termination as well as in connection with the execution and delivery of such new lease;

(iii) if a Lender or its designee or nominee shall become the owner of this Lease either following foreclosure of a Mortgage or in liquidation of the indebtedness and in lieu of foreclosure thereof and said Lender or its designee or nominee shall have assigned this Lease, said Lender or its designee or nominee so assigning shall be released from all liability accruing from and after the date of such assignment.

(g) The City agrees that any requested consent or signature of the City to any Mortgage under this Section (including any related document, including but not limited to documents subordinating the City's fee interest in the Project Site or any portion thereof to a Mortgage) may be given by the (Interim) City Manager, in his or her discretion, without further approval of the City Council. The City agrees that if a Mortgage on the fee interest in the Project Site is granted that this Lease shall be subject to, and subordinate to, any such Mortgage and that the Lender will not be required to grant any rights of nondisturbance with respect to this Lease.

Section 10.5. Indemnification of City and Trustee. The Company shall indemnify and save and hold harmless the City and the Trustee and their governing body members, officers, agents and employees (collectively, the "Indemnified Parties") from and against all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, by or on behalf of any person, firm or corporation arising from the issuance of the Bonds and the execution of this Lease, the Indenture or any other documents entered into in connection with the Bonds and from the conduct or management of, or from any work or thing done in or on the Project during the Lease Term, and against and from all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, arising during the Lease Term from (a) any condition of the Project, (b) any breach or default on the part of the Company in the performance of any of its obligations under this Lease or any related document, (c) any contract entered into by the Company in connection with the purchase, renovation, construction, extension or

improvement of the Project (including any failure to comply with Section 107.170 of the Missouri Revised Statutes, as amended, with respect to such contract), (d) any act of negligence of the Company or of any of its agents, contractors, servants, employees or licensees, (e) unless the Company has been released from liability pursuant to **Section 13.1(c)**, any act of negligence of any assignee or sublessee of the Company, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of the Company, (f) obtaining any applicable state and local sales and use tax exemptions for materials or goods that become part of the Project, and (g) any claim relating to the presence on, escape or removal from the Project during the term of the Lease of any hazardous substance or other material regulated by any applicable Environmental Law, or compliance with any applicable Environmental Law, whether such claim arises before, during or after the term of this Lease, including claims relating to personal injury or damage to property; provided, however, the indemnification contained in this **Section 10.5** shall not (i) extend to the City if such claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, are the result of work being performed at the Project by employees of the City or the result of negligence or willful misconduct by the City (unless relating to a failure to comply with Section 107.170 of the Missouri Revised Statutes, as amended), or (ii) extend to the Trustee if such claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, are the result of the negligence or willful misconduct of the Trustee or (iii) the performance or failure to perform by the City or the Trustee of its obligations under this Lease or any related documents. Upon notice from the City or the Trustee, the Company shall defend them or either of them in any such action or proceeding. This **Section 10.5** shall survive any termination of this Lease or the satisfaction and discharge of the Indenture.

In case any action shall be brought against one or more of the Indemnified Parties based upon the foregoing indemnification and in respect of which indemnity may be sought against the Company, the Indemnified Parties shall promptly notify the Company in writing and the Company shall promptly assume the defense thereof, including the employment of counsel, the payment of all reasonable expenses and the right to negotiate and consent to settlement. If the Company shall have wrongfully failed to assume the defense of such action, the reasonable fees and expenses of counsel retained by the Indemnified Party shall be paid by the Company. If any of the Indemnified Parties is advised by counsel retained by the Company to defend such action that there may be legal defenses available to it which are adverse to or in conflict with those available to the Company or any other Indemnified Party, and that the defense of such Indemnified Party should be handled by separate counsel, the Company shall not have the right to assume the defense of such Indemnified Party, but shall be responsible for the reasonable fees and expenses of counsel retained by such Indemnified Party in assuming its own defense, provided, such counsel shall be acceptable to the Company. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties unless employment of such counsel has been specifically authorized by the Company. The Company shall not be liable for any settlement of any such action effected without its consent by any of the Indemnified Parties, but if settled with the consent of the Company or if there be a final judgment for the plaintiff in any such action against the Company or any of the Indemnified Parties, with or without the consent of the Company, the provided that the Company was given prompt written notice and the ability to assume the defense thereof as required by this paragraph, the Company agrees to indemnify and hold harmless the Indemnified Parties to the extent provided herein.

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

Section 10.7. Company to Maintain its Corporate Existence. The Company agrees that until the Bonds are paid or payment is provided for in accordance with the terms of the Indenture, it will maintain its corporate existence, and will not dissolve or otherwise dispose of all or substantially all of its assets; provided, however, that the Company may, without violating the agreement contained in this Section, consolidate with or merge into another domestic corporation (i.e., a corporation incorporated and existing under the laws of one of the states of the United States) or permit one or more other domestic corporations to consolidate with or merge into it, or may sell or otherwise transfer to another domestic corporation all or substantially all of its assets as an entirety and thereafter dissolve, provided, the surviving, resulting or transferee corporation either (A) becomes, in connection with the consolidation, merger or sale of assets becomes the Owner of 100% in principal amount of the Bonds outstanding and expressly assumes in writing all of the obligations of the Company contained in this Lease, or (B) if not the Owner of 100% in principal amount of the Bonds outstanding, expressly assumes in writing all the obligations of the Company contained in this Lease; and, further provided, that if not the Owner of 100% in principal amount of the Bonds outstanding, the surviving, resulting or transferee corporation, as the case may be, has a consolidated net worth (after giving effect to said consolidation, merger or transfer) at least (i) equal to or greater than that of the Company immediately prior to said consolidation, merger or transfer, or (ii) \$10,000,000. The term “net worth,” as used in this Section, shall mean the difference obtained by subtracting total liabilities (not including as a liability any capital or surplus item) from total assets of the Company and all of its subsidiaries. In any such consolidation, merger or transfer the Company shall comply with the provisions of **Section 13** hereof to the extent applicable.

Section 10.8. Security Interests. At the written request of the Owner of the Bonds, the City and the Company agree to enter into all instruments (including financing statements and statements of continuation) necessary for perfection of and continuance of the perfection of the security interests of the City and the Trustee in the Project. Upon the written instructions of the Owner of the Bonds, the Trustee, at the Company’s expense, shall file all instruments the Owner of the Bonds shall deem necessary to be filed and shall continue or cause to be continued the liens of such instruments for so long as the Bonds shall be Outstanding. The City and the Company shall cooperate with the Trustee in this regard by executing such continuation statements and providing such information as the Trustee may require to renew such liens.

ARTICLE XI

OPTION AND OBLIGATION TO PURCHASE THE PROJECT

Section 11.1. Option to Purchase the Project. The Company shall have, and is hereby granted, the option to purchase the Project at any time, upon payment in full of all Bonds then outstanding or provision for their payment having been made pursuant to **Article XIII** of the Indenture. To exercise such option the Company shall give written notice to the City and to the Trustee, and shall specify therein the date of closing such purchase, which date shall be not less than 15 nor more than 90 days from the date such notice is mailed unless otherwise agreed by the Company, the City and the Trustee, and in case of a redemption of the Bonds in accordance with the provisions of the Indenture, the Company shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. Notwithstanding the forgoing, if the City or the Trustee provides notice of its intent to exercise its remedies hereunder (a “Remedies Notice”), the Company shall be deemed to have exercised its repurchase option under this subsection on the 29th day following the issuance of the Remedies Notice without any further action by the Company; provided said notice has not been rescinded by such date (such option to take place on the 29th day following the issuance of the Remedies Notice). The Company may rescind such exercise by providing written notice to the City and the Trustee on or prior to the 29th

day following the issuance of the Remedies Notice and by taking such action as may be required to cure the default that led to the giving of the Remedies Notice. The purchase price payable by the Company in the event of its exercise of the option granted in this subsection shall be the sum of the following:

- (1) an amount of money which, when added to the amount then on deposit in the Bond Fund, will be sufficient to redeem all the then outstanding Bonds on the earliest redemption date next succeeding the closing date, including, without limitation, principal and interest to accrue to said redemption date and redemption expense; plus
- (2) an amount of money equal to the Trustee's agreed to and reasonable fees, charges and expenses under the Indenture accrued and to accrue until such redemption of the Bonds; plus
- (3) an amount of money equal to all PILOT Payments due and payable through the end of the calendar year in which the date of purchase occurs; plus
- (4) the sum of \$100.00.

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

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

- (a) If the Indenture shall not at the time have been satisfied in full, a release from the Trustee of the Project from the lien and/or security interest of the Indenture and this Lease and appropriate termination of financing statements as required under the Uniform Commercial Code; and
- (b) Documents, including without limitation a deed as to the Project Site, conveying to the Company legal title to the Project, as it then exists, in recordable form, subject to the following: (i) those liens and encumbrances, if any, to which title to the Project was subject when conveyed to the City; (ii) those liens and encumbrances created by the Company or to the creation or suffering of which the Company consented; (iii) those liens and encumbrances resulting from the failure of the Company to perform or observe any of the agreements on its part contained in this Lease; (iv) Permitted Encumbrances other than the Indenture and this Lease; and (v) if the Project or any part thereof is being condemned, the rights and title of any condemning authority.

Section 11.3. Relative Position of Option and Indenture. The options and obligation to purchase the Project granted to the Company in this Article shall be and remain prior and superior to the Indenture and may be exercised whether or not the Company is in default under this Lease, provided that such default will not result in nonfulfillment of any condition to the exercise of any such option and further provided that all options herein granted shall terminate upon the termination of this Lease.

Section 11.4. Obligation to Purchase the Project. As additional consideration for the Company's use of the Project, the Company hereby agrees to purchase, and the City hereby agrees to sell, the Project upon the occurrence of (a) the expiration of the Lease Term following full payment of the Bonds or provision for payment thereof having been made in accordance with the provisions of the

Indenture, and (b) the final PILOT Payment due hereunder. The amount of the purchase price under this Section shall be \$100 plus an amount sufficient to redeem all the then Outstanding Bonds, plus accrued interest and the reasonable fees and expenses of the City and the Trustee. If the Company fails to complete the purchase of the Project at the time required by this Section, the City is specifically authorized to convey the Project back to the Company with or without terminating this Lease and, in such case, may unilaterally terminate this Lease by an instrument signed by the City alone.

ARTICLE XII

DEFAULTS AND REMEDIES

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

(a) Default in the due and punctual payment of Basic Rent for a period of 5 days following written notice to the Company by the City or the Trustee; or

(b) Default in the due and punctual payment of Additional Rent for a period of 30 days following written notice to the Company by the City or the Trustee; or

(c) Default in the due observance or performance of any other covenant, agreement, obligation or provision of this Lease on the Company’s part to be observed or performed, and such default shall continue for 60 days after the City or the Trustee has given the Company written notice specifying such default (or such longer period as shall be reasonably required to cure such default; provided that (1) the Company has commenced such cure within said 60 day period, and (2) the Company diligently prosecutes such cure to completion); or

(d) The Company: (1) admits in writing its inability to pay its debts as they become due; or (2) files a petition in bankruptcy or for reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Bankruptcy Code as now or in the future amended or any other similar present or future federal or state statute or regulation, or files a pleading asking for such relief; or (3) make an assignment for the benefit of creditors; or (4) consents to the appointment of a trustee, receiver or liquidator for all or a major portion of its property or fails to have the appointment of any trustee, receiver or liquidator made without the Company’s consent or acquiescence, vacated or set aside; or (5) is finally adjudicated as bankrupt or insolvent under any federal or state law; or (6) is subject to any proceeding, or suffers the entry of a final and non-appealable court order, under any federal or state law appointing a trustee, receiver or liquidator for all or a major part of its property or ordering the winding-up or liquidation of its affairs, or approving a petition filed against it under the Bankruptcy Code, as now or in the future amended, which order or proceeding, if not consented to by it, is not dismissed, vacated, denied, set aside or stayed within 90 days after the day of entry or commencement; or (7) suffers a writ or warrant of attachment or any similar process to be issued by any court against all or any substantial portion of its property, and such writ or warrant of attachment or any similar process is not contested, stayed, or is not released within 60 days after the final entry, or levy or after any contest is finally adjudicated or any stay is vacated or set aside; or

(e) the Company vacates, abandons, ceases operations, fails to occupy or is ejected from the Project Site or any material portion thereof, and the same remains uncared for or abandoned for a period of 180 days; or

(f) the Project is operated for a purpose other than as an ambulatory surgery center offering oral surgery under general anesthesia to Medicaid and Medicare patients, as well as hospital-grade pediatric dentistry, for a period of 180 days.

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

(a) cause all amounts payable with respect to the Bonds for the remainder of the term of this Lease to become due and payable after giving ten (10) days prior written notice thereof to the Company, as provided in the Indenture; or

(b) give the Company written notice of the City's intention to terminate this Lease on a date specified therein, which date shall not be earlier than 30 days after such notice is given, and if all defaults have not then been cured, on the date so specified, the Owners shall tender or be deemed to have tendered the outstanding principal amount of the Bonds for cancellation with instruction that such tender is in lieu of payment in accordance with **Section 11.1** hereof and this Lease shall thereupon be terminated, and the City will promptly convey the Project in accordance with **Section 11.2** hereof.

Section 12.3. Survival of Obligations. The Company covenants and agrees with the City and Owners that those of its obligations under this Lease which by their nature require performance after the end of the term of this Lease, or which are expressly stated herein as intended to survive expiration or termination of this Lease, shall survive the cancellation and termination of this Lease, for any cause.

Section 12.4. Performance of the Company's Obligations by the City. If an Event of Default occurs as a result of any failure by the Company, then the City, or the Trustee in the City's name, may (but shall not be obligated so to do) upon the continuance of such failure on the Company's part for 30 days after written notice of such failure is given to the Company by the City or the Trustee, and without waiving or releasing the Company from any obligation hereunder, as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all reasonable sums so paid by the City or the Trustee and all necessary incidental reasonable costs and expenses incurred by the City or the Trustee (including, without limitation, attorneys' fees and expenses incurred by the City or the Trustee) in performing such obligations shall be deemed Additional Rent and shall be paid to the City or the Trustee on demand, and if not so paid by the Company, the City or the Trustee shall have the same rights and remedies provided for in **Section 12.2** hereof in the case of default by the Company in the payment of Basic Rent.

Section 12.5. Rights and Remedies Cumulative. The rights and remedies reserved by the Trustee, the City and the Company hereunder and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. The Trustee, the City and the Company shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this

Lease, notwithstanding availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity.

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

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

ARTICLE XIII

ASSIGNMENT AND SUBLEASE

Section 13.1. Assignment; Sublease.

(a) The Company may assign, transfer, encumber or dispose of this Lease or any interest therein or part thereof for any lawful purpose under the Act. With respect to any assignment, the Company shall comply with the following conditions:

(1) The Company shall obtain the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed, to each assignment, unless such sale, transfer or assignment is to an entity controlled by or under common control with or controlling the Company, or such sale, transfer or assignment is otherwise permitted under **Section 10.7** hereof, in which event no written consent of the City shall be required, but, in such event, the Company shall provide the City with advance written notice of such assignment;

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

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

(4) A duplicate original of such assignment shall be delivered to the City and the Trustee within 10 days after the execution thereof, together with an assumption agreement, duly executed and acknowledged by the assignee in proper form for recording, by which the assignee shall assume all of the terms, covenants and conditions of this Lease on the part of the Company to be performed and observed.

(b) The Company shall have the right to sublet all or any part of the Project to a single entity for any lawful purpose under the Act. The Company shall, within 10 days after the delivery thereof, furnish or cause to be furnished to the City and the Trustee a true and correct copy of each such sublease.

Any sublease may provide, at the Company's option, that the City's consent shall not be required in respect of any further subletting thereunder if such further subletting is for a similar purpose as the original sublease and is for a purpose permissible under the Act. Nothing in this Lease shall allow the City to disturb the rights of a sublessee to use the Project under the terms and conditions as set forth in such sublessee's sublease with the Company, provided that this sentence shall not limit any remedy that the City may seek to impose on the Company in case of an Event of Default including but not limited to termination of this Lease.

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

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

Section 13.3. Prohibition Against Fee Mortgage of Project. Except as otherwise set forth in **Section 10.4**, the City shall not mortgage its fee interest in the Project, but may assign its interest in and pledge any moneys receivable under this Lease to the Trustee pursuant to the Indenture as security for payment of the principal of and interest on the Bonds.

Section 13.4. Restrictions on Sale or Encumbrance of Project by City. During this Lease Term, the City agrees that, except to secure the Bonds to be issued pursuant to the Indenture, it will not sell, assign, encumber, transfer or convey the Project or any interest therein, but may assign its interest in and pledge any moneys receivable under this Lease to the Trustee pursuant to the Indenture as security for payment of the principal of and interest on the Bonds.

ARTICLE XIV

AMENDMENTS, CHANGES AND MODIFICATIONS

Section 14.1. Amendments, Changes and Modifications. Except as otherwise provided in this Lease or in the Indenture, subsequent to the issuance of Bonds and prior to the payment in full of the Bonds (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Lease may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the Trustee, given in accordance with the provisions of the Indenture.

ARTICLE XV

MISCELLANEOUS PROVISIONS

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

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

Section 15.3. Net Lease. The parties hereto agree (a) that this Lease shall be deemed and construed to be a net lease, (b) that the payments of Basic Rent are designed to provide the City and the Trustee funds adequate in amount to pay all principal of and interest accruing on the Bonds as the same become due and payable, (c) that to the extent that the payments of Basic Rent are not sufficient to provide the City and the Trustee with funds sufficient for the purposes aforesaid, the Company shall be obligated to pay, and it does hereby covenant and agree to pay, upon demand therefor, as Additional Rent, such further sums of money, in cash, as may from time to time be required for such purposes, and (d) that if after the principal of and interest on the Bonds and all costs incident to the payment of the Bonds (including the fees and expenses of the City and the Trustee) have been paid in full the Trustee or the City holds unexpended funds received in accordance with the terms hereof such unexpended funds shall, after payment therefrom of all sums then due and owing by the Company under the terms of this Lease, and except as otherwise provided in this Lease and the Indenture, become the absolute property of and be paid over forthwith to the Company.

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

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

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

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

Section 15.8. Execution in Counterparts. This Lease may be executed in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 15.9. Electronic Storage and Notice. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. If the Company elects to give instructions by electronic notice to the Trustee, the Trustee may deem such instructions controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Company agrees to assume all risks arising

out of the use of such electronic notice to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk or interception and misuse by third parties.

Section 15.10. Satisfaction of the Company's Obligations. Any obligation of the Company under this Lease, including, but not limited to, the obligations of the Company to pay Basic Rent, Additional Rent and to maintain insurance as required herein, may be performed by a member of the Company, and such performance by a member of the Company shall be treated as though the obligation were performed by the Company.

Section 15.11 Complete Agreement. **THE COMPANY AND THE CITY UNDERSTAND THAT ORAL OR UNEXECUTED AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT THE COMPANY AND THE CITY FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS THE COMPANY AND THE CITY REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS LEASE, WHICH ARE THE COMPLETE AND EXCLUSIVE STATEMENTS OF THE AGREEMENT BETWEEN THE COMPANY AND THE CITY, EXCEPT AS THE COMPANY AND THE CITY MAY LATER AGREE IN WRITING TO MODIFY THIS LEASE.**

Section 15.12. Employee Verification. The Company will comply with and satisfy the requirements of Section 285.530.2, RSMo., as amended, which requires (1) any business entity receiving tax abatement to, by sworn affidavit and provision of documentation, annually affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the business entity receiving tax abatement, and (2) every such business entity to annually sign an affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the entity receiving tax abatement. The Company shall provide such affidavits and documentation to the City on or before December 1 of each year during the term of this Lease, beginning December 1, 2026, and also upon execution of this Lease.

[Remainder of this page intentionally left blank]

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

CITY OF INDEPENDENCE, MISSOURI

By: _____
Name: Lisa Reynolds
Title: Interim City Manager

[SEAL]

ATTEST:

By: _____
Name: Susanne Holland
Title: City Clerk

MKEL HOLDINGS, LLC,
a Missouri limited liability company

By: _____
Name:
Title:

Lease Agreement
Independence (Surgery Center Project)

EXHIBIT A

PROJECT SITE

The following described real estate located in Jackson County, Missouri:

All of Lot 4, "HARTMAN HERITAGE CENTER FIFTH PLAT, LOTS 4 AND 4A", a subdivision in Independence, Jackson County, Missouri recorded January 14, 2008 as Document No. 2001I0001898, in Plat Book I-68, Page 68.

EXHIBIT B

PROJECT IMPROVEMENTS

The Project Improvements consist of the following, to the extent paid for in whole with Bond proceeds:

Renovating, improving and expanding an abandoned restaurant facility of approximately 5,500 square feet into a private ambulatory surgery center offering oral surgery under general anesthesia to Medicaid and Medicare patients, as well as hospital-grade pediatric dentistry. The expansion will add approximately 3,000 square feet to the existing facility.

EXHIBIT C

FORM OF REQUISITION CERTIFICATE

Requisition No. _____
Date: _____

REQUISITION CERTIFICATE

TO: BOKF, N.A., AS TRUSTEE UNDER A TRUST INDENTURE DATED AS OF FEBRUARY 1, 2026, BETWEEN CITY OF INDEPENDENCE, MISSOURI, AND THE TRUSTEE, AND THE LEASE AGREEMENT DATED AS OF FEBRUARY 1, 2026, BETWEEN CITY OF INDEPENDENCE, MISSOURI AND MKEL HOLDINGS, LLC.

The undersigned Authorized Company Representative hereby states and certifies that:

1. A total of \$_____ is requested to pay for Project Costs (as defined in the Indenture) of the Project Improvements. The total amount of this requisition and all prior requisitions are as follows:

<u><i>Date of Project Costs</i></u>	<u><i>Amount Submitted in this Requisition</i></u>	<u><i>Requisitions Submitted to Date (Including this Requisition)</i></u>

2. Said Project Costs shall be paid in whole from Bond proceeds in such amounts, to such payees and for such purposes as set forth on **Schedule 1** hereto.

3. Each of the items for which payment is requested are or were desirable and appropriate in connection with the renovation, construction and improvement of the Project (as defined in the Trust Indenture), have been properly incurred and are a proper charge against the Project Fund, and have been paid by the Company 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.

4. As of this date, except for the amounts referred to above, to the best of my knowledge there are no outstanding disputed statements for which payment is requested for labor, wages, materials, supplies or services in connection with the renovation, construction and improvement of the Project which, if unpaid, might become the basis of a vendors', mechanics', laborers' or materialmen's statutory or similar lien upon the Project or any part thereof.

With respect to this disbursement, the undersigned (i) certifies it has reviewed any wire instructions set forth herein to confirm such wire instructions are accurate, (ii) agrees to indemnify and hold harmless the Trustee from and against any and all claim, demand, loss, liability, or expense sustained, including but not

limited to attorney fees, and expenses resulting directly or indirectly as a result of making the disbursement requested hereunder, and (iii) agrees it will not seek recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with its instructions herein.

MKEL HOLDINGS, LLC

By: _____
Authorized Company Representative

SCHEDULE 1 TO REQUISITION CERTIFICATE

PROJECT COSTS

<u>Payee and Address</u>	<u>Description</u>	<u>Amount</u>
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EXHIBIT D

FORM OF CERTIFICATE OF INSURANCE COMPLIANCE

The undersigned, being the Authorized Company Representative for MKEL Holdings, LLC, as tenant (the “Company”), under a certain Lease Agreement dated as of February 1, 2026, between the City of Independence, Missouri (the “City”), and the Company (the “Lease”), and as beneficiary of the City’s Taxable Industrial Development Revenue Bonds (Surgery Center Project), Series 2026, issued pursuant to a certain Trust Indenture dated as of February 1, 2026 (the “Indenture”), hereby certifies pursuant to Article VII of Lease:

1. All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings set forth in the Lease.

2. The policies of insurance required to in place pursuant to Article VII of the Lease are effective and the premiums with respect thereto have been paid in full as of the date set forth below. Such policies comply with the terms and provisions set forth in Article VII, and the Company is in compliance with the provisions of Article VII.

3. The undersigned will notify the Trustee 10 days prior to any cancellation or material change to such policies; the policies currently in effect have an expiration date of _____, 20__.

4. The Trustee may conclusively rely on this Certificate of Insurance Compliance without further investigation.

5. Attached hereto are insurance certificates showing compliance with the liability and casualty insurance requirements of Article VII of the Lease.

IN WITNESS WHEREOF, the undersigned Authorized Company Representative has signed this Certificate, and the statements of fact made in this Certificate are true and correct.

Authorized Company Representative

Date: _____

ATTACHMENTS:

1. Liability insurance certificate(s)
2. Casualty insurance certificate(s)

Note: all insurance certificates must show the City and the Trustee as additional insureds.

APPENDIX I

PILOT PAYMENT SCHEDULE

<u>Year</u>	<u>Payment</u>
2026	\$31,859
2027	32,815
2028	32,815
2029	33,800
2030	33,800
2031	34,814
2032	34,814
2033	35,858
2034	35,858
2035	36,934
2036	44,344

\$3,530,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
CITY OF INDEPENDENCE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(SURGERY CENTER PROJECT)
SERIES 2026

DATED AS OF FEBRUARY 1, 2026

BOND PURCHASE AGREEMENT

Mayor and City Council
Independence, Missouri

Ladies and Gentlemen:

On January ___, 2026, the City of Independence, Missouri (the “City”) published a notice of sale for the above-referenced series of Taxable Industrial Development Revenue Bonds (the “Bonds”). The winning bidder was MKEL Holdings, LLC, a Missouri limited liability company (the “Company”).

On the basis of the representations, and covenants and upon the terms and conditions contained in this Bond Purchase Agreement, MKEL Holdings, LLC, a Missouri limited liability company (the “Purchaser”), offers to purchase the Bonds from the City, to be issued by the City, under and pursuant to an ordinance passed by the governing body of the City on February ___, 2026 (the “Ordinance”) and a Trust Indenture dated as of February 1, 2026 (the “Indenture”), by and between the City and BOKF, N.A., Kansas City, Missouri, as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings set forth in **Section 101** of the Indenture.

SECTION 1. REPRESENTATIONS AND AGREEMENTS

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

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

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

issuance of the Bonds or the constitutionality or validity of the obligation represented by the Bonds or the validity of the Bonds, the Ordinance, the Lease or the Indenture; and

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

(b) The Purchaser represents as follows:

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

(2) The execution, delivery and performance of this Bond Purchase Agreement by the Purchaser has been duly authorized by all necessary action of the Purchaser and does not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, its organizational documents, any law, court or administrative regulation, decree or order applicable to or binding upon the Purchaser, or, to the best of its knowledge, any agreement, indenture, mortgage, lease or instrument to which the Purchaser is a party or by which it is bound;

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

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

SECTION 2. PURCHASE, SALE AND DELIVERY OF THE BONDS

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

The Bonds shall be sold to the Purchaser by the City on the Closing Date (hereinafter defined) upon payment of an amount equal to the Closing Price (hereinafter defined) for the Bonds, which amount shall be deposited in the Project Fund as provided in **Section 502** of the Indenture and shall thereafter on the Closing Date immediately be applied to the payment of Project Costs as provided in **Section 4.4** of the Lease. From time to time after the Closing Date as additional Project Costs are incurred, the Purchaser may make additional payments with respect to the Bonds ("Additional Payments") to the Trustee, which Additional Payments shall be deposited in the Project Fund and applied to the payment of Project Costs and the outstanding principal amount of the Bonds shall increase by each such Additional Payment; provided that the sum of the Closing Price and all such Additional Payments for the Bonds shall not, in the aggregate, exceed \$3,530,000.

As used herein, the term "Closing Date" shall mean February __, 2026, or such other date as shall be mutually agreed upon by the City and the Purchaser; the term "Closing Price" shall mean, with

respect to the Bonds, that certain amount specified in writing by the Purchaser and agreed to by the City as the amount required to fund the initial disbursement from the Project Fund on the Closing Date.

The Bonds shall be issued under and secured as provided in the Ordinance, the Indenture and the Lease authorized thereby and the Bonds shall have the maturity, interest rate and shall be subject to redemption as set forth therein. The delivery of the Bonds shall be made in definitive form as a fully registered bond in the maximum aggregate principal denomination of \$3,530,000; provided, that the principal amount of the Bonds outstanding at any time shall be that amount recorded in the official bond registration records of the Trustee and further provided that interest shall be payable on the Bonds only on the outstanding principal amount of the Bonds, as more fully provided in the Indenture.

The Company agrees to indemnify and hold harmless the City, the Trustee, and any member, officer, official or employee of the City or of the Trustee and any person controlling the Trustee within the meaning of Section 15 of the Securities Act of 1933, as amended (collectively, the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses whatsoever to the extent caused by any violation by the Company of, or failure by the Company to comply with, any federal or state securities laws in connection with the Bonds; provided, however, the indemnification contained in this paragraph shall not extend to such Indemnified Party if such loss, claim, damage, liability or expense is (a) the result of the Indemnified Party's negligence or willful misconduct, or (b) the Indemnified Party is not following the written instructions of the Owner of the Bonds.

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

SECTION 3. CONDITIONS TO THE PURCHASER'S OBLIGATIONS

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

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

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

raised affecting in any way the legal organization of the City or the legality of any official act shown to have been done in the transcript of proceedings leading up to the issuance of the Bonds, or the constitutionality or validity of the indebtedness represented by the Bonds or the validity of the Bonds or any proceedings in relation to the issuance or sale thereof;

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

(d) Receipt by the Purchaser and the Company of an approving opinion from Gilmore & Bell, P.C., in form and substance satisfactory to the Purchaser and the Company.

SECTION 4. THE PURCHASER'S RIGHT TO CANCEL

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

SECTION 5. CONDITIONS OF OBLIGATIONS

The obligations of the parties hereto are subject to the receipt of the approving opinion of Gilmore & Bell, P.C., Bond Counsel, with respect to the validity of the authorization and issuance of the Bonds.

SECTION 6. REPRESENTATIONS AND AGREEMENTS TO SURVIVE DELIVERY

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

SECTION 7. PAYMENT OF EXPENSES

The Company shall pay all reasonable expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Bonds.

SECTION 8. NOTICE

Any notice or other communication to be given to the City under this Agreement may be given by mailing or delivering the same in writing to the address of the City as provided in the Indenture for notices to the City required thereunder; any notice or other communication to be given to the Purchaser or the Company under this Agreement may be given by delivering the same in writing to the address of the Company as provided in the Indenture for notices to the Company thereunder.

SECTION 9. APPLICABLE LAW; ASSIGNABILITY

This Bond Purchase Agreement shall be governed by the laws of the State of Missouri and may be assigned by the Purchaser to any party to which the Lease is assigned, or otherwise may be assigned with the written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed.

SECTION 10. EXECUTION OF COUNTERPARTS; ELECTRONIC STORAGE

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document. The parties agree that the transaction described herein may be conducted and related documents may be sent, received 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.

[Remainder of this page intentionally left blank]

Very truly yours,

MKEL HOLDINGS, LLC,
a Missouri limited liability company

By: _____
Name:
Title:

Accepted and Agreed to:

CITY OF INDEPENDENCE, MISSOURI

By: _____
Name: Lisa Reynolds
Title: Interim City Manager

[SEAL]

ATTEST:

By: _____
Name: Susanne Holland
Title: City Clerk

BILL NO. 26-013
ORDINANCE NO. 19785

AN ORDINANCE APPROVING A PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT FOR THE SURGERY CENTER PROJECT; AUTHORIZING THE CITY OF INDEPENDENCE, MISSOURI TO ISSUE TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$3,530,000; AND AUTHORIZING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the City of Independence, 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 Article VI, Section 27 of the Missouri Constitution, as amended, and Sections 100.010 to 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the "Act"), to purchase, construct, extend and improve certain projects (as defined in the Act) for the purposes set forth in the Act and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, warehousing and industrial development purposes upon such terms and conditions as the City shall deem advisable; and

WHEREAS, the City, in accordance with Section 100.050 of the Act, has prepared a plan for industrial development (the "Plan") for MKEL Holdings, LLC, a Missouri limited liability company (the "Company"), with respect to a project consisting of acquiring an abandoned restaurant facility of approximately 5,500 square feet located at 19921 East Jackson Drive, Independence, Missouri 64057 and renovating, improving and expanding the existing facility into a private ambulatory surgery center offering oral surgery under general anesthesia to Medicaid and Medicare patients, as well as hospital-grade pediatric dentistry (the "Project"), notice of the Project was given to the taxing jurisdictions in accordance with Section 100.059.1 of the Act and the City now desires to approve the Plan; and

WHEREAS, the City desires to finance the costs of the Project out of the proceeds of industrial development revenue bonds to be issued under the Act (the "Bonds"); and

WHEREAS, the City has and does hereby find and determine that it is desirable for the economic development of the City and within the public purposes of the Act that the City proceed with the issuance of the Bonds for the purpose described above; and

WHEREAS, Section 10.7 of the City Charter requires that all bonds sold by the City be sold at public sale upon sealed proposals after at least ten days' notice in a newspaper of general circulation in the City; and

WHEREAS, a notice of sale was published in *The Examiner* inviting potential bond purchasers to submit bids for the Bonds and the City has received one bid for the Bonds; and

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

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

Section 1. Promotion of Economic Development; Commercial Purpose. The Council hereby finds and determines that the Project is a commercial project that will promote the economic welfare and the development of the City, and the issuance of the Bonds by the City to pay the costs of the Project will be in furtherance of the public purposes set forth in the Act.

Section 2. Approval of Plan. The Council hereby approves the Plan for an Industrial Development Project attached hereto as *Exhibit A* in accordance with Section 100.050 of the Act.

Section 3. Authorization and Sale of the Bonds. The City is hereby authorized to issue and sell its Taxable Industrial Development Revenue Bonds (Surgery Center Project), in an aggregate principal amount not to exceed \$3,530,000, for the purpose of providing funds to pay the costs of the Project. The Bonds shall be issued and secured pursuant to the herein authorized Trust Indenture and shall bear such date, shall mature at such time, shall be in such denominations, shall bear interest at such rate, shall be in such form, shall be subject to redemption, shall have such other terms and provisions, shall be issued, executed and delivered in such manner and shall be subject to such provisions, covenants and agreements as are specified in the Trust Indenture upon the execution thereof, and the signatures of the officers of the City executing the Trust Indenture shall constitute conclusive evidence of their approval and the City's approval thereof. The City hereby accepts the bid received from the Company for the sale of the Bonds. The sale of the Bonds to the Company or its designee(s), as the winning bidder at the public sale, at the interest rate set forth in the winning bid and upon the terms set forth in the Trust Indenture is hereby approved.

Section 4. Limited Obligations. The Bonds and the interest thereon shall be limited obligations of the City payable solely out of the payments, revenues and receipts derived by the City from the herein authorized Lease Agreement, and such payments, revenues and receipts shall be pledged and assigned to the Trustee as security for the payment of the Bonds as provided in the Trust Indenture. The Bonds and the 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 5. Approval and Authorization of Documents. The following documents (the "City Documents") are hereby approved in substantially the forms presented to the Council at this meeting (copies of which documents shall be filed in the records of the City), and the City is hereby authorized to execute and deliver the City Documents with such changes therein as shall be approved by the officials of the City executing such documents, such officials' signatures thereon being conclusive evidence of their approval thereof:

(a) Trust Indenture dated as of the date set forth therein (the "Trust Indenture"), between the City and BOKF, N.A., as trustee (the "Trustee"), pursuant to which the Bonds shall be issued and the City shall pledge and assign the payments, revenues and receipts received pursuant to the Lease Agreement to the Trustee for the benefit and security of the owners of the Bonds upon the terms and conditions as set forth in the Trust Indenture;

(b) Lease Agreement dated as of the date set forth therein (the "Lease Agreement"), between the City and the Company, under which the City will lease the Project to the Company pursuant to the terms and conditions in the Lease Agreement, in consideration of rental payments by the Company which will be sufficient to pay the principal of, premium, if any, and interest on the Bonds; and

(c) Bond Purchase Agreement dated as of the date set forth therein, between the City and the Company, pursuant to which the Company agrees to purchase the Bonds.

Section 6. Execution of Documents. The Mayor or (Interim) City Manager of the City is hereby authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the City in the manner provided in the Indenture. The Mayor and/or (Interim) City Manager of the City is hereby authorized and directed to execute the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the City. The City Clerk of the City is hereby authorized and directed to attest to and affix the seal of the City to the Bonds and the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 7. Further Authority. The Mayor, (Interim) City Manager, City Clerk and other officials, agents and employees of the City as required are hereby authorized and directed to take such further action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Bonds and the City Documents, including but not limited to the execution of any financing documents in accordance with the Lease.

Section 8. Effective Date. This Ordinance shall take effect and be in full force as provided by the City Charter.

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PASSED THIS 11th DAY OF FEBRUARY, 2026, BY THE CITY COUNCIL OF THE CITY
OF INDEPENDENCE, MISSOURI.



Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:


City Clerk

APPROVED AS TO FORM AND LEGALITY:


City Counselor



REVIEWED BY:


Interim City Manager

EXHIBIT A

PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT

NOTICE TO TAXING JURISDICTIONS

PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT FOR A SURGERY CENTER PROJECT

On behalf of the City of Independence, Missouri (the “City”), please find enclosed a copy of a proposed plan for an industrial development project and cost benefit analysis (the “Plan”).

The City Council will consider an ordinance to approve the Plan during the City Council’s meeting on February 4, 2026, at 6:00 p.m. in the Council Chambers at City Hall, 111 E. Maple in Independence, Missouri.

The City invites you to submit written comments to the Council on the proposed Plan. All comments will be fairly and duly considered by the City. Comments will also be taken during a public hearing at the City Council meeting referred to above.

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

Dated: January 13, 2026

Independence City Hall
111 E Maple Ave
Independence, MO 64050

Taxing Jurisdictions -- Distribution List

Blue Springs School District Superintendent 1801 NW Vesper Street Blue Springs, MO 64015	Junior College District of Metropolitan Kansas City, Missouri (Metropolitan Community College) Chancellor 3200 Broadway Kansas City, MO 64111
Jackson County Board of Disabled Services 8511 Hillcrest Rd., Suite 300 Kansas City, MO 64138	Mid-Continent Public Library Director 15616 E. Highway 24 Independence, MO 64050-2057
Jackson County County Executive 415 E. 12th Street, 2nd Floor Kansas City, MO 64106	Jackson County Community Mental Health Executive Director 1627 Main Street, Suite 500 Kansas City, MO 64108
Jackson County Assessment Department Truman Courthouse 112 W. Lexington 1st Floor Independence, MO 64050	City of Independence City Clerk 111 E Maple Ave Independence, MO 64050
Jackson County Community Children's Services Fund Executive Director 3100 Broadway Blvd., Suite 227 Kansas City, MO 64111	Jackson County Collections Department Truman Courthouse 112 W. Lexington 1st Floor Independence, MO 64050
Missouri Department of Revenue County Tax Section Merchants/Manufacturers Replacement Tax Fund 301 West High Street Jefferson City, MO 65102-0453	Missouri Department of Revenue County Tax Section State Blind Pension Fund 301 West High Street Jefferson City, MO 65102-0453
Kansas City Zoological District Chair of the Board of Directors 6800 Zoo Drive Kansas City, MO 64132	

BEFORE THE
CITY COUNCIL
OF THE
CITY OF INDEPENDENCE, MISSOURI

PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT
FOR THE
SURGERY CENTER PROJECT

Sent to taxing jurisdictions: January 13, 2026

**PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT FOR THE
SURGERY CENTER PROJECT**

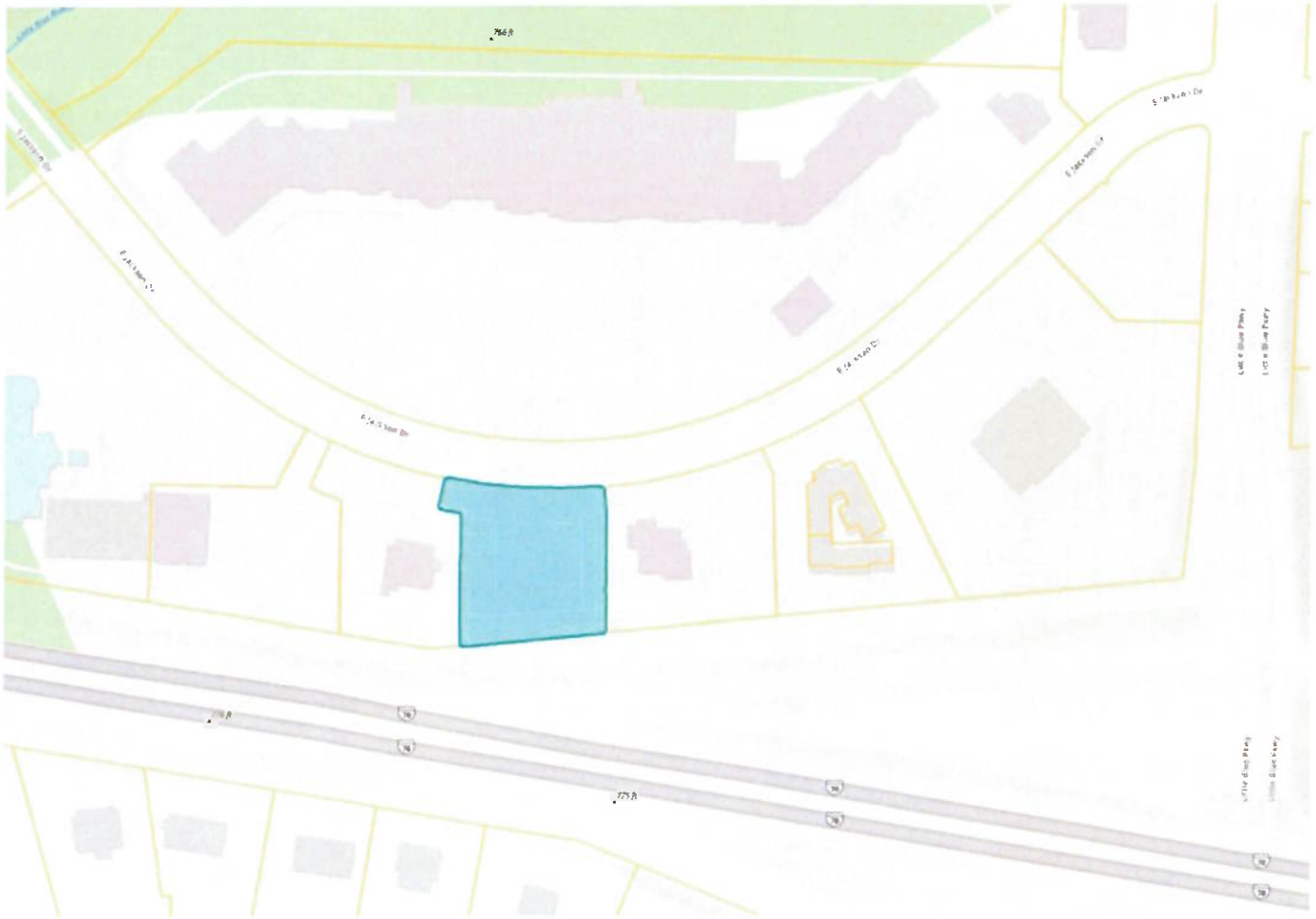
TO: CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI

The project described herein will be undertaken pursuant to the provisions of Sections 100.010 to 100.200 of the Revised Statutes of Missouri, as amended, and Article VI, Section 27(b) of the Missouri Constitution, as amended (collectively, the “Act”). The Act authorizes cities, counties, towns and villages to issue industrial development revenue bonds to finance the purchase, construction, extension and improvement of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities that provide interstate commerce, industrial plants and other commercial facilities. The operation of a surgery center for a profit is a commercial undertaking.

MKEL Holdings, LLC, a Missouri limited liability company (together with its assignees or designees for purposes of implementation of this Plan, the “Company”) has proposed this Plan for an industrial development project as described herein to the City of Independence, Missouri (the “City”), for approval, to be carried out pursuant to the Act and in support of said application submits the following:

1. **Description of the Project.** The Project consists of acquiring an abandoned restaurant facility of approximately 5,500 square feet (together with the land on which it is located, the “Existing Facility”) and renovating, improving and expanding the Existing Facility into a private ambulatory surgery center offering oral surgery under general anesthesia to Medicaid and Medicare patients, as well as hospital-grade pediatric dentistry. The expansion will add approximately 3,000 square feet to the Existing Facility. The Project will be located at 19921 East Jackson Drive, Independence, Missouri 64057. The location of the site is depicted in the map on the following page:

[remainder of page intentionally left blank]



2. **Estimate of the Cost of the Project.** The total cost of the Project is estimated to be \$3,530,000, which will consist of the cost of acquiring the Existing Facility and renovating, improving and expanding such facility, together with the costs of issuing the bonds described below.
3. **Source of Funds to be Expended for the Project.** The source of funds to be expended for the Project will be the proceeds of \$3,530,000 estimated aggregate principal amount of taxable industrial revenue bonds (the "Bonds") to be issued by the City for the Project and to pay costs of issuance of the Bonds.
4. **Statement of the Terms Upon Which the Project is to be Leased and Otherwise Disposed of by the City.** The Project will be leased (with an option to purchase) to the Company or an affiliate or designee thereof (a "Lessee") during the abatement period. The lease payments under the lease will equal the principal and interest on the Bonds plus certain payments in lieu of taxes described below. The Bonds will be payable solely from the revenues derived by the City from the lease or other disposition of the Project and the Bonds will not be an indebtedness or general obligation, debt or liability of the City.
5. **General Information Concerning the Company.** The Company is a Missouri limited liability company. The Project will be operated as Independence Surgery Center, a

collaboration among a small group of local practitioners to provide high-quality oral and maxillofacial surgical care to children, adults, and seniors, particularly those with disabilities, complex medical needs, or state insurance.

6. **Bond Purchase Arrangements.** It is expected that the Company will purchase the Bonds in the principal amount of \$3,530,000.
7. **Affected Taxing Jurisdictions.** The Blue Springs School District, Jackson County, Missouri, the Junior College District of Metropolitan Kansas City, Missouri, and the City will be affected by the Project. No ambulance district board operating under chapter 190 or fire protection district board operating under chapter 321 is affected by the Project. Other taxing jurisdictions affected by the Project are set out in the Cost Benefit Analysis attached hereto.
8. **Equalized Assessed Valuation.** The most recent equalized assessed valuation of the real property improvements to be included in the Project is \$384,000 (2025). The estimated total equalized assessed valuation after completion of the Project for real property to be included in the Project is \$815,680.
9. **Cost Benefit Analysis.** Attached hereto as **Exhibit A** is the Cost Benefit Analysis on each affected taxing jurisdiction. A payment in lieu of tax will be required in each year during which the Project is off the tax rolls by virtue of City ownership. The 2025 tax levy rates were utilized for all jurisdictions.
10. **Payments in Lieu of Taxes.** A payment in lieu of tax will be required in each year during which the Project is off the tax rolls by virtue of City ownership, in the amounts and the years shown below:

<u>Year</u>	<u>Payment</u>
2026	\$32,698
2027	33,679
2028	33,679
2029	34,689
2030	34,689
2031	35,730
2032	35,730
2033	36,802
2034	36,802
2035	37,906
2036	44,344

The Project is within the Hartman Heritage Center Community Improvement District, which imposes a special assessment. This Plan is not intended to abate special assessments imposed on the Project and the lease will obligate the Lessee to pay the special assessments imposed by such community improvement district.

11. **Sales and Use Tax Exemption on Construction Materials.** Qualified building materials purchased for the construction of the Project are expected to be exempt from sales and use tax pursuant to the provisions of Section 144.062 of the Revised Statutes of Missouri and the underlying Bond documents upon delivery of a project exemption certificate by the City to the Company. For purposes of determining the impact of the

sales and use tax exemptions for the qualified building materials on the affected taxing jurisdictions, it is assumed that the total amount of qualified building materials purchased will be \$1,000,000 and that the situs of sale for tax purposes will be the site to which the materials are delivered. Please note that any variance in these assumptions will alter the fiscal impact of the sales and use tax exemptions on the affected taxing jurisdictions.

Based on the assumptions set forth above, the fiscal impact on the affected taxing jurisdictions of the sales and use tax exemptions for qualified building materials is as follows:

	Tax Rate	Estimated Sales/Use Tax Revenues Subject to Exemption
State of Missouri	4.225%	\$42,250
Jackson County		
General	0.500	5,000
Drug Task Force	0.250	2,500
Sports Complex	0.375	3,750
Zoo District	0.125	1,250
City of Independence		
General Revenue	1.000	10,000
Capital Improvement - Police	0.125	1,250
Proposition PD – Police	0.250	2,500
Fire Protection	0.500	5,000
Streets	0.500	5,000
Parks	0.250	2,500
Storm water	0.250	2,500
Children's Services	0.250	2,500
Total	8.60%	\$86,000

* * *

EXHIBIT A

COST BENEFIT ANALYSIS

The Cost Benefit Analysis shows the estimated effect of the Project on taxing jurisdictions. The calendar years shown in the attached Cost Benefit Analysis are for demonstrative purposes only and Project implementation may change the calendar years affected.

**Independence, Missouri
(Surgery Center Project)**

**COST BENEFIT ANALYSIS
PLAN FOR INDUSTRIAL DEVELOPMENT PROJECT**

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Project Assumptions	1
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Taxes on Existing Facility without Improvements	3
Projected Taxes on Existing Facility with Improvements (No Abatement)	4
Projected PILOTS	5
Projected Abatement	6

This information is provided based on the factual information and assumptions provided to Gilmore & Bell, P.C. by a party to or a representative of a party to the proposed transaction. This information is intended to provide factual information only and is provided in conjunction with our legal representation. It is not intended as financial advice or a financial recommendation to any party. Gilmore & Bell, P.C. is not a financial advisor or a "municipal advisor" as defined in the Securities Exchange Act of 1934, as amended.

Project Assumptions

♦ Initial year taxes assessed					2026
♦ Assessed value of existing facility				\$	384,000
♦ Assessed value of improvements				\$	420,160
♦ Biennial growth rate of appraised value of real property					3.0%
♦ Assessed value as a percentage of appraised value (real)					32.0%
♦ Fixed PILOT Payments:					
	2026	32,698	2031	35,730	
	2027	33,679	2032	35,730	
	2028	33,679	2033	36,802	
	2029	34,689	2034	36,802	
	2030	34,689	2035	37,906	
			2036	44,344	

Summary of Cost Benefit Analysis

Taxing Jurisdiction	Tax Rate	Taxes on Existing Facility without Improvements	Projected Taxes on Existing Facility with Improvements (No Abatement)	Projected PILOTS	Project Abatem
Board of Disabled Services	0.0728	\$ 3,337	\$ 6,585	\$ 3,392	\$ 3,
City - Independence	0.6657	30,514	60,213	31,017	29,
Blue Springs School District	5.1685	236,911	467,497	240,818	226,0
Jackson County	0.5556	25,467	50,255	25,887	24,
Mental Health	0.0969	4,442	8,765	4,515	4,
Metro Junior College	0.1767	8,099	15,983	8,233	7,
Mid-Continent Library	0.3119	14,297	28,212	14,533	13,0
State Blind Pension	0.0300	1,375	2,714	1,398	1,
Surtax	1.4370	65,868	129,978	66,955	63,0
	8.5151	\$ 390,310	\$ 770,200	\$ 396,748	\$ 373,

Taxes on Existing Facility without Improvements

Estimated Assessed Value of Existing Facility	\$ 384,000	\$ 395,520	\$ 395,520	\$ 407,386	\$ 407,386	\$ 419,607	\$ 419,607	\$ 432,000
Taxing Jurisdiction	\$100	2026	2027	2028	2029	2030	2031	2032
Board of Disabled Services	0.0728	\$ 280	\$ 288	\$ 288	\$ 297	\$ 297	\$ 305	\$ 305
City - Independence	0.6657	2,556	2,633	2,633	2,712	2,712	2,793	2,793
Blue Springs School District	5.1685	19,847	20,442	20,442	21,056	21,056	21,687	21,687
Jackson County	0.5556	2,134	2,198	2,198	2,263	2,263	2,331	2,331
Mental Health	0.0969	372	383	383	395	395	407	407
Metro Junior College	0.1767	679	699	699	720	720	741	741
Mid-Continent Library	0.3119	1,198	1,234	1,234	1,271	1,271	1,309	1,309
State Blind Pension	0.0300	115	119	119	122	122	126	126
Surtax	1.4370	5,518	5,684	5,684	5,854	5,854	6,030	6,030
	8.5151	32,698	33,679	33,679	34,689	34,689	35,730	35,730
								36,000

Projected Taxes on Existing Facility with Improvements (No Abatement)

Taxing Jurisdiction	Tax Rate per										
	\$100	2026	2027	2028	2029	2030	2031	2032	2033		
Estimated Assessed Value of Existing Facility	\$	384,000	\$	395,520	\$	407,386	\$	419,607	\$	432,	
Estimated Assessed Value of Improvements	\$	-	\$	420,160	\$	432,765	\$	445,748	\$	459,	
Board of Disabled Services	0.0728	\$	280	\$	594	\$	612	\$	630	\$	
City - Independence	0.6657		2,556		5,430		5,593		5,761		5,
Blue Springs School District	5.1685		19,847		42,158		43,423		44,726		46,
Jackson County	0.5556		2,134		4,532		4,668		4,808		4,
Mental Health	0.0969		372		790		814		839		
Metro Junior College	0.1767		679		1,441		1,485		1,529		1,
Mid-Continent Library	0.3119		1,198		2,544		2,620		2,699		2,
State Blind Pension	0.0300		115		245		252		260		
Surtax	1.4370		5,518		11,721		12,073		12,435		12,
	8.5151	\$	32,698	\$	69,456	\$	71,540	\$	73,686	\$	75,

Projected PILOTS

PILOT Payment	\$	32,698	\$	33,679	\$	33,679	\$	34,689	\$	34,689	\$	35,730	\$	35,730	\$	36
Tax Rate per																
Taxing Jurisdiction	\$100	2026	2027	2028	2029	2030	2031	2032	2033							
Board of Disabled Services	0.0728	\$ 280	\$ 288	\$ 288	\$ 297	\$ 297	\$ 305	\$ 305	\$ 305							
City - Independence	0.6657	2,556	2,633	2,633	2,712	2,712	2,793	2,793	2,793							
Blue Springs School District	5.1685	19,847	20,442	20,442	21,056	21,056	21,687	21,687	21,687							
Jackson County	0.5556	2,134	2,198	2,198	2,263	2,263	2,331	2,331	2,331							
Mental Health	0.0969	372	383	383	395	395	407	407	407							
Metro Junior College	0.1767	679	699	699	720	720	741	741	741							
Mid-Continent Library	0.3119	1,198	1,234	1,234	1,271	1,271	1,309	1,309	1,309							
State Blind Pension	0.0300	115	119	119	122	122	126	126	126							
Surtax	1.4370	5,518	5,684	5,684	5,854	5,854	6,030	6,030	6,030							
	8.5151	\$ 32,698	\$ 33,679	\$ 33,679	\$ 34,689	\$ 34,689	\$ 35,730	\$ 35,730	\$ 35,730							

Projected Abatement

Taxing Jurisdiction	Tax Rate per \$100	2026	2027	2028	2029	2030	2031	2032	2033
Board of Disabled Services	0.0728	\$ -	\$ 306	\$ 306	\$ 315	\$ 315	\$ 325	\$ 325	\$ 325
City - Independence	0.6657	-	2,797	2,797	2,881	2,881	2,967	2,967	2,967
Blue Springs School District	5.1685	-	21,716	21,716	22,367	22,367	23,038	23,038	23,038
Jackson County	0.5556	-	2,334	2,334	2,404	2,404	2,477	2,477	2,477
Mental Health	0.0969	-	407	407	419	419	432	432	432
Metro Junior College	0.1767	-	742	742	765	765	788	788	788
Mid-Continent Library	0.3119	-	1,310	1,310	1,350	1,350	1,390	1,390	1,390
State Blind Pension	0.0300	-	126	126	130	130	134	134	134
Surtax	1.4370	-	6,038	6,038	6,219	6,219	6,405	6,405	6,405
	8.5151	\$ -	\$ 35,777	\$ 35,777	\$ 36,850	\$ 36,850	\$ 37,956	\$ 37,956	\$ 37,956

**CITY OF INDEPENDENCE, MISSOURI,
the City**

AND

**BOKE, N.A.,
as Trustee**

TRUST INDENTURE

Dated as of February 1, 2026

Relating to:

**\$3,530,000
(Aggregate Maximum Principal Amount)
City of Independence, Missouri
Taxable Industrial Development Revenue Bonds
(Surgery Center Project)
Series 2026**

TRUST INDENTURE

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TRUST INDENTURE

THIS TRUST INDENTURE dated as of February 1, 2026 (the “Indenture”), is between the **CITY OF INDEPENDENCE, MISSOURI**, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri (the “City”), and **BOKF, N.A.**, Kansas City, Missouri, 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 a corporate trust office located in Kansas City, Missouri, as Trustee (the “Trustee”);

RECITALS:

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

2. Pursuant to the Act, the City Council passed an ordinance (the “Ordinance”), authorizing the City to issue its Taxable Industrial Development Revenue Bonds (Surgery Center Project), Series 2026, in the maximum principal amount of \$3,530,000 (the “Bonds”), for the purpose of acquiring and improving certain real property located at 19921 East Jackson Drive, Independence, Missouri 64057 (the “Project Site,” as more fully described on **Exhibit A** hereto), including the renovation, construction and improvement of a commercial facility on the Project Site (the “Project Improvements,” as more fully described on **Exhibit B** hereto).

3. The Ordinance authorizes the City to lease the Project Site and the Project Improvements (collectively, the “Project”) to MKEL Holdings, LLC, a Missouri limited liability company (the “Company”).

4. Pursuant to the Ordinance, the City is authorized to execute and deliver (a) this Indenture for the purpose of issuing and securing the Bonds, (b) the Lease Agreement of even date herewith (the “Lease”) with the Company, under which the City, as lessor, will, or will cause the Company to, renovate, construct and improve the Project and will lease the Project to the Company, as lessee, in consideration of rentals that will be sufficient to pay the principal of and interest on the Bonds and certain payments in lieu of taxes to be made by the Company with respect to the Project.

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

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

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

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

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

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

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

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

PROVIDED, HOWEVER, that if the City pays, or causes to be paid, the principal of and interest on the Bonds, at the time and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, or provides for the payment thereof (as provided in **Article XIII** hereof), and pays or causes to be paid to the Trustee all other sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights 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 the Trust Estate is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as

hereinafter expressed, and the City does hereby agree and covenant with the Trustee and with the respective Owners from time to time, as follows:

ARTICLE I

DEFINITIONS

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

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

“Additional Rent” means the additional rental described in **Sections 5.2 and 6.2** of the Lease.

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

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

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

“Bond” or **“Bonds”** means the Taxable Industrial Development Revenue Bonds (Surgery Center Project), Series 2026, in the maximum aggregate principal amount of \$3,530,000, issued, authenticated and delivered under and pursuant to this Indenture.

“Bond Fund” means the “City of Independence, Missouri, Bond Fund – MKEL Holdings, LLC” created in **Section 501** of this Indenture.

“Bond Purchase Agreement” means the agreement by that name with respect to the Bonds, dated as of February 1, 2026, by and between the City and the Purchaser.

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

“City” means the City of Independence, Missouri, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri, and its successors and assigns.

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

“Closing Price” means the amount specified in writing by the Purchaser and agreed to by the City as the amount required to pay for the initial issuance of the Bonds on the Closing Date.

“Company” means MKEL Holdings, LLC, a Missouri limited liability company, and its successors or assigns.

“Completion Date” means the date of execution of the certificate required pursuant to **Section 504** hereof.

“Costs of Issuance Fund” means the “City of Independence, Missouri, Costs of Issuance Fund – MKEL Holdings, LLC” created in **Section 501** hereof.

“Cumulative Outstanding Principal Amount” means an amount equal to the aggregate of all amounts paid into the Project Fund in accordance with the provisions of this Indenture, the Bond Purchase Agreement and the Lease, as reflected in the bond registration records maintained by the Trustee or in the Table of Cumulative Outstanding Principal Amount set forth in the form of Bond in **Exhibit C** hereto.

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

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

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

“Investment Securities” means any of the following securities:

- (a) Government Securities;
- (b) obligations of the Federal Financing Bank, the Federal Intermediate Credit Corporation, Federal Banks for Cooperatives, Federal Land Banks, and Farmers Home Administration;
- (c) direct and general obligations of any state of the United States of America, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, provided that at the time of their purchase under this Indenture such obligations are rated in either of the two highest rating categories by a nationally-recognized bond rating agency;
- (d) certificates of deposit, whether negotiable or nonnegotiable, and U.S. dollar denominated deposit accounts issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee or any of its affiliates), provided that such certificates of deposit or deposit accounts shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described above in clauses (a) through (c),

inclusive, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit and shall be deposited with the Trustee or a custodian bank, trust company or national banking association. The bank, trust company or national banking association holding each such certificate of deposit required to be so secured shall furnish the Trustee written evidence that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount at least equal to the principal amount of each such certificate of deposit and the Trustee shall be entitled to rely on each such undertaking;

(e) shares of a fund registered under the Investment Company Act of 1940, as amended, whose shares are registered under the Securities Act of 1933, as amended, having assets of at least \$100,000,000, and which shares, at the time of purchase, are rated by S&P and Moody's in one of the two highest rating categories (without regard to any refinements or gradation of rating category by numerical modifier or otherwise) assigned by such rating agencies for obligations of that nature; or

(f) any other investment approved in writing by the Authorized City Representative and the Owners of all of the Outstanding Bonds.

"Lease" means the Lease Agreement dated as of February 1, 2026, between the City, as lessor, and the Company, as lessee, as from time to time amended and supplemented by Supplemental Leases in accordance with the provisions thereof and of **Article XII** of this Indenture.

"Lender" has the meaning set forth in the Lease.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, "Moody's" will be deemed to refer to any other nationally recognized securities rating agency designated by the Authorized Company Representative.

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

(a) Bonds subsequently cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of **Section 1302** hereof; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Indenture.

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

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

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

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

“Project” means the Project Site and the Project Improvements as they may at any time exist.

“Project Costs” means all costs of renovation, construction and improvement of the Project and acquisition of the Project Site.

“Project Fund” means the “City of Independence, Missouri, Project Fund – MKEL Holdings, LLC” created in **Section 501** hereof.

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

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

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

“S&P” means S&P Global Ratings, a division of Standard & Poor’s Financial Services, LLC, its successors and assigns, and if such company is dissolved or liquidated or no longer performs the functions of a securities rating agency, “S&P” will be deemed to refer to any other nationally recognized securities rating agency designated by the Authorized Company Representative.

“State” means the State of Missouri.

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

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

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

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

“Unassigned Rights” means (1) the City’s right to receive moneys for its own account, including but not limited to payments in lieu of taxes, (2) the City’s rights to indemnification or to be protected from

liabilities by insurance policies required by the Lease, and (3) the rights of the City to provide any consent or approval under the Lease and to enforce provisions of the Lease relating to the completion, condition or use of the Project.

Section 102. Rules of Interpretation.

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

(b) Wherever in this Indenture it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

(c) All references in this instrument to designated "Articles," "Sections" and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision.

(d) Whenever an item or items are listed after the word "including", such listing is not intended to be a listing that excludes items not listed.

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

ARTICLE II

THE BONDS

Section 201. Title and Amount of Bonds. No Bonds may be issued under this Indenture except in accordance with the provisions of this Article. The Bonds authorized to be issued under this Indenture shall be designated as "City of Independence, Missouri, Taxable Industrial Development Revenue Bonds (Surgery Center Project), Series 2026." The maximum total principal amount of Bonds that may be issued hereunder is hereby expressly limited to \$3,530,000.

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

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

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

(b) The Bonds shall be dated by the Trustee as of the date of initial delivery thereof as provided herein. If the Bonds are at any time thereafter transferred, any replacement Bonds shall be dated as of the date of authentication thereof and numbered from 1 upward.

Section 204. Method and Place of Payment of Bonds.

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

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

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

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

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

Section 205. Execution and Authentication of Bonds.

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

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

Section 206. Registration, Transfer and Exchange of Bonds.

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

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

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

(d) If any Owner fails to provide a certified taxpayer identification number to the Trustee, the Trustee may make a charge against such Owner sufficient to pay any governmental charge required to be

paid as a result of such failure, which amount may be deducted by the Trustee from amounts otherwise payable to such Owner under such Owner's Bond.

(e) The City and Trustee consent to the pledge of the Bonds to any Lender with a Mortgage (as such term is defined in the Lease) on all or any portion of the Project Site.

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

Section 208. Authorization of the Bonds.

(a) The Bonds are authorized in the aggregate maximum principal amount of \$3,530,000 for the purpose of providing funds to pay the costs of the Project and the costs of issuing the Bonds, which Bonds shall be designated "City of Independence, Missouri, Taxable Industrial Development Revenue Bonds (Surgery Center Project), Series 2026." The Bonds shall be dated as provided in **Section 203(b)** hereof, shall become due on **December 1, 2036** (subject to prior redemption as provided in **Article III** hereof) and shall bear interest as specified in **Section 208(f)** hereof, payable on the dates specified in **Section 208(f)** hereof.

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

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

(1) The ordinance passed by the City Council authorizing the issuance of the Bonds and the execution of this Indenture, the Lease and the Bond Purchase Agreement;

(2) Counterparts of this Indenture, the Lease and the Bond Purchase Agreement;

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

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

(5) An opinion of counsel nationally recognized on the subject of municipal bonds to the effect that the Bonds are in proper form and have been duly authorized in accordance with the Constitution and statutes of the State of Missouri, including the Act, and constitute valid and legally binding special obligations of the City; and

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

(d) When the documents specified in subsection (c) of this Section have been filed with the Trustee, and when the Bonds have been executed and authenticated as required by this Indenture, the Purchaser shall pay the Closing Price to the Trustee, and the Trustee shall endorse the Bonds in an amount equal to the Closing Price and then either hold the Bonds in trust or if so directed in writing deliver the Bonds to or upon the order of the Purchaser.

(e) Following the initial issuance and delivery of the Bonds, the Company may submit additional requisition certificates in accordance with **Section 4.4** of the Lease, and the Trustee shall, based solely of the amount set forth in the requisition, endorse the Bonds in an amount equal to the amount set forth in each requisition certificate. The date of endorsement of each Principal Amount Advanced (as defined in subsection (g) below) as set forth on **Schedule I** to the Bonds shall be the date of the City's approval of each requisition certificate. The Trustee shall keep a record of the total requisitions submitted, and shall notify the City if the requisitions submitted exceed the maximum Cumulative Outstanding Principal Amount of the Bonds permitted hereunder.

(f) The Bonds shall bear interest at the rate of 7.00% per annum on the Cumulative Outstanding Principal Amount of the Bonds. Such interest shall be payable in arrears on each December 1, commencing on December 1, 2026, and continuing thereafter until the Cumulative Outstanding Principal Amount is paid in full; provided that the aggregate maximum principal amount shall not exceed \$3,530,000 and further provided that the Bonds shall be paid in full no later than **December 1, 2036**. Interest shall be calculated on the basis of a year of 360 days consisting of twelve months of 30 days each.

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

Section 209. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond becomes mutilated, or is lost, stolen or destroyed, the City shall execute and the Trustee shall authenticate and deliver a new Bond of like series, date and tenor as the Bond mutilated lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the City and the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity satisfactory to the Trustee to

save each of the City and the Trustee harmless. If any such Bond has matured, instead of delivering a substitute Bond, the Trustee may pay the same without surrender thereof. Upon the issuance of any substitute Bond, the City and the Trustee may require the payment of an amount sufficient to reimburse the City and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 210. Cancellation and Destruction of Bonds Upon Payment.

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

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

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds.

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

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

(c) In connection with a redemption under paragraphs (a) or (b) of this Section, at its option, the Company may deliver to the Trustee for cancellation any Bonds owned by the Company and not previously paid, and the Company shall receive a credit against the amounts payable by the Company for

the redemption of such Bonds in an amount equal to the principal amount of the Bonds so tendered for cancellation, plus accrued interest.

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

Section 303. Notice of Redemption. If the Bonds are to be called for redemption as provided in **Section 301(a)** hereof, the Company shall deliver written notice to the City and the Trustee that it has elected to direct the City to redeem all or a portion of the Bonds at least 40 days (10 days if the Company is the Owner) prior to the scheduled redemption date. The Trustee shall then deliver written notice to the Owners at least 30 days (five days if the Company is the Owner) prior to the scheduled redemption date by facsimile and by first-class mail stating the date upon which the Bonds will be redeemed and paid, unless such notice period is waived by the Owners in writing.

ARTICLE IV

FORM OF BONDS

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

ARTICLE V

CUSTODY AND APPLICATION OF BOND PROCEEDS

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

(a) "City of Independence, Missouri, Project Fund – MKEL Holdings, LLC" (herein called the "Project Fund");

(b) "City of Independence, Missouri, Costs of Issuance Fund – MKEL Holdings, LLC" (herein called the "Costs of Issuance Fund"); and

(c) “City of Independence, Missouri, Bond Fund – MKEL Holdings, LLC” (herein called the “Bond Fund”).

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

Section 503. Disbursements from the Project Fund.

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

(b) If, pursuant to **Section 208** hereof, the Trustee is deemed to have deposited into the Project Fund the amount specified in the requisition certificates submitted by the Company in accordance with the provisions of **Article IV** of the Lease, the Trustee shall upon endorsement of the Bonds in an equal amount be deemed to have disbursed such funds from the Project Fund to the Company (or such other purchaser designated by the Company) in satisfaction of the requisition certificate.

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

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

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

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

ARTICLE VI

REVENUES AND FUNDS

Section 601. Deposits Into the Bond Fund.

(a) The Trustee shall deposit into the Bond Fund, as and when received, (a) all Basic Rent payable by the Company to the City specified in **Section 5.1** of the Lease; (b) any Additional Rent payable by the Company specified in **Section 5.2** of the Lease that is not payable to the City; (c) any amount in the Project Fund to be transferred to the Bond Fund pursuant to **Section 504** hereof upon completion of the Project or pursuant to **Section 506** hereof upon acceleration of the Bonds; (d) the balance of any Net Proceeds (as defined in the Lease) of condemnation awards or insurance received by the Trustee pursuant to **Article IX** of the Lease; (e) the amounts to be deposited in the Bond Fund pursuant to **Sections 9.1(f)** and **9.2(c)** of the Lease; (f) all interest and other income derived from investments of Bond Fund moneys as provided in **Section 702** hereof; and (g) all other moneys received by the Trustee under and pursuant to any of the provisions of the Lease when accompanied by directions from the Person depositing such moneys that such moneys are to be paid into the Bond Fund.

(b) If the Company is not the sole Owner of the Bonds, the Trustee shall notify the Company in writing, at least 15 days before each date on which a payment is due under **Section 5.1** of the Lease, of the amount that is payable by the Company pursuant to such Section.

Section 602. Application of Moneys in the Bond Fund.

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

(b) The City hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay the principal of and the interest on the Bonds as the same become due and payable and to make said funds so withdrawn available to the Paying Agent for the purpose of paying said principal and interest. To the extent the Company is the Owner of all of the Bonds Outstanding, payment may be made via transaction entry on the trust records held by Trustee.

(c) Whenever the amount in the Bond Fund from any source whatsoever is sufficient to redeem all of the Bonds Outstanding and to pay interest to accrue thereon before such redemption, the City covenants and agrees, upon request of the Company, to take and cause to be taken the necessary steps to redeem all such Bonds on the next succeeding redemption date for which the required redemption notice

may be given or on such later redemption date as may be specified by the Company. The Trustee may use any moneys in the Bond Fund to redeem a part of the Bonds Outstanding in accordance with and to the extent permitted by **Article III** hereof so long as the Company is not in default with respect to any payments under the Lease and to the extent said moneys are in excess of the amount required for payment of Bonds theretofore matured or called for redemption and past due interest, if any, in all cases when such Bonds have not been presented for payment.

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

Section 603. Payments Due on Days Other than Business Days. In any case where the date of maturity of principal of or interest, if any, on the Bonds or the date fixed for redemption of any Bonds is not a Business Day, then payment of principal or interest, if any, need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest, if any, shall continue to accrue for the period after such date.

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

Section 605. Repayment to the Company from the Bond Fund. After payment in full of the principal of and interest on the Bonds (or provision has been made for the payment thereof as provided in this Indenture), and the reasonable fees, charges and expenses of the Trustee and the City and any other amounts required to be paid under this Indenture and the Lease, all amounts remaining in the Bond Fund shall be paid to the Company upon the expiration or sooner termination of the Lease.

ARTICLE VII

SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 701. Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee for account of the Bond Fund or the Project Fund under any provision of this Indenture, and all moneys deposited with or paid to any Paying Agent under any provision of this Indenture, shall be held by the

Trustee or Paying Agent in trust and shall be applied only in accordance with the provisions of this Indenture and the Lease, and, until used or applied as herein provided, shall constitute part of the Trust Estate and be subject to the lien hereof. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon in writing.

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

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

ARTICLE VIII

GENERAL COVENANTS AND PROVISIONS

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

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

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

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

Section 805. Recordings and Filings. The City shall file or cause to be kept and filed all financing statements, and hereby authorizes the Trustee to file or cause to be kept and filed continuation statements with respect to such originally filed financing statements related to this Indenture in order to fully preserve and protect the security of the Owners and the rights of the Trustee hereunder provided a copy of the originally filed financing statement is timely delivered to the Trustee. Unless otherwise notified in writing by the Company or City, the Trustee may conclusively rely upon any originally filed financing statements in filing any continuation statements hereunder. The City will cooperate in causing this Indenture and all Supplemental Indentures, the Lease and all Supplemental Leases and all other security instruments to be recorded and filed in such manner and in such places as may be required by law in order to fully preserve and protect the security of the Owners and the rights of the Trustee hereunder.

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

Section 807. Enforcement of Rights Under the Lease. The City covenants and agrees that it will enforce all of its rights and all of the obligations of the Company (at the expense of the Company) under the Lease to the extent necessary to preserve the Project in good repair and reasonably safe operating condition, and to protect the rights of the Trustee and the Owners hereunder with respect to the pledge and assignment of the rents, revenues and receipts coming due under the Lease; provided that, the City and the Trustee, as its assignee, shall refrain from enforcing any such right or obligation (except for the Unassigned Rights, any other rights of the City or the Trustee to receive payments owing to either of them for their own account under the Indenture or the Lease or any other agreement related to the Bonds or for their rights of indemnification or to be protected from liabilities by insurance policies required by the Lease) if so directed in writing by the Owners of 100% of the Outstanding Bonds. The City agrees that the Trustee, as assignee of the rentals and other amounts to be received by the City and paid by the Company under the Lease, or in

its name or in the name of the City, may enforce all rights of the City to receive such rentals and other amounts and all obligations of the Company to pay such rentals and other amounts under and pursuant to the Lease for and on behalf of the Owners, whether or not the City is in default hereunder.

ARTICLE IX

DEFAULT AND REMEDIES

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

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

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

Section 902. Acceleration of Maturity in Event of Default; Rescission. If an Event of Default has occurred and is continuing after the notice and cure period described in **Section 901** elapses, the Trustee may, and upon the written request of the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding, shall, by notice in writing delivered to the City and the Company, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. At any time after such a declaration of acceleration has been made, but before any judgment or decree for payment of money due on any Bonds has been obtained by the Trustee as provided in this Article, the owners of a majority in principal amount of the Bonds Outstanding may, by written notice to the Company and Trustee but with the written consent of the City, rescind and annul such declaration and its consequences if: (a) there is deposited with the Trustee a sum sufficient to pay: (1) all overdue installments of interest on all Bonds; (2) the principal of (and premium, if any, on) any Bonds which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Bonds; and (3) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and (b) all events of default, other than

the non-payment of the principal of Bonds which have become due solely by such declaration of acceleration, have been cured or have been waived as provided in **Section 910** of this Indenture.

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

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

Section 905. Exercise of Remedies by the Trustee.

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

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

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

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

Section 907. Right of Owners to Direct Proceedings.

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

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

Section 908. Application of Moneys in Event of Default.

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

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

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

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

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

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

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

(c) Whenever all of the Bonds and interest thereon, if any, have been paid under the provisions of this Section, and all fees, expenses and charges of the City and the Trustee and any other amounts

required to be paid under this Indenture and the Lease have been paid, any balance remaining in the Bond Fund shall be paid to the Company as provided in **Section 602** hereof.

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

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

ARTICLE X

THE TRUSTEE

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

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

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

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

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

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

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

fact contained in any such certificate, opinion or advice it obtains regarding the accuracy or truth of any statement or correctness of any opinion. The Trustee shall not be liable for any action or inaction taken in good faith in reliance on such a certificate or any advice received from counsel, and the Trustee may conclusively rely as to the truth of the statements and the correctness of the opinions or statements expressed therein.

(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. In no event shall the Trustee be liable for consequential damages. The Trustee shall not be liable for any act or omission, in the absence of bad faith, when the Trustee reasonably believes the act or failure to act is authorized and within its powers to perform under the Indenture.

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

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

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

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

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

(m) Notwithstanding any other provision of this Indenture to the contrary, any provision relating to the conduct of, 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.

(n) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(o) None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

Section 1002. Fees, Charges and Expenses of the Trustee. The Trustee shall be entitled to payment of and/or reimbursement for reasonable fees for its ordinary services rendered hereunder and all advances, agent and counsel fees and other ordinary expenses reasonably made or incurred by the Trustee in connection with such ordinary services. If it becomes necessary for the Trustee to perform extraordinary services, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the neglect or willful misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent for the Bonds. Pursuant to the provisions of **Section 5.2** of the Lease, the Company has agreed to pay to the Trustee all reasonable fees, charges and expenses of the Trustee under this Indenture. The Trustee agrees that the City shall have no liability for any reasonable fees, charges and expenses of the Trustee, and the Trustee agrees to look only to the Company for the payment of all reasonable fees, charges and expenses of the Trustee and any Paying Agent as provided in the Lease. Upon the occurrence of an Event of Default and during its continuance, the Trustee shall have a lien with right of payment before payment on account of principal of or interest on any Bond, upon all moneys in its possession under any provisions hereof for the foregoing reasonable advances, fees, costs and expenses incurred. The Trustee's right to compensation and indemnification relating to period during which it serves as Trustee hereunder shall survive the satisfaction and discharge of this Indenture or its resignation or removal hereunder and payment in full of the Bonds.

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

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

Section 1005. Successor Trustee Upon Merger, Consolidation or Sale. With the prior written consent of the Company, any corporation or association into which the Trustee may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder and shall be vested with all the trusts, powers, rights, obligations, duties, remedies,

immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

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

Section 1007. Removal of Trustee. The Trustee may be removed at any time, with or without cause, by an instrument or concurrent instruments in writing (a) delivered to the Trustee, the City and the Company and signed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding, or (b) so long as no Event of Default under this Indenture or the Lease shall have occurred and be continuing, delivered to the Trustee, the Company and the Owners and signed by the City. The Trustee's rights to indemnity and to any fees, charges or other amounts due and payable to it shall survive such removal.

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

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

remedies, immunities and privileges hereby vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

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

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

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

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

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

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

Section 1012. Accounting. The Trustee shall render an annual accounting for the period ending December 31 of each year, within 90 days following the end of such year, to the City, the Company and to

any Owner requesting the same and, upon the request of the City, the Company or any Owner, a monthly accounting to any such party, showing in reasonable detail all financial transactions relating to the Trust Estate during the accounting period and the balance in any funds or accounts created by this Indenture as of the beginning and close of such accounting period.

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

ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 1101. Supplemental Indentures Not Requiring Consent of Owners. The City and the Trustee may from time to time, without the consent of or notice to any of the Owners, enter into such Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

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

Section 1102. Supplemental Indentures Requiring Consent of Owners.

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

in the aggregate principal amount of Bonds; for any of which the consent of the Owners of 100% of the principal amount of the affected Bonds then Outstanding is required.

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

Section 1103. Company's Consent to Supplemental Indentures. Anything herein to the contrary notwithstanding, a Supplemental Indenture under this Article that 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. The Trustee shall cause notice of the proposed execution and delivery of any Supplemental Indenture (regardless of whether it affects the Company's rights) together with a copy of the proposed Supplemental Indenture to be mailed to the Company at least 15 days prior to the proposed date of execution and delivery of the Supplemental Indenture.

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

ARTICLE XII

SUPPLEMENTAL LEASES

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

Section 1202. Supplemental Leases Requiring Consent of Owners. Except for Supplemental Leases as provided for in **Section 1201** hereof, neither the City nor the Trustee shall consent to the execution

of any Supplemental Lease or Supplemental Leases by the City or the Company without the mailing of notice and the obtaining of the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and obtained as provided in **Section 1102** hereof. If at any time the City and the Company shall request the consent of the Trustee to any such proposed Supplemental Lease, the Trustee shall cause notice of such proposed Supplemental Lease to be mailed in the same manner as provided in **Section 1102** hereof with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed Supplemental Lease and shall state that copies of the same are on file in the corporate trust office of the Trustee for inspection by all Owners. If within 60 days or such longer period as may be prescribed by the City following the mailing of such notice, the Owners of not less than 50% in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Lease shall have consented to and approved the execution thereof as herein provided, no Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof.

Section 1203. Opinion of Counsel. In executing or consenting to any Supplemental Lease permitted by this Article, the City and the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed to the Trustee and the City stating that the executing of such Supplemental Lease is authorized or permitted by the Lease and this Indenture and the applicable law and will upon the execution and delivery thereof be valid and binding obligations of the parties thereof.

ARTICLE XIII

SATISFACTION AND DISCHARGE OF INDENTURE

Section 1301. Satisfaction and Discharge of this Indenture.

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

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

Section 1302. Bonds Deemed to be Paid.

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

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

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

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 1401. Consents and Other Instruments by Owners.

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

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

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

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

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

Section 1403. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Indenture to be given or filed with the City, the Trustee, the Company or Owners if the same is duly mailed, postage prepaid, sent by overnight delivery or other delivery service, as follows:

(a) To the City:

City of Independence, Missouri
111 E. Maple Avenue
Independence, MO 64050
Attention: City Manager

(b) To the Trustee:

BOKF, N.A.
2405 Grand Blvd., Suite 840
Kansas City, Missouri 64108
Attention: Corporate Trust Department

(c) To the Company:

MKEL Holdings, LLC

Attention: _____

With a copy to:

Polsinelli PC
900 W. 48th Place, Suite 900
Kansas City, MO 64112
Attention: Curtis J. Petersen

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

All notices given by certified or registered mail as aforesaid shall be deemed fully given as of the date they are so mailed, provided that any of the foregoing given to the Trustee shall be effective only upon receipt. All notices given by overnight delivery or other delivery service shall be deemed fully given as of the date when received. A duplicate copy of each notice, certificate or other communication given hereunder by either the City or the Trustee to the other shall also be given to the Company. The City, the Company and the Trustee may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

Section 1404. Severability. If any provision of this Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

Section 1405. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

Section 1407. Electronic Storage. The parties agree that the transaction described herein may be conducted and related documents may be sent, received 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 1408. Electronic Notice to Trustee. The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent in writing or by electronic notice, provided, however, that such instructions or directions shall be signed by an Authorized Company Representative. If the Company elects to give the instructions by electronic notice, the Trustee may deem such instructions controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. Pursuant to the Lease, the Company agrees to assume all risks arising out of the use of such electronic notice to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

[Remainder of this page intentionally left blank]

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

CITY OF INDEPENDENCE, MISSOURI

[SEAL]



ATTEST:

By:

Susanne Holland

Name: Susanne Holland

Title: City Clerk

By:

Lisa Reynolds

Name: Lisa Reynolds

Title: Interim City Manager

BOKF, N.A.,
as Trustee

[SEAL]

By _____
Name:
Title:

ATTEST:

By _____
Name:
Title:

EXHIBIT A

PROJECT SITE

The following described real estate located in Jackson County, Missouri:

All of Lot 4. "HARTMAN HERITAGE CENTER FIFTH PLAT, LOTS 4 AND 4A", a subdivision in Independence, Jackson County, Missouri recorded January 14, 2008 as Document No. 200110001898. in Plat Book I-68, Page 68.

EXHIBIT B

PROJECT IMPROVEMENTS

The Project Improvements consist of the following, to the extent paid for in whole with Bond proceeds:

Renovating, improving and expanding an abandoned restaurant facility of approximately 5,500 square feet into a private ambulatory surgery center offering oral surgery under general anesthesia to Medicaid and Medicare patients, as well as hospital-grade pediatric dentistry. The expansion will add approximately 3,000 square feet to the existing facility.

EXHIBIT C
FORM OF BONDS

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

No. 1

**Not to Exceed
\$3,530,000**

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

**CITY OF INDEPENDENCE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BOND
(SURGERY CENTER PROJECT)
SERIES 2026**

Interest Rate

7.00%

Maturity Date

December 1, 2036

Dated Date

_____, 2026

OWNER:

MKEL HOLDINGS, LLC

MAXIMUM PRINCIPAL AMOUNT:

**NOT TO EXCEED THREE MILLION FIVE
HUNDRED THIRTY THOUSAND
DOLLARS**

THE CITY OF INDEPENDENCE, MISSOURI, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri (the "City"), for value received, promises to pay, but solely from the source hereinafter referred to, to the Owner named above, or registered assigns thereof, on the Maturity Date shown above, the principal amount shown above, or such lesser amount as may be outstanding hereunder as reflected on **Schedule I** hereto held by the Trustee as provided in the hereinafter referred to Indenture. The City agrees to pay such principal amount to the Owner in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and in like manner to pay to the Owner hereof, either by check or draft mailed to the Owner at a stated address as it appears on the bond registration books of the City kept by the Trustee under the within mentioned Indenture or, in certain situations authorized in the Indenture, by internal bank transfer or by wire transfer to an account in a commercial bank or savings institution located in the continental United States. Interest on the Cumulative Outstanding Principal Amount (as hereinafter defined) at the per annum Interest Rate stated above, payable in arrears on each December 1, commencing on December 1, 2026, and continuing thereafter until the earlier of the date on which said Cumulative Outstanding Principal Amount is paid in full or the Maturity Date. Interest on each advancement of the principal amount of this Bond shall accrue from the date that such advancement is made, computed on the basis of a year of 360 days consisting of 12 months of 30 days each.

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

THIS BOND is one of a duly authorized series of Bonds of the City designated “City of Independence, Missouri, Taxable Industrial Development Revenue Bonds (Surgery Center Project), Series 2026,” in the maximum aggregate principal amount of \$3,530,000 (the “Bonds”), to be issued for the purpose of improving certain real property located at 19921 East Jackson Drive, Independence, Missouri 64057 (the “Project Site,” as more fully described on **Exhibit A** to the Lease (defined below)), including the renovation, construction and improvement of a commercial facility (the “Project Improvements”). The City will lease the Project Site and the Project Improvements (collectively, the “Project”) to a private-sector company (the “Company”), under the terms of a Lease Agreement dated as of February 1, 2026 (said Lease Agreement, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Lease”), between the City and the Company, all pursuant to the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution, the statutes of the State of Missouri, including particularly the Act, the charter of the City and pursuant to proceedings duly had by the Council of the City.

THE BONDS are issued under and are equally and ratably secured and entitled to the protection given by a Trust Indenture dated as of February 1, 2026 (said Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Indenture”), between the City and BOKF, N.A., Kansas City, Missouri, as trustee (the “Trustee”). *Capitalized terms not defined herein shall have the meanings set forth in the Indenture.*

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

THE BONDS are subject to redemption and payment prior to maturity as provided in the Indenture.

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

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

accrued thereon. Modifications or alterations of this Bond or the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

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

THE BONDS are issuable in the form of one fully-registered Bond in the maximum principal amount of \$3,530,000.

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

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

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

CERTIFICATE OF AUTHENTICATION

CITY OF INDEPENDENCE, MISSOURI

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

By: _____



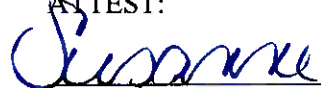
Interim City Manager

Registration Date: _____

BOKF, N.A.,
as Trustee

By _____
Authorized Signatory

ATTEST:



City Clerk



SCHEDULE I

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

**CITY OF INDEPENDENCE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BOND
(SURGERY CENTER PROJECT)
SERIES 2026**

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

FORM OF ASSIGNMENT

(NOTE RESTRICTIONS ON TRANSFERS)

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

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

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

PLACE SIGNATURE MEDALLION BELOW:

EXHIBIT D

FORM OF REPRESENTATION LETTER

City of Independence, Missouri
111 E. Maple Avenue
Independence, MO 64050
Attention: City Manager

BOKF, N.A., as Trustee
2405 Grand Blvd., Suite 840
Kansas City, Missouri 64108
Attention: Corporate Trust Department

Re: \$3,530,000 Maximum Principal Amount of Taxable Industrial Development Revenue Bonds (Surgery Center Project), Series 2026 of the City of Independence, Missouri

Ladies and Gentlemen:

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

1. The Purchaser fully understands that (a) the Bonds have been issued under and pursuant to a Trust Indenture dated as of February 1, 2026 (the “Indenture”), between the City of Independence, Missouri (the “City”) and BOKF, N.A., Kansas City, Missouri, as trustee (the “Trustee”), and (b) the Bonds are payable solely out of certain rents, revenues and receipts to be derived from the leasing or sale of the Project (as defined in the Indenture) to MKEL Holdings, LLC, a Missouri limited liability company (the “Company”), under a Lease Agreement dated as of February 1, 2026 (the “Lease”), between the City and the Company, with certain of such rents, revenues and receipts being pledged and assigned by the City to the Trustee under the Indenture to secure the payment of the principal of and interest on the Bonds.

2. The Purchaser understands that the Bonds have not been registered under the Securities Act of 1933, as amended (the “1933 Act”), or the securities laws of any state and will be sold to the Purchaser in reliance upon certain exemptions from registration and in reliance upon the representations and warranties of the Purchaser set forth herein.

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

4. The Purchaser agrees not to attempt to offer, sell, hypothecate or otherwise distribute the Bonds to others unless authorized by the terms of the Indenture and upon receipt of any required opinion of counsel acceptable to the City, the Company, the Trustee and the Purchaser that all registration and disclosure requirements of the Securities and Exchange Commission and all other appropriate federal and Missouri securities laws and the securities law of any other applicable state are complied with.

5. The Company has (a) furnished to the Purchaser such information about itself as the Purchaser deems necessary in order for it to make an informed investment decision with respect to the purchase of the Bonds, (b) made available to the Purchaser, during the course of this transaction, ample opportunity to ask questions of, and to receive answers from, appropriate officers of the City and the terms and conditions of the offering of the Bonds, and (c) provided to the undersigned all additional information which it has requested.

6. The Purchaser acknowledges that no offering document has been prepared in connection with the sale of the Bonds. The Purchaser further acknowledges that it has timely received in satisfactory form and manner all proceedings, certificates, opinions, letters and other documents required to be submitted to the Purchaser pursuant to the Bond Purchase Agreement prior to or on the date of the delivery of and payment for the Bonds, and that the City and the Company have in all respects complied with and satisfied all of their respective obligations to the Purchaser which are required under the Bond Purchase Agreement to be complied with and satisfied on or before such date.

7. The Purchaser is now, and was when it agreed to purchase the Bonds, familiar with the operations of the Company and fully aware of terms and risks of the Bonds and that the Purchaser is relying on its own knowledge and investigation of facts and circumstances relating to the purchase of the Bonds. The Purchaser believes that the Bonds being acquired are a security of the type that the Purchaser wishes to purchase and hold for investment and that the nature and amount thereof are consistent with its investment program.

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

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

10. The Purchaser hereby directs the Trustee to hold the Bonds in trust for the undersigned pursuant to **Section 208** of the Indenture.

Dated: _____, 20__

[PURCHASER OF BONDS]

By: _____
Name: _____
Title: _____

**CITY OF INDEPENDENCE, MISSOURI,
As Lessor,**

AND

**MKEL HOLDINGS, LLC,
As Lessee**

LEASE AGREEMENT

Dated as of February 1, 2026

Relating to:

**\$3,530,000
(Aggregate Maximum Principal Amount)
City of Independence, Missouri
Taxable Industrial Development Revenue Bonds
(Surgery Center Project)
Series 2026**

Certain rights of the City of Independence, Missouri (the “City”), in this Lease Agreement have been pledged and assigned to BOKF, N.A., Kansas City, Missouri, as Trustee under the Trust Indenture dated as of February 1, 2026, between the City and the Trustee. Such pledge and assignment does not include the Unassigned Rights (defined in the Indenture).

LEASE AGREEMENT

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Appendix I: PILOT Payment Schedule

LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of February 1, 2026 (the “Lease”), is between the **CITY OF INDEPENDENCE, MISSOURI**, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri, as lessor (the “City”), and **MKEL HOLDINGS, LLC**, a limited liability company organized and existing under the laws of the State of Missouri, as lessee, and its successors or assigns, as permitted hereunder (the “Company”);

RECITALS:

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

2. Pursuant to the Act, the City Council passed an ordinance (the “Ordinance”) authorizing the City to issue its Taxable Industrial Development Revenue Bonds (Surgery Center Project), Series 2026, in the maximum principal amount of \$3,530,000 (the “Bonds”), for the purpose of acquiring and improving certain real property located at 19921 East Jackson Drive, Independence, Missouri 64057 (the “Project Site,” as more fully described on **Exhibit A** hereto), including the renovation, construction and improvement of a commercial facility on the Project Site (the “Project Improvements,” as more fully described on **Exhibit B** hereto).

3. Pursuant to the Ordinance, the City is authorized to enter into a Trust Indenture of even date herewith (the “Indenture”) with BOKF, N.A., Kansas City, Missouri, as Trustee (the “Trustee”), for the purpose of issuing and securing the Bonds, as therein provided, and to enter into this Lease with the Company under which the City will renovate, construct and improve the Project Improvements, and lease the Project Site and the Project Improvements as they may at any time exist (collectively, the “Project”), to the Company in consideration of rental payments by the Company that will be sufficient to pay the principal of and interest on the Bonds and certain payments in lieu of taxes.

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

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

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. In addition to any words and terms defined elsewhere in this Lease and the words and terms defined in **Section 101** of the Indenture which

definitions are hereby incorporated herein by reference, and terms defined, the following words and terms as used in this Lease shall have the following meanings:

“Additional Rent” means the additional rental described in **Sections 5.2 and 6.2** of this Lease.

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

“Certificate of Insurance Compliance” means a certificate in substantially the form set forth on **Exhibit D** hereto evidencing the Company’s compliance with the insurance requirements set forth in **Article VII** hereof, fully executed by the Authorized Company Representative and upon which the Trustee may conclusively rely without further investigation or inquiry.

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

“Full Insurable Value” means the actual replacement cost of the Project less physical depreciation as determined in accordance with **Section 7.1(a)** hereof.

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

“Lender” means any person who from time to time has made a loan to Company which is secured by a Mortgage.

“Mortgage” means any mortgage or deed of trust (together with all related loan documents and security agreements) relating to the Project and permitted pursuant to the provisions of **Section 10.4** hereof or existing prior to the date on which a memorandum of this Lease is recorded.

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

“Permitted Encumbrances” means, as of any particular time, as the same may encumber the Project Site, (a) liens for ad valorem taxes and special assessments not then delinquent, (b) the Indenture and this Lease, (c) utility, access and other easements and rights-of-way, mineral rights, restrictions, exceptions and encumbrances that will not materially interfere with or impair the operations being conducted on the Project Site or easements granted to the City, (d) such minor defects, irregularities, encumbrances, easements, mechanic’s liens, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Project Site and as do not in the aggregate materially impair the property affected thereby for the purpose for which it was acquired or is held by the City, (e) any Mortgage, (f) any assignment of leases and rents or similar assignment delivered by the Company in favor of a Lender in connection with any future Mortgage (delivered pursuant to **Section 10.4(b)** of this Lease), and (g) any encumbrances shown on a title policy or report included in the transcript of proceedings relating to the Bonds.

“PILOT Payments” means the payments set out on **Appendix I**.

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

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

Section 1.2. Rules of Interpretation.

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

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

(c) Wherever in this Lease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

(d) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other subdivision.

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

(f) Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

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

ARTICLE II

REPRESENTATIONS

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

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

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

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

(d) To the City's knowledge, no member of the City Council or any other officer of the City has any significant or conflicting interest, financial, employment or otherwise, in the Company or in the transactions contemplated hereby;

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

(f) The Bonds are to be issued under and secured by the Indenture, pursuant to which the Project and certain net earnings therefrom, including certain rents, revenues and receipts to be derived by the City from the leasing or sale of the Project (but excluding the Unassigned Rights), will be pledged and assigned to the Trustee as security for payment of the principal of and interest on the Bonds and amounts owing pursuant to the Lease;

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

(h) The City shall have no authority to operate the Project as a business or in any other manner except as the lessor thereof, except subsequent to an Event of Default hereunder.

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

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

(b) The Company has lawful power and authority to enter into this Lease and to carry out its obligations hereunder and by proper action of its members the Company has been

duly authorized to execute and deliver this Lease, acting by and through its duly authorized officers and representatives;

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

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

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

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

ARTICLE III

GRANTING PROVISIONS

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

Section 3.2. Lease Term. This Lease shall become effective upon its delivery, and subject to sooner termination pursuant to the provisions of this Lease, shall have a term commencing as of the date of this Lease and terminating on **December 1, 2036**.

Section 3.3. Possession and Use of the Project.

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

in order that the Company may have quiet and peaceable possession and enjoyment of the Project and will defend the Company's enjoyment and possession thereof against all parties.

(b) Subject to the provisions of this Section, the Company shall have the right to use the Project for any lawful purpose allowed by law and contemplated by the Act and this Lease. The Company shall comply in all material respects with all statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Project or to any adjoining public ways, as to the manner of use or the condition of the Project or of adjoining public ways. In the event of demonstrated noncompliance with such statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements the Company will take all reasonable steps to comply with such statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements. The Company shall also comply with the mandatory requirements, rules and regulations of all insurers under the policies carried under the provisions of **Article VII** hereof. The Company shall pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of the Company to comply with the provisions of this Section. Notwithstanding any provision contained in this Section, however, the Company shall have the right, at its own cost and expense, to contest or review by legal or other appropriate procedures the validity or legality of any such governmental statute, law, ordinance, order, judgment, decree, regulation, direction or requirement, or any such requirement, rule or regulation of an insurer, and during such contest or review the Company may refrain from complying therewith.

Section 3.4. Title to the Project. The City shall be the sole owner of the Project during the Lease Term, except for any portions of the Project released from this Lease pursuant to the terms hereof.

ARTICLE IV

RENOVATION, CONSTRUCTION AND IMPROVEMENT OF THE PROJECT

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

Section 4.2. Renovation, Construction and Improvement of the Project. The City and the Company agree that the Company, as the agent of the City, shall renovate, construct and improve the Project as follows:

(a) The City has acquired the Project Site prior to the execution hereof. Concurrently with the execution of this Lease, (i) a deed and any other necessary instruments of transfer will be delivered to the City and placed of record, and (ii) the commitment for title insurance or ownership and encumbrance report (which may be provided in the form of a copy of

the commitment for an owner's or loan policy of title insurance relating to the Company's acquisition of or private financing for the Project) required by **Article VII** hereof will be delivered to the City and the Trustee;

(b) On behalf of the City, the Company will renovate, construct and improve the Project Improvements on the Project Site and otherwise improve the Project Site in accordance with the Plans and Specifications. The Company may revise the Plans and Specifications from time to time as it deems necessary to carry out the Project, but revisions that would materially alter the intended purpose of the Project or any major component thereof may be made only with the prior written approval of the City. The Company agrees that the aforesaid renovation, construction and improvement will, with such changes and additions as may be made hereunder, result in facilities suitable for use by the Company for its purposes, and that all real and personal property described in the Plans and Specifications, with such changes and additions as may be made hereunder, is desirable and appropriate in connection with the Project. The provisions of this paragraph are in addition to and do not supersede the provisions of **Section 8.2**; and

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

Section 4.3. Project Costs. The City hereby agrees to pay for, but solely from the Project Fund, and hereby authorizes and directs the Trustee to pay for, but solely from the Project Fund, all Project Costs upon receipt by the Trustee of a certificate pursuant to **Section 4.4** hereof. The Company may not submit any requisition certificates for Project Costs incurred after the Completion Date. The Company must submit all requisitions for Project Costs incurred before the Completion Date within three months after the Completion Date.

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

Section 4.5. Establishment of Completion Date. The Completion Date shall be evidenced to the Trustee by a certificate signed by the Authorized Company Representative stating (a) the renovation, construction and improvement of the Project has been completed in accordance with the Plans and Specifications, (b) that all costs and expenses incurred in the renovation, construction and improvement of the Project have been paid except costs and expenses the payment of which is not yet due or is being retained or contested in good faith by the Company, and (c) amounts to be retained by Trustee with respect to item (b) above. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. The Company and the City agree to cooperate in causing such certificate to be furnished to the Trustee.

Section 4.6. Surplus or Deficiency in Project Fund.

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

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

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

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

Section 4.9. Environmental Matters. The Company acknowledges that it is responsible for maintaining the Project in compliance with all Environmental Laws. In the event that the Company fails to undertake to comply with any final, non-appealable order issued by any local, state or federal authority under applicable Environmental Law, the City or the Trustee, immediately after notice to the Company, may elect (but shall not be required) to undertake such compliance. Any moneys expended by the City or the Trustee in efforts to comply with any applicable Environmental Law (including the reasonable cost of hiring consultants, undertaking sampling and testing, performing any cleanup necessary or useful in the compliance process and reasonable attorneys' fees) shall be due and payable as Additional Rent hereunder with interest thereon at the average rate of interest per annum on the Bonds, plus two (2) percentage points, from the date such cost is incurred. There shall be unlimited recourse to the Company to the extent of any liability incurred by the City or the Trustee with respect to any breaches of the provisions of this section.

The Company shall and does hereby indemnify the City, the Trustee and the Bondowners and agree to defend and hold them harmless from and against all loss, cost, damage and expense (including, without limitation, reasonable attorneys' fees and costs associated incurred in the investigation, defense

and settlement of claims) that they may incur, directly or indirectly, as a result of or in connection with the assertion against them or any of them of any claim relating to the presence on, escape or removal from the Project during the term of this Lease of any hazardous substance or other material regulated by any applicable Environmental Law, or compliance with any applicable Environmental Law, whether such claim is raised before, during or after the term of this Lease, including claims relating to personal injury or damage to property; provided, however, this indemnity shall only relate to claims resulting from the City's ownership of the Project and the Trustee's acceptance of its duties as Trustee hereunder.

ARTICLE V

RENT PROVISIONS

Section 5.1. Basic Rent. The Company covenants and agrees to pay to the Trustee in same day funds for the account of the City during this Lease Term, for deposit in the Bond Fund on or before 10:00 a.m., Trustee's local time, on or before each December 1, commencing December 1, 2026 and continuing until the principal of and interest on the Bonds shall have been fully paid, an amount which, when added to any collected funds then on deposit in the Bond Fund and available on such Payment Date, shall be equal to the total amount payable on each December 1 as interest on the Bonds. On **December 1, 2036** (or such earlier date as the Company may elect or be required to redeem the Bonds), the Company shall also pay an amount equal to all principal then due on the Bonds in connection with such maturity or redemption. All payments of Basic Rent provided for in this Section shall be paid directly to the Trustee and shall be deposited in accordance with the provisions of the Indenture into the Bond Fund and shall be used and applied by the Trustee in the manner and for the purposes set forth in this Lease and the Indenture, provided that if the Company is the Owner of all the Bonds Outstanding, payment of Basic Rent as provided for in this Section may be made via a transaction entry on the trust records held by the Trustee and the Paying Agent consistent with **Section 204(e)** and **Section 208(g)** of the Indenture. Any Basic Rent paid by the Company which exceeds the total amount payable on such payment dates shall be immediately paid to the Company by wire transfer. At its option, on the final Payment Date, the Company may deliver to the Trustee for cancellation Bonds not previously paid and the Company shall receive a credit against the Basic Rent payable by the Company in an amount equal to the principal amount of the Bonds so tendered for cancellation plus accrued interest thereon.

In furtherance of the foregoing and of **Section 204(e)** and **Section 208(g)** of the Indenture, and notwithstanding any other provision in this Lease, the Indenture or the Bond Purchase Agreement, and provided that the Company is the sole Bondowner, the Company may set-off each Basic Rent payment against the City's obligation to the Company as Bondowner, in lieu of delivery of a payment of Basic Rent on any date on which principal of or interest on the Bonds is payable, without providing notice of such set-off to the Trustee. The Trustee may conclusively rely on the absence of any notice from the Company to the contrary as evidence that such set-off has occurred.

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

- (a) all reasonable fees, charges and expenses, including agent and counsel fees, of the City or the Trustee incurred under the Indenture, this Lease, or any other document entered into in connection with the Bonds, as and when the same become due;

(b) all costs incident to the payment of the principal of and interest on the Bonds as the same becomes due and payable, including all costs and expenses in connection with the call, redemption and payment of all outstanding Bonds;

(c) all reasonable costs which are reasonably incurred in connection with the enforcement of any rights against the Company or the Project or in connection with a failure of the Company to perform its obligations under this Lease or the Indenture by the City, the Trustee or the Bondowners, including counsel fees and expenses;

(d) on each December 1, a PILOT Payment to the City in the amount shown for such year on **Appendix I**; and

(e) all other payments of whatever nature which Company has agreed to pay or assume under the provisions of this Lease.

Section 5.3. Obligations of Company Absolute and Unconditional.

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

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

Section 5.4. Prepayment of Basic Rent. The Company may at any time and from time to time prepay a portion of the Basic Rent provided for hereunder (subject to the limitations of

Section 301(a) of the Indenture relating to the redemption of the Bonds). During such times as the amount held by the Trustee in the Bond Fund shall be sufficient to pay, at the time required, the principal of and interest on all the Bonds then remaining unpaid, the Company shall not be obligated to make payments of Basic Rent under the provisions of this Lease.

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

ARTICLE VI

MAINTENANCE, TAXES AND UTILITIES

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

Section 6.2. Taxes, Assessments and Other Governmental Charges.

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

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

agrees to cooperate fully with the Company in connection with any and all administrative or judicial proceedings related to any tax, assessment or other governmental charge. The Company shall save and hold harmless the City and the Trustee from any costs and expenses the City and the Trustee may incur related to any of the above.

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

(d) The Project Site is within the Hartman Heritage Center Community Improvement District, which imposes a special assessment. The Company shall remain obligated to pay all special assessments imposed by such community improvement district during the time that the Project is owned by the City.

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

Section 6.4. Property Tax Exemption. The City and the Company agree that while the Project is owned by the City and is subject to this Lease, the Project and the leasehold interest of the Company in the Project will be exempt from all *ad valorem* real property taxes by reason of such ownership, and the City agrees that it will (at the expense of the Company) cooperate with the Company to defend such exemption against all parties. Notwithstanding the foregoing, Company will annually pay to the City the payments with respect to the Project set forth in **Appendix I**. Within 30 days of the date of receipt of each PILOT Payment, the City or designated billing/collection agent shall distribute each PILOT Payment among the taxing jurisdictions in proportion to the amount of taxes which would have been paid in each year had the Project not been exempt from taxation.

Section 6.5. Administration Costs. Under Section 100.050 of the Act, the City may require the Company to reimburse the City for its actual costs of issuing the Bonds and administering the plan including costs associated with this Agreement, in an amount of no greater than \$1,000 per year. The City will provide a statement for such costs to the Company not later than November 1 of each year and the Company will reimburse the City for its costs on or before December 31 of each year continuing until December 31 of the year in which this Agreement expires or is terminated.

Section 6.6. Sales Tax Exemption. Upon request of the Company after the issuance of the Bonds, the City will issue a sales tax exemption certificate to the Company for construction materials to be purchased for the Project and the City shall provide such other documentation as may be necessary from time to time to effect said sales tax exemption. The Company shall use the exemption certificate only for the purchase of construction materials to be incorporated into the Project on the Project Site and shall not use the exemption certificate for the purchase of any personal property other than construction materials. The Company shall indemnify and defend the City and its respective officers, employees and agents against and from any and all causes of action or actions in law or equity, liens, claims damages, loss, costs or expenses of any nature whatsoever by any person or entity, arising out of the City's furnishing of the exemption certificate.

ARTICLE VII

INSURANCE

Section 7.1. Title Report. Before conveying title to any real property to the City, the Company will provide a report reasonably acceptable to the City showing the ownership of and encumbrances on the Project Site. Copies of such report shall be provided to the City and the Trustee.

Section 7.2. Property Insurance.

(a) The Company shall at its sole cost and expense obtain and shall maintain throughout the Lease Term, a policy or policies of insurance (including, if appropriate, builder's risk insurance) to keep the Project constantly insured against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State of Missouri in an amount equal to the Full Insurable Value thereof (subject to reasonable loss deductible provisions). The insurance required pursuant to this Section shall be maintained with a generally recognized responsible insurance company or companies authorized to do business in the State of Missouri or generally recognized international insurers or reinsurers with an A.M. Best rating of B+ or the equivalent thereof or better as may be selected by the Company. All such policies of insurance pursuant to this Section, and all renewals thereof, shall name the Company as insured and the City and the Trustee shall be named as loss payees, as their respective interests may appear, and shall contain a provision that the issuer of such insurance will provide at least 10 days' advance written notice to, the Company of the cancellation of such insurance. Company agrees it shall immediately forward any notice of cancellation it receives from the issuer of such insurance to the City and Trustee. The Company shall provide the City and the Trustee, on an annual basis, commencing on December 1, 2026 with a Certificate of Insurance Compliance, in the form of **Exhibit D** attached hereto, certifying compliance with this Section and containing copies of the insurance policies required under this Section, or certificates thereof. The Trustee shall be entitled to conclusively rely upon such certificate as to the Company's compliance with the insurance requirements. The Trustee makes no representation as to, and shall have no responsibility for the sufficiency or adequacy of, the insurance.

(b) In the event of loss or damage to the Project, the Net Proceeds of property insurance carried pursuant to this Section shall be applied as provided in **Article IX** of this Lease, or as may be directed by, or on behalf of, the Owners of 100% in principal amount of the Bonds outstanding.

Section 7.3. Commercial General Liability Insurance.

(a) The Company shall at its sole cost and expense maintain or cause to be maintained at all times during the Lease Term general accident and commercial general liability insurance under which the City, the Company and the Trustee shall be named as additional insureds, properly protecting and indemnifying the City and the Trustee, in an amount not less than the limits of liability set by Section 537.610 of the Revised Statutes of Missouri (subject to loss deductible clauses not to exceed \$50,000). The policies of said insurance shall contain a provision that the issuer of such insurance will provide at least 10 days' advance written notice to the Company of the cancellation of such insurance. The Company agrees it shall immediately forward any notice of cancellation it receives from the issuer of such insurance to the City and Trustee. The Company shall provide the City and the Trustee, on an annual basis, commencing on December 1, 2026 with a Certificate of Insurance Compliance, in the form of **Exhibit D** attached hereto, certifying compliance with this Section and containing copies of the insurance policies required under this Section, or certificates thereof. The Trustee shall be entitled to conclusively rely upon such certificate as to the Company's compliance with the insurance requirements.

The Trustee makes no representation as to, and shall have no responsibility for the sufficiency or adequacy of, the insurance.

(b) In the event of a public liability occurrence, and subject to the rights of Lender under and pursuant to the terms of the Mortgage (except that no right of the Lender under the Mortgage shall affect the right of the City or the Trustee to the protection and indemnification provided as additional insureds pursuant to subsection(a), above), the Net Proceeds of liability insurance carried pursuant to this Section shall be applied toward the extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Section 7.4. Workers' Compensation. The Company agrees throughout the Lease Term to maintain or cause to be maintained the Workers' Compensation coverage required by the laws of the State of Missouri.

Section 7.5. Blanket Insurance Policies; Self-Insurance. The Company may satisfy any of the insurance requirements set forth in this Article by using blanket policies of insurance, provided each and all of the requirements and specifications of this Article respecting insurance are complied with. Nothing in this Lease shall be construed from prohibiting the Company from self-insuring provided the Company, or in combination with its parent corporation, has a net worth in excess of \$200,000,000, as determined by generally accepted accounting principles.

ARTICLE VIII

ALTERATION OF THE PROJECT

Section 8.1. Additions, Modifications and Improvements to the Project. The Company shall have and is hereby given the right, at its sole cost and expense, to make such additions, modifications and improvements in and to any part of the Project as the Company from time to time may deem necessary or desirable for its business purposes. All additions, modifications and improvements made by the Company pursuant to the authority of this Section shall (a) be made in workmanlike manner and will comply in all material respects with all laws and ordinances applicable thereto, (b) when commenced, be prosecuted to completion with due diligence, and (c) when completed, be deemed a part of the Project; provided, however, that additions of machinery, equipment and other personal property installed on the Project Site by the Company not purchased or acquired from funds deposited with the Trustee hereunder and not constituting repairs, renewals or replacements of the Project shall remain the property of the Company and may be removed by the Company. Such property shall be subject to *ad valorem* taxes.

Section 8.2. Additional Improvements on the Project Site. The Company may, at its sole cost and expense, construct on portions of the Project Site not theretofore occupied by buildings or improvements such additional buildings and improvements as the Company from time to time may deem necessary or desirable for its business purposes. All additional buildings and improvements constructed on the Project Site by the Company, and not paid for with Bond proceeds, pursuant to the authority of this Section shall not be included as Project Improvements and, during the life of this Lease, shall remain the property of the Company and may be added to, altered or razed and removed by the Company at any time. All additional buildings and improvements shall be made in a good and workmanlike manner and in strict compliance with all material laws, orders and ordinances applicable thereto and when commenced shall be prosecuted to completion with due diligence. The Company covenants and agrees (a) to make any repairs and restorations required to be made to the Project because of the construction of,

addition to, alteration or removal of said additional buildings or improvements, and (b) to promptly and with due diligence either raze and remove or repair, replace or restore any of said additional buildings and improvements as may from time to time be damaged by fire or other casualty. The Company shall pay all ad valorem taxes and assessments payable with respect to such additional buildings and improvements which remain the property of the Company. If for any reason the County Assessor determines that such additional buildings and improvements are not subject to ad valorem taxes, the Company shall make payments in lieu of taxes in an amount equal to the taxes that would otherwise be due under this Section.

Section 8.3. Permits and Authorizations. The Company shall not do or permit others under its control to do any work on the Project related to any repair, rebuilding, restoration, replacement, modification or addition to the Project, or any part thereof, unless all requisite municipal and other governmental permits and authorizations shall have been first procured. All such work shall be done in a good and workmanlike manner and in material compliance with all applicable building, zoning and other laws, ordinances, governmental regulations. In the event of demonstrated noncompliance with such laws, ordinances, governmental regulations and requirements the Company will take all reasonable steps to comply with laws, ordinances, governmental regulations and requirements.

Section 8.4. Mechanics' Liens.

(a) The Company will not directly or indirectly create, incur, assume or suffer to exist any lien on or with respect to the Project, except Permitted Encumbrances, and the Company shall promptly notify the City of the imposition of such lien of which the Company is aware and shall promptly, at its own expense, take such action as may be necessary to fully discharge or release any such lien. Whenever and as often as any mechanics' or other similar lien is filed against the Project, or any part thereof, purporting to be for or on account of any labor done or materials or services furnished in connection with any work in or about the Project, the Company shall discharge the same of record within 90 days after the date of filing. Notice is hereby given that the City shall not be liable for any labor or materials furnished the Company or anyone claiming by, through or under the Company upon credit, and that, except as may be consented to by the City in a document recorded with the Jackson County Recorder of Deeds, no mechanics' or other similar lien for any such labor, services or materials shall attach to or affect the reversionary or other estate of the City in and to the Project or any part thereof.

(b) Notwithstanding paragraph (a) above, the Company may contest any such mechanics' or other similar lien if the Company (1) within said 90-day period stated above notifies the City and the Trustee in writing of its intention so to do, (2) diligently prosecutes such contest, (3) at all times effectively stays or prevents any official or judicial sale of the Project, or any part thereof or interest therein, under execution or otherwise, (4) promptly pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim and (5) thereafter promptly procures record release or satisfaction thereof. The Company may permit the lien so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Company is notified by the City that, in the opinion of counsel, by nonpayment of any such items, the interest of the City in the Project will be subject to loss or forfeiture. In that event, the Company shall promptly, at its own expense, take such action as may be reasonably necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The Company shall save and hold harmless the City from any loss, costs or expenses the City may incur related to any such contest. The Company shall reimburse the City for any expense incurred by it in connection with the imposition of any such lien or in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim. The City shall cooperate fully with the Company in any such contest.

ARTICLE IX

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 9.1. Damage or Destruction.

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

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

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

(b) Unless the Company makes the determination described in subsection (f) below, if any of the insurance monies paid by the insurance company as hereinabove provided remain after the completion of such repairs, restoration, replacement or rebuilding, and this Lease has not been terminated, the excess shall be deposited in the Bond Fund, subject to the rights of any Lender under the terms of the Mortgage. Completion of such repairs, restoration, replacement or rebuilding shall be evidenced by a certificate of completion in accordance with the provisions of **Section 4.5** hereof. If the Net Proceeds are insufficient to pay the entire cost of such repairs, restoration, replacement or rebuilding, the Company shall pay the deficiency.

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

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

(e) The Company agrees to give prompt notice to the City and the Trustee with respect to all fires and any other casualties occurring in, on, at or about the Project Site which damages a material portion of the Project.

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

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

Section 9.2. Condemnation.

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

(b) If the Company determines that such substitution is practicable and desirable, the Company shall proceed promptly with and complete with reasonable dispatch the acquisition or construction of such substitute improvements, so as to place the Project in substantially the same condition as existed before the exercise of the said power of eminent domain, including the acquisition or construction of other improvements suitable for the Company's operations at the Project (which improvements will be deemed a part of the Project and available for use and occupancy by the Company without the payment of any rent other than herein provided, to the same extent as if such other improvements were specifically described herein and demised hereby); provided, that such improvements

will be acquired by the City subject to no liens, security interests or encumbrances before the lien and/or security interest afforded by the Indenture and this Lease other than Permitted Encumbrances. In such case, any Net Proceeds received from any award or awards with respect to the Project or any part thereof made in such condemnation or eminent domain proceedings, or of the sale proceeds, shall be applied in the same manner as provided in **Section 9.1** hereof (with respect to the receipt of casualty insurance proceeds).

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

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

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

Section 9.3. Bondowner Approval. Notwithstanding anything to the contrary contained in this **Article IX**, and subject to the rights of the Lender, the proceeds of any insurance received subsequent to a casualty or of any condemnation proceedings (or threats thereof) may prior to the application thereof by the City or the Trustee be applied as directed by the Owners of 100% of the principal amount of Bonds Outstanding, subject and subordinate to (a) the terms and conditions of the Mortgage; (b) the rights of the City and the Trustee to be paid all their expenses (including attorneys' fees, trustee's fees and any extraordinary expenses of the City and the Trustee) incurred in the collection of such gross proceeds.

ARTICLE X

SPECIAL COVENANTS

Section 10.1. No Warranty of Condition or Suitability by the City; Exculpation and Indemnification. The City makes no warranty, either express or implied, as to the condition of the Project or that it will be suitable for the Company's purposes or needs. The Company releases the City and the Trustee from, agrees that the City and the Trustee shall not be liable for and agrees to hold the City and the Trustee harmless against, any loss or damage to property or any injury to or death of any

Person that may be occasioned by any cause whatsoever pertaining to the Project or the Company's use thereof, unless such loss is the result of the City's or the Trustee's gross negligence or willful misconduct. This provision shall survive termination of this Lease.

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

Section 10.3. City's Right of Access to the Project. The Company agrees that the City and the Trustee and their duly authorized agents shall have the right at reasonable times during business hours, subject to 24 hours' advance written notice and the Company's usual safety and security requirements, to enter upon the Project Site (a) to examine and inspect the Project without interference or prejudice to the Company's operations, (b) as may be reasonably necessary to cause to be completed the purchase and installation provided for in **Section 4.2** hereof, (c) performing such work in and about the Project Site made necessary by reason of the Company's default under any of the provisions of this Lease, and (d) exhibiting the Project to prospective purchasers, lessees or trustees subsequent to an Event of Default.

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

(a) Subject to **Sections 10.4(b)** and (c), if no Event of Default under this Lease has happened and is continuing, the Company may at any time or times (i) grant subleases (as permitted in **Section 13.1(b)** hereof), easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements that are for the direct use of the Project, or part thereof, by the grantee, (ii) release or terminate existing subleases, easements, licenses, rights-of-way and other rights or privileges, all with or without consideration and upon such terms and conditions as the Company shall determine, or (iii) incur Permitted Encumbrances. The Company may take such actions and may execute any applicable documents in the Company's own name. No separate signature of or authorization from the City shall be required for the execution and delivery of any such document, although the City agrees to execute and deliver such confirming documents as are described below, under the procedures described below, if the Company chooses to make such a request, provided that no such document shall impose any obligation (monetary or otherwise) on the City or require any representations by the City. All third parties entering into agreements with the Company or receiving delivery of or the benefit of such agreements or documents shall be entitled to rely upon the same as having been executed and delivered by the City, unless such third party has actual or constructive notice, expressly in writing, that the agency herein granted by the City to the Company has been terminated by the City because of an uncured Event of Default hereunder. The City agrees that it will execute and deliver and will cause and direct the Trustee to execute and deliver any instrument necessary or appropriate to confirm and grant, release or terminate any such sublease, easement, license, right-of-way or other right or privilege or any such agreement or other arrangement, upon receipt by the City and the Trustee of: (i) a copy of the

instrument of grant, release or termination or of the agreement or other arrangement, (ii) a written application signed by an Authorized Company Representative requesting such instrument, and (iii) a certificate executed by an Authorized Company Representative stating that such grant or release is not detrimental to the proper conduct of the business of the Company, will not impair the effective use or interfere with the efficient and economical operation of the Project, will not materially adversely affect the security intended to be given by or under the Indenture and will be a Permitted Encumbrance; *provided that* the City shall not be required to undertake any duties or payment obligations under such instruments and shall make only such representations as it deems appropriate in its sole discretion. If no Event of Default has happened and is continuing beyond any applicable grace period, any payments or other consideration received by the Company for any such grant or with respect to or under any such agreement or other arrangement shall be and remain the property of the Company; but, subject to **Sections 10.4(b) and (c)**, upon (i) termination of this Lease for any reason other than the redemption of the Bonds and/or the purchase of the Project by the Company or (ii) the occurrence and continuance of an Event of Default by the Company, all rights then existing of the Company with respect to or under such grant shall inure to the benefit of and be exercisable by the City and the Trustee.

(b) The City acknowledges and agrees that the Company may finance and refinance its rights and interests in the Project, this Lease, and the leasehold estate created hereby with prior notice to but without the consent of the City, provided and upon condition that a duplicate original or certified copy or photostatic copy of each Mortgage, and the note or other obligation secured thereby, is delivered to the City within thirty (30) days after the execution thereof. The Company may mortgage the fee estate held by the City with the consent of the City, not to be unreasonably withheld, conditioned, or delayed. In either case, in connection therewith, the Company shall have the right to assign this Lease, the leasehold estate, any sublease, and any rights in connection therewith, and/or grant liens or security interests therein, to any Lender. Any further sublease or assignment by any Lender shall be subject to the provisions of **Section 13.1(c)**.

(c) With respect to a future Mortgage, upon notice by the Company to the City in writing that it has executed a Mortgage under which it has granted rights in this Lease to a Lender which includes the name and address of such Lender, the following provisions shall apply in respect of each such Lender:

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

(2) the City shall serve upon each such Lender (at the address, if any, provided to the City) a copy of each notice of the occurrence of an Event of Default and each notice of termination given to the Company under this Lease, at the same time as such notice is served upon the Company. No such notice to the Company shall be effective unless a copy thereof is thus served upon each Lender (at the address, if any, provided to the City);

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

(4) the City may exercise any of its rights or remedies with respect to any other Event of Default by the Company, subject to the rights of each Lender under this **Section 10.4(c)** as to such other events of default. Without limiting the generality of the foregoing, any Lender

holding a Mortgage of the fee simple interest or leasehold interest in the Project may cause the sale of the fee simple interest or any leasehold interest of the Company, as applicable, to be sold at foreclosure sale conducted in accordance with applicable law and the terms of the Mortgage, may accept assignment of this Lease in lieu of foreclosure and may appoint a receiver for the Project, all without obtaining the prior written consent of the City (provided that the City's right to exercise remedies under this Lease against any successor in interest shall not be reduced by virtue of such transfer);

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

(6) such Lenders (and their designees, nominees, assignees, or transferees) shall have the right to enter, possess and use the Project at such reasonable times and manner as are necessary or desirable to effectuate the remedies and enforce their respective rights under the Mortgage(s); and

(7) Any notice sent by the Company to the City and the Trustee pursuant to any provision of this Lease shall also be sent to the Lender.

(d) In connection with the execution of one or more Mortgages, upon the request of the Company, the City agrees to execute such documents as shall be reasonably requested by a Lender and which are usual and customary in connection with the closing of the financing or refinancing pursuant to the Mortgage, provided that the City shall not be required to undertake any duties or payment obligations under such documents and shall make only such representations as it deems appropriate in its sole discretion. The Company agrees to reimburse the City for any and all costs and expenses incurred by the City pursuant to this Section, including reasonable attorneys' fees and expenses, in complying with such request.

(e) Notwithstanding anything contained to the contrary in this Lease, (a) the Company shall have the right to assign this Lease and any subleases to a Lender or to the designee or nominee of a Lender, without the consent of the City, and (b) if a Lender or its designee or nominee shall acquire ownership of the leasehold estate, either following foreclosure of the applicable Mortgage or in liquidation of the indebtedness and in lieu of foreclosure thereof, said Lender or its designee or nominee shall have the further right to further assign this Lease and any subleases and any purchase money mortgage accepted in connection therewith, without the consent of the City and such assignee shall enjoy all rights, powers and privileges granted herein to said Lender; provided, however, that such Lender or its assignee or nominee, or their assignee or nominee, shall assume in writing all rights, duties and obligations of the Company under this Lease.

(f) During the term of any Mortgage, the following provisions shall apply:

(i) this Lease may not be modified, amended, canceled or surrendered by agreement between the City and the Company, without the prior written consent of the applicable Lender;

(ii) if this Lease shall terminate prior to the expiration of the Lease Term, the City shall enter into a new lease for the Project with the applicable Lender or its designee or nominee, for the remainder of the Lease Term, effective as of the date of such termination, at the same rent and upon the same terms, covenants and conditions contained herein, except that such new lease shall not guarantee possession of the Project to the new tenant as against the Company and/or anyone claiming under the Company, and the City, simultaneously with the execution and delivery of such new lease, shall turn over to the new tenant all monies, if any, then held by the City under the Lease on behalf of the Company, on condition that:

(A) The applicable Lender shall make written request for such new lease within thirty (30) days after the date of such termination, and

(B) on the commencement date of the term of the new lease, the applicable Lender shall cure all defaults of the Company under the Lease (susceptible of being cured by such Lender) which remain uncured on that date, and shall pay or cause to be paid all unpaid sums which at such time would have been payable under this Lease but for such termination, and shall pay or cause to be paid to the City on that date all fees, costs, charges and expenses, including, without limitation, reasonable counsel fees, court costs and disbursements, incurred by the City or the Trustee in connection with any such default and termination as well as in connection with the execution and delivery of such new lease;

(iii) if a Lender or its designee or nominee shall become the owner of this Lease either following foreclosure of a Mortgage or in liquidation of the indebtedness and in lieu of foreclosure thereof and said Lender or its designee or nominee shall have assigned this Lease, said Lender or its designee or nominee so assigning shall be released from all liability accruing from and after the date of such assignment.

(g) The City agrees that any requested consent or signature of the City to any Mortgage under this Section (including any related document, including but not limited to documents subordinating the City's fee interest in the Project Site or any portion thereof to a Mortgage) may be given by the (Interim) City Manager, in his or her discretion, without further approval of the City Council. The City agrees that if a Mortgage on the fee interest in the Project Site is granted that this Lease shall be subject to, and subordinate to, any such Mortgage and that the Lender will not be required to grant any rights of nondisturbance with respect to this Lease.

Section 10.5. Indemnification of City and Trustee. The Company shall indemnify and save and hold harmless the City and the Trustee and their governing body members, officers, agents and employees (collectively, the "Indemnified Parties") from and against all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, by or on behalf of any person, firm or corporation arising from the issuance of the Bonds and the execution of this Lease, the Indenture or any other documents entered into in connection with the Bonds and from the conduct or management of, or from any work or thing done in or on the Project during the Lease Term, and against and from all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, arising during the Lease Term from (a) any condition of the Project, (b) any breach or default on the part of the Company in the performance of any of its obligations under this Lease or any related document, (c) any contract entered into by the Company in connection with the purchase, renovation, construction, extension or

improvement of the Project (including any failure to comply with Section 107.170 of the Missouri Revised Statutes, as amended, with respect to such contract), (d) any act of negligence of the Company or of any of its agents, contractors, servants, employees or licensees, (e) unless the Company has been released from liability pursuant to **Section 13.1(c)**, any act of negligence of any assignee or sublessee of the Company, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of the Company, (f) obtaining any applicable state and local sales and use tax exemptions for materials or goods that become part of the Project, and (g) any claim relating to the presence on, escape or removal from the Project during the term of the Lease of any hazardous substance or other material regulated by any applicable Environmental Law, or compliance with any applicable Environmental Law, whether such claim arises before, during or after the term of this Lease, including claims relating to personal injury or damage to property; provided, however, the indemnification contained in this **Section 10.5** shall not (i) extend to the City if such claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, are the result of work being performed at the Project by employees of the City or the result of negligence or willful misconduct by the City (unless relating to a failure to comply with Section 107.170 of the Missouri Revised Statutes, as amended), or (ii) extend to the Trustee if such claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, are the result of the negligence or willful misconduct of the Trustee or (iii) the performance or failure to perform by the City or the Trustee of its obligations under this Lease or any related documents. Upon notice from the City or the Trustee, the Company shall defend them or either of them in any such action or proceeding. This **Section 10.5** shall survive any termination of this Lease or the satisfaction and discharge of the Indenture.

In case any action shall be brought against one or more of the Indemnified Parties based upon the foregoing indemnification and in respect of which indemnity may be sought against the Company, the Indemnified Parties shall promptly notify the Company in writing and the Company shall promptly assume the defense thereof, including the employment of counsel, the payment of all reasonable expenses and the right to negotiate and consent to settlement. If the Company shall have wrongfully failed to assume the defense of such action, the reasonable fees and expenses of counsel retained by the Indemnified Party shall be paid by the Company. If any of the Indemnified Parties is advised by counsel retained by the Company to defend such action that there may be legal defenses available to it which are adverse to or in conflict with those available to the Company or any other Indemnified Party, and that the defense of such Indemnified Party should be handled by separate counsel, the Company shall not have the right to assume the defense of such Indemnified Party, but shall be responsible for the reasonable fees and expenses of counsel retained by such Indemnified Party in assuming its own defense, provided, such counsel shall be acceptable to the Company. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties unless employment of such counsel has been specifically authorized by the Company. The Company shall not be liable for any settlement of any such action effected without its consent by any of the Indemnified Parties, but if settled with the consent of the Company or if there be a final judgment for the plaintiff in any such action against the Company or any of the Indemnified Parties, with or without the consent of the Company, the provided that the Company was given prompt written notice and the ability to assume the defense thereof as required by this paragraph, the Company agrees to indemnify and hold harmless the Indemnified Parties to the extent provided herein.

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

Section 10.7. Company to Maintain its Corporate Existence. The Company agrees that until the Bonds are paid or payment is provided for in accordance with the terms of the Indenture, it will maintain its corporate existence, and will not dissolve or otherwise dispose of all or substantially all of its assets; provided, however, that the Company may, without violating the agreement contained in this Section, consolidate with or merge into another domestic corporation (i.e., a corporation incorporated and existing under the laws of one of the states of the United States) or permit one or more other domestic corporations to consolidate with or merge into it, or may sell or otherwise transfer to another domestic corporation all or substantially all of its assets as an entirety and thereafter dissolve, provided, the surviving, resulting or transferee corporation either (A) becomes, in connection with the consolidation, merger or sale of assets becomes the Owner of 100% in principal amount of the Bonds outstanding and expressly assumes in writing all of the obligations of the Company contained in this Lease, or (B) if not the Owner of 100% in principal amount of the Bonds outstanding, expressly assumes in writing all the obligations of the Company contained in this Lease; and, further provided, that if not the Owner of 100% in principal amount of the Bonds outstanding, the surviving, resulting or transferee corporation, as the case may be, has a consolidated net worth (after giving effect to said consolidation, merger or transfer) at least (i) equal to or greater than that of the Company immediately prior to said consolidation, merger or transfer, or (ii) \$10,000,000. The term "net worth," as used in this Section, shall mean the difference obtained by subtracting total liabilities (not including as a liability any capital or surplus item) from total assets of the Company and all of its subsidiaries. In any such consolidation, merger or transfer the Company shall comply with the provisions of **Section 13** hereof to the extent applicable.

Section 10.8. Security Interests. At the written request of the Owner of the Bonds, the City and the Company agree to enter into all instruments (including financing statements and statements of continuation) necessary for perfection of and continuance of the perfection of the security interests of the City and the Trustee in the Project. Upon the written instructions of the Owner of the Bonds, the Trustee, at the Company's expense, shall file all instruments the Owner of the Bonds shall deem necessary to be filed and shall continue or cause to be continued the liens of such instruments for so long as the Bonds shall be Outstanding. The City and the Company shall cooperate with the Trustee in this regard by executing such continuation statements and providing such information as the Trustee may require to renew such liens.

ARTICLE XI

OPTION AND OBLIGATION TO PURCHASE THE PROJECT

Section 11.1. Option to Purchase the Project. The Company shall have, and is hereby granted, the option to purchase the Project at any time, upon payment in full of all Bonds then outstanding or provision for their payment having been made pursuant to **Article XIII** of the Indenture. To exercise such option the Company shall give written notice to the City and to the Trustee, and shall specify therein the date of closing such purchase, which date shall be not less than 15 nor more than 90 days from the date such notice is mailed unless otherwise agreed by the Company, the City and the Trustee, and in case of a redemption of the Bonds in accordance with the provisions of the Indenture, the Company shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. Notwithstanding the forgoing, if the City or the Trustee provides notice of its intent to exercise its remedies hereunder (a "Remedies Notice"), the Company shall be deemed to have exercised its repurchase option under this subsection on the 29th day following the issuance of the Remedies Notice without any further action by the Company; provided said notice has not been rescinded by such date (such option to take place on the 29th day following the issuance of the Remedies Notice). The Company may rescind such exercise by providing written notice to the City and the Trustee on or prior to the 29th

day following the issuance of the Remedies Notice and by taking such action as may be required to cure the default that led to the giving of the Remedies Notice. The purchase price payable by the Company in the event of its exercise of the option granted in this subsection shall be the sum of the following:

- (1) an amount of money which, when added to the amount then on deposit in the Bond Fund, will be sufficient to redeem all the then outstanding Bonds on the earliest redemption date next succeeding the closing date, including, without limitation, principal and interest to accrue to said redemption date and redemption expense; plus
- (2) an amount of money equal to the Trustee's agreed to and reasonable fees, charges and expenses under the Indenture accrued and to accrue until such redemption of the Bonds; plus
- (3) an amount of money equal to all PILOT Payments due and payable through the end of the calendar year in which the date of purchase occurs; plus
- (4) the sum of \$100.00.

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

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

- (a) If the Indenture shall not at the time have been satisfied in full, a release from the Trustee of the Project from the lien and/or security interest of the Indenture and this Lease and appropriate termination of financing statements as required under the Uniform Commercial Code; and
- (b) Documents, including without limitation a deed as to the Project Site, conveying to the Company legal title to the Project, as it then exists, in recordable form, subject to the following: (i) those liens and encumbrances, if any, to which title to the Project was subject when conveyed to the City; (ii) those liens and encumbrances created by the Company or to the creation or suffering of which the Company consented; (iii) those liens and encumbrances resulting from the failure of the Company to perform or observe any of the agreements on its part contained in this Lease; (iv) Permitted Encumbrances other than the Indenture and this Lease; and (v) if the Project or any part thereof is being condemned, the rights and title of any condemning authority.

Section 11.3. Relative Position of Option and Indenture. The options and obligation to purchase the Project granted to the Company in this Article shall be and remain prior and superior to the Indenture and may be exercised whether or not the Company is in default under this Lease, provided that such default will not result in nonfulfillment of any condition to the exercise of any such option and further provided that all options herein granted shall terminate upon the termination of this Lease.

Section 11.4. Obligation to Purchase the Project. As additional consideration for the Company's use of the Project, the Company hereby agrees to purchase, and the City hereby agrees to sell, the Project upon the occurrence of (a) the expiration of the Lease Term following full payment of the Bonds or provision for payment thereof having been made in accordance with the provisions of the

Indenture, and (b) the final PILOT Payment due hereunder. The amount of the purchase price under this Section shall be \$100 plus an amount sufficient to redeem all the then Outstanding Bonds, plus accrued interest and the reasonable fees and expenses of the City and the Trustee. If the Company fails to complete the purchase of the Project at the time required by this Section, the City is specifically authorized to convey the Project back to the Company with or without terminating this Lease and, in such case, may unilaterally terminate this Lease by an instrument signed by the City alone.

ARTICLE XII

DEFAULTS AND REMEDIES

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

(a) Default in the due and punctual payment of Basic Rent for a period of 5 days following written notice to the Company by the City or the Trustee; or

(b) Default in the due and punctual payment of Additional Rent for a period of 30 days following written notice to the Company by the City or the Trustee; or

(c) Default in the due observance or performance of any other covenant, agreement, obligation or provision of this Lease on the Company’s part to be observed or performed, and such default shall continue for 60 days after the City or the Trustee has given the Company written notice specifying such default (or such longer period as shall be reasonably required to cure such default; provided that (1) the Company has commenced such cure within said 60 day period, and (2) the Company diligently prosecutes such cure to completion); or

(d) The Company: (1) admits in writing its inability to pay its debts as they become due; or (2) files a petition in bankruptcy or for reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Bankruptcy Code as now or in the future amended or any other similar present or future federal or state statute or regulation, or files a pleading asking for such relief; or (3) make an assignment for the benefit of creditors; or (4) consents to the appointment of a trustee, receiver or liquidator for all or a major portion of its property or fails to have the appointment of any trustee, receiver or liquidator made without the Company’s consent or acquiescence, vacated or set aside; or (5) is finally adjudicated as bankrupt or insolvent under any federal or state law; or (6) is subject to any proceeding, or suffers the entry of a final and non-appealable court order, under any federal or state law appointing a trustee, receiver or liquidator for all or a major part of its property or ordering the winding-up or liquidation of its affairs, or approving a petition filed against it under the Bankruptcy Code, as now or in the future amended, which order or proceeding, if not consented to by it, is not dismissed, vacated, denied, set aside or stayed within 90 days after the day of entry or commencement; or (7) suffers a writ or warrant of attachment or any similar process to be issued by any court against all or any substantial portion of its property, and such writ or warrant of attachment or any similar process is not contested, stayed, or is not released within 60 days after the final entry, or levy or after any contest is finally adjudicated or any stay is vacated or set aside; or

(e) the Company vacates, abandons, ceases operations, fails to occupy or is ejected from the Project Site or any material portion thereof, and the same remains uncared for or abandoned for a period of 180 days; or

(f) the Project is operated for a purpose other than as an ambulatory surgery center offering oral surgery under general anesthesia to Medicaid and Medicare patients, as well as hospital-grade pediatric dentistry, for a period of 180 days.

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

(a) cause all amounts payable with respect to the Bonds for the remainder of the term of this Lease to become due and payable after giving ten (10) days prior written notice thereof to the Company, as provided in the Indenture; or

(b) give the Company written notice of the City's intention to terminate this Lease on a date specified therein, which date shall not be earlier than 30 days after such notice is given, and if all defaults have not then been cured, on the date so specified, the Owners shall tender or be deemed to have tendered the outstanding principal amount of the Bonds for cancellation with instruction that such tender is in lieu of payment in accordance with **Section 11.1** hereof and this Lease shall thereupon be terminated, and the City will promptly convey the Project in accordance with **Section 11.2** hereof.

Section 12.3. Survival of Obligations. The Company covenants and agrees with the City and Owners that those of its obligations under this Lease which by their nature require performance after the end of the term of this Lease, or which are expressly stated herein as intended to survive expiration or termination of this Lease, shall survive the cancellation and termination of this Lease, for any cause.

Section 12.4. Performance of the Company's Obligations by the City. If an Event of Default occurs as a result of any failure by the Company, then the City, or the Trustee in the City's name, may (but shall not be obligated so to do) upon the continuance of such failure on the Company's part for 30 days after written notice of such failure is given to the Company by the City or the Trustee, and without waiving or releasing the Company from any obligation hereunder, as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all reasonable sums so paid by the City or the Trustee and all necessary incidental reasonable costs and expenses incurred by the City or the Trustee (including, without limitation, attorneys' fees and expenses incurred by the City or the Trustee) in performing such obligations shall be deemed Additional Rent and shall be paid to the City or the Trustee on demand, and if not so paid by the Company, the City or the Trustee shall have the same rights and remedies provided for in **Section 12.2** hereof in the case of default by the Company in the payment of Basic Rent.

Section 12.5. Rights and Remedies Cumulative. The rights and remedies reserved by the Trustee, the City and the Company hereunder and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. The Trustee, the City and the Company shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this

Lease, notwithstanding availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity.

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

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

ARTICLE XIII

ASSIGNMENT AND SUBLEASE

Section 13.1. Assignment; Sublease.

(a) The Company may assign, transfer, encumber or dispose of this Lease or any interest therein or part thereof for any lawful purpose under the Act. With respect to any assignment, the Company shall comply with the following conditions:

(1) The Company shall obtain the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed, to each assignment, unless such sale, transfer or assignment is to an entity controlled by or under common control with or controlling the Company, or such sale, transfer or assignment is otherwise permitted under **Section 10.7** hereof, in which event no written consent of the City shall be required, but, in such event, the Company shall provide the City with advance written notice of such assignment;

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

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

(4) A duplicate original of such assignment shall be delivered to the City and the Trustee within 10 days after the execution thereof, together with an assumption agreement, duly executed and acknowledged by the assignee in proper form for recording, by which the assignee shall assume all of the terms, covenants and conditions of this Lease on the part of the Company to be performed and observed.

(b) The Company shall have the right to sublet all or any part of the Project to a single entity for any lawful purpose under the Act. The Company shall, within 10 days after the delivery thereof, furnish or cause to be furnished to the City and the Trustee a true and correct copy of each such sublease.

Any sublease may provide, at the Company's option, that the City's consent shall not be required in respect of any further subletting thereunder if such further subletting is for a similar purpose as the original sublease and is for a purpose permissible under the Act. Nothing in this Lease shall allow the City to disturb the rights of a sublessee to use the Project under the terms and conditions as set forth in such sublessee's sublease with the Company, provided that this sentence shall not limit any remedy that the City may seek to impose on the Company in case of an Event of Default including but not limited to termination of this Lease.

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

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

Section 13.3. Prohibition Against Fee Mortgage of Project. Except as otherwise set forth in **Section 10.4**, the City shall not mortgage its fee interest in the Project, but may assign its interest in and pledge any moneys receivable under this Lease to the Trustee pursuant to the Indenture as security for payment of the principal of and interest on the Bonds.

Section 13.4. Restrictions on Sale or Encumbrance of Project by City. During this Lease Term, the City agrees that, except to secure the Bonds to be issued pursuant to the Indenture, it will not sell, assign, encumber, transfer or convey the Project or any interest therein, but may assign its interest in and pledge any moneys receivable under this Lease to the Trustee pursuant to the Indenture as security for payment of the principal of and interest on the Bonds.

ARTICLE XIV

AMENDMENTS, CHANGES AND MODIFICATIONS

Section 14.1. Amendments, Changes and Modifications. Except as otherwise provided in this Lease or in the Indenture, subsequent to the issuance of Bonds and prior to the payment in full of the Bonds (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Lease may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the Trustee, given in accordance with the provisions of the Indenture.

ARTICLE XV

MISCELLANEOUS PROVISIONS

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

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

Section 15.3. Net Lease. The parties hereto agree (a) that this Lease shall be deemed and construed to be a net lease, (b) that the payments of Basic Rent are designed to provide the City and the Trustee funds adequate in amount to pay all principal of and interest accruing on the Bonds as the same become due and payable, (c) that to the extent that the payments of Basic Rent are not sufficient to provide the City and the Trustee with funds sufficient for the purposes aforesaid, the Company shall be obligated to pay, and it does hereby covenant and agree to pay, upon demand therefor, as Additional Rent, such further sums of money, in cash, as may from time to time be required for such purposes, and (d) that if after the principal of and interest on the Bonds and all costs incident to the payment of the Bonds (including the fees and expenses of the City and the Trustee) have been paid in full the Trustee or the City holds unexpended funds received in accordance with the terms hereof such unexpended funds shall, after payment therefrom of all sums then due and owing by the Company under the terms of this Lease, and except as otherwise provided in this Lease and the Indenture, become the absolute property of and be paid over forthwith to the Company.

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

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

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

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

Section 15.8. Execution in Counterparts. This Lease may be executed in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 15.9. Electronic Storage and Notice. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. If the Company elects to give instructions by electronic notice to the Trustee, the Trustee may deem such instructions controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Company agrees to assume all risks arising

out of the use of such electronic notice to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 15.10. Satisfaction of the Company's Obligations. Any obligation of the Company under this Lease, including, but not limited to, the obligations of the Company to pay Basic Rent, Additional Rent and to maintain insurance as required herein, may be performed by a member of the Company, and such performance by a member of the Company shall be treated as though the obligation were performed by the Company.

Section 15.11 Complete Agreement. THE COMPANY AND THE CITY UNDERSTAND THAT ORAL OR UNEXECUTED AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT THE COMPANY AND THE CITY FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS THE COMPANY AND THE CITY REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS LEASE, WHICH ARE THE COMPLETE AND EXCLUSIVE STATEMENTS OF THE AGREEMENT BETWEEN THE COMPANY AND THE CITY, EXCEPT AS THE COMPANY AND THE CITY MAY LATER AGREE IN WRITING TO MODIFY THIS LEASE.

Section 15.12. Employee Verification. The Company will comply with and satisfy the requirements of Section 285.530.2, RSMo., as amended, which requires (1) any business entity receiving tax abatement to, by sworn affidavit and provision of documentation, annually affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the business entity receiving tax abatement, and (2) every such business entity to annually sign an affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the entity receiving tax abatement. The Company shall provide such affidavits and documentation to the City on or before December 1 of each year during the term of this Lease, beginning December 1, 2026, and also upon execution of this Lease.

[Remainder of this page intentionally left blank]

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

CITY OF INDEPENDENCE, MISSOURI



[SEAL]

ATTEST:

By: Susanne Holland
Name: Susanne Holland
Title: City Clerk

By: _____

Name: Lisa Reynolds

Title: Interim City Manager

MKEL HOLDINGS, LLC,
a Missouri limited liability company

By: _____
Name:
Title:

EXHIBIT A
PROJECT SITE

The following described real estate located in Jackson County, Missouri:

All of Lot 4, "HARTMAN HERITAGE CENTER FIFTH PLAT, LOTS 4 AND 4A", a subdivision in Independence, Jackson County, Missouri recorded January 14, 2008 as Document No. 200110001898, in Plat Book I-68, Page 68.

EXHIBIT B

PROJECT IMPROVEMENTS

The Project Improvements consist of the following, to the extent paid for in whole with Bond proceeds:

Renovating, improving and expanding an abandoned restaurant facility of approximately 5,500 square feet into a private ambulatory surgery center offering oral surgery under general anesthesia to Medicaid and Medicare patients, as well as hospital-grade pediatric dentistry. The expansion will add approximately 3,000 square feet to the existing facility.

EXHIBIT C

FORM OF REQUISITION CERTIFICATE

Requisition No. _____
Date: _____

REQUISITION CERTIFICATE

TO: BOKF, N.A., AS TRUSTEE UNDER A TRUST INDENTURE DATED AS OF FEBRUARY 1, 2026, BETWEEN CITY OF INDEPENDENCE, MISSOURI, AND THE TRUSTEE, AND THE LEASE AGREEMENT DATED AS OF FEBRUARY 1, 2026, BETWEEN CITY OF INDEPENDENCE, MISSOURI AND MKEL HOLDINGS, LLC.

The undersigned Authorized Company Representative hereby states and certifies that:

1. A total of \$_____ is requested to pay for Project Costs (as defined in the Indenture) of the Project Improvements. The total amount of this requisition and all prior requisitions are as follows:

<u><i>Date of Project Costs</i></u>	<u><i>Amount Submitted in this Requisition</i></u>	<u><i>Requisitions Submitted to Date (Including this Requisition)</i></u>

2. Said Project Costs shall be paid in whole from Bond proceeds in such amounts, to such payees and for such purposes as set forth on **Schedule 1** hereto.

3. Each of the items for which payment is requested are or were desirable and appropriate in connection with the renovation, construction and improvement of the Project (as defined in the Trust Indenture), have been properly incurred and are a proper charge against the Project Fund, and have been paid by the Company 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.

4. As of this date, except for the amounts referred to above, to the best of my knowledge there are no outstanding disputed statements for which payment is requested for labor, wages, materials, supplies or services in connection with the renovation, construction and improvement of the Project which, if unpaid, might become the basis of a vendors', mechanics', laborers' or materialmen's statutory or similar lien upon the Project or any part thereof.

With respect to this disbursement, the undersigned (i) certifies it has reviewed any wire instructions set forth herein to confirm such wire instructions are accurate, (ii) agrees to indemnify and hold harmless the Trustee from and against any and all claim, demand, loss, liability, or expense sustained, including but not

limited to attorney fees, and expenses resulting directly or indirectly as a result of making the disbursement requested hereunder, and (iii) agrees it will not seek recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with its instructions herein.

MKEL HOLDINGS, LLC

By: _____
Authorized Company Representative

SCHEDULE 1 TO REQUISITION CERTIFICATE

PROJECT COSTS

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

EXHIBIT D

FORM OF CERTIFICATE OF INSURANCE COMPLIANCE

The undersigned, being the Authorized Company Representative for MKEL Holdings, LLC, as tenant (the "Company"), under a certain Lease Agreement dated as of February 1, 2026, between the City of Independence, Missouri (the "City"), and the Company (the "Lease"), and as beneficiary of the City's Taxable Industrial Development Revenue Bonds (Surgery Center Project), Series 2026, issued pursuant to a certain Trust Indenture dated as of February 1, 2026 (the "Indenture"), hereby certifies pursuant to Article VII of Lease:

1. All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings set forth in the Lease.

2. The policies of insurance required to in place pursuant to Article VII of the Lease are effective and the premiums with respect thereto have been paid in full as of the date set forth below. Such policies comply with the terms and provisions set forth in Article VII, and the Company is in compliance with the provisions of Article VII.

3. The undersigned will notify the Trustee 10 days prior to any cancellation or material change to such policies; the policies currently in effect have an expiration date of _____, 20__.

4. The Trustee may conclusively rely on this Certificate of Insurance Compliance without further investigation.

5. Attached hereto are insurance certificates showing compliance with the liability and casualty insurance requirements of Article VII of the Lease.

IN WITNESS WHEREOF, the undersigned Authorized Company Representative has signed this Certificate, and the statements of fact made in this Certificate are true and correct.

Authorized Company Representative

Date: _____

ATTACHMENTS:

1. Liability insurance certificate(s)
2. Casualty insurance certificate(s)

Note: all insurance certificates must show the City and the Trustee as additional insureds.

APPENDIX I

PILOT PAYMENT SCHEDULE

<u>Year</u>	<u>Payment</u>
2026	\$31,859
2027	32,815
2028	32,815
2029	33,800
2030	33,800
2031	34,814
2032	34,814
2033	35,858
2034	35,858
2035	36,934
2036	44,344

\$3,530,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
CITY OF INDEPENDENCE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(SURGERY CENTER PROJECT)
SERIES 2026

DATED AS OF FEBRUARY 1, 2026

BOND PURCHASE AGREEMENT

Mayor and City Council
Independence, Missouri

Ladies and Gentlemen:

On January ___, 2026, the City of Independence, Missouri (the “City”) published a notice of sale for the above-referenced series of Taxable Industrial Development Revenue Bonds (the “Bonds”). The winning bidder was MKEL Holdings, LLC, a Missouri limited liability company (the “Company”).

On the basis of the representations, and covenants and upon the terms and conditions contained in this Bond Purchase Agreement, MKEL Holdings, LLC, a Missouri limited liability company (the “Purchaser”), offers to purchase the Bonds from the City, to be issued by the City, under and pursuant to an ordinance passed by the governing body of the City on February ___, 2026 (the “Ordinance”) and a Trust Indenture dated as of February 1, 2026 (the “Indenture”), by and between the City and BOKF, N.A., Kansas City, Missouri, as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings set forth in **Section 101** of the Indenture.

SECTION 1. REPRESENTATIONS AND AGREEMENTS

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

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

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

issuance of the Bonds or the constitutionality or validity of the obligation represented by the Bonds or the validity of the Bonds, the Ordinance, the Lease or the Indenture; and

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

(b) The Purchaser represents as follows:

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

(2) The execution, delivery and performance of this Bond Purchase Agreement by the Purchaser has been duly authorized by all necessary action of the Purchaser and does not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, its organizational documents, any law, court or administrative regulation, decree or order applicable to or binding upon the Purchaser, or, to the best of its knowledge, any agreement, indenture, mortgage, lease or instrument to which the Purchaser is a party or by which it is bound;

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

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

SECTION 2. PURCHASE, SALE AND DELIVERY OF THE BONDS

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

The Bonds shall be sold to the Purchaser by the City on the Closing Date (hereinafter defined) upon payment of an amount equal to the Closing Price (hereinafter defined) for the Bonds, which amount shall be deposited in the Project Fund as provided in **Section 502** of the Indenture and shall thereafter on the Closing Date immediately be applied to the payment of Project Costs as provided in **Section 4.4** of the Lease. From time to time after the Closing Date as additional Project Costs are incurred, the Purchaser may make additional payments with respect to the Bonds ("Additional Payments") to the Trustee, which Additional Payments shall be deposited in the Project Fund and applied to the payment of Project Costs and the outstanding principal amount of the Bonds shall increase by each such Additional Payment; provided that the sum of the Closing Price and all such Additional Payments for the Bonds shall not, in the aggregate, exceed \$3,530,000.

As used herein, the term "Closing Date" shall mean February __, 2026, or such other date as shall be mutually agreed upon by the City and the Purchaser; the term "Closing Price" shall mean, with

respect to the Bonds, that certain amount specified in writing by the Purchaser and agreed to by the City as the amount required to fund the initial disbursement from the Project Fund on the Closing Date.

The Bonds shall be issued under and secured as provided in the Ordinance, the Indenture and the Lease authorized thereby and the Bonds shall have the maturity, interest rate and shall be subject to redemption as set forth therein. The delivery of the Bonds shall be made in definitive form as a fully registered bond in the maximum aggregate principal denomination of \$3,530,000; provided, that the principal amount of the Bonds outstanding at any time shall be that amount recorded in the official bond registration records of the Trustee and further provided that interest shall be payable on the Bonds only on the outstanding principal amount of the Bonds, as more fully provided in the Indenture.

The Company agrees to indemnify and hold harmless the City, the Trustee, and any member, officer, official or employee of the City or of the Trustee and any person controlling the Trustee within the meaning of Section 15 of the Securities Act of 1933, as amended (collectively, the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses whatsoever to the extent caused by any violation by the Company of, or failure by the Company to comply with, any federal or state securities laws in connection with the Bonds; provided, however, the indemnification contained in this paragraph shall not extend to such Indemnified Party if such loss, claim, damage, liability or expense is (a) the result of the Indemnified Party's negligence or willful misconduct, or (b) the Indemnified Party is not following the written instructions of the Owner of the Bonds.

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

SECTION 3. CONDITIONS TO THE PURCHASER'S OBLIGATIONS

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

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

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

raised affecting in any way the legal organization of the City or the legality of any official act shown to have been done in the transcript of proceedings leading up to the issuance of the Bonds, or the constitutionality or validity of the indebtedness represented by the Bonds or the validity of the Bonds or any proceedings in relation to the issuance or sale thereof;

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

(d) Receipt by the Purchaser and the Company of an approving opinion from Gilmore & Bell, P.C., in form and substance satisfactory to the Purchaser and the Company.

SECTION 4. THE PURCHASER'S RIGHT TO CANCEL

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

SECTION 5. CONDITIONS OF OBLIGATIONS

The obligations of the parties hereto are subject to the receipt of the approving opinion of Gilmore & Bell, P.C., Bond Counsel, with respect to the validity of the authorization and issuance of the Bonds.

SECTION 6. REPRESENTATIONS AND AGREEMENTS TO SURVIVE DELIVERY

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

SECTION 7. PAYMENT OF EXPENSES

The Company shall pay all reasonable expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Bonds.

SECTION 8. NOTICE

Any notice or other communication to be given to the City under this Agreement may be given by mailing or delivering the same in writing to the address of the City as provided in the Indenture for notices to the City required thereunder; any notice or other communication to be given to the Purchaser or the Company under this Agreement may be given by delivering the same in writing to the address of the Company as provided in the Indenture for notices to the Company thereunder.

SECTION 9. APPLICABLE LAW; ASSIGNABILITY

This Bond Purchase Agreement shall be governed by the laws of the State of Missouri and may be assigned by the Purchaser to any party to which the Lease is assigned, or otherwise may be assigned with the written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed.

SECTION 10. EXECUTION OF COUNTERPARTS; ELECTRONIC STORAGE

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document. The parties agree that the transaction described herein may be conducted and related documents may be sent, received 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.

[Remainder of this page intentionally left blank]

Very truly yours,

MKEL HOLDINGS, LLC,
a Missouri limited liability company

By: _____
Name:
Title:

Accepted and Agreed to:

CITY OF INDEPENDENCE, MISSOURI

[SEAL]



ATTEST:

By: Susanne Holland

Name: Susanne Holland

Title: City Clerk

By: Lisa Reynolds

Name: Lisa Reynolds

Title: Interim City Manager

City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

26-015 **2R** An ordinance approving the Cooperative Agreement among the City of Independence, Missouri, the Blue Ridge Crossing-East Community Improvement District, and MBS Mall Investor-98, LLC. **2R Item passes 7-0 Ord. No. 19786**

Recommendations:

Staff recommends approval.

Background:

The City Council approved the CID by ordinance on February 4, 2025. The approving ordinance provides that approval of the CID is subject to the execution of a cooperative agreement. This ordinance will approve a cooperative agreement between the City, the Blue Ridge Crossing-East Community Improvement District (the "CID"), and MBS Mall Investor-98, LLC (the "Developer") to implement the CID.

The CID will impose a 1% sales tax within the boundaries of the CID for up to 20 years. The sales tax revenues will be used to reimburse Developer for the eligible reimbursable project costs associated with the redevelopment of the site, including certain improvements and services, which include security, lighting upgrades, trash removal, landscaping, snow removal, and other costs.

The CID revenues must be expended on CID-eligible costs as detailed in the Petition to Establish the Blue Ridge Crossing-East Community Improvement District.

Emergency Justification:**Fiscal Impact:**

The CID will impose a 1% sales tax within the boundaries of the CID and revenues generated from the sales tax will be used to pay project costs. The applicant does not request the appropriation of any City revenues for the project.

Council Action:

Department / Contact	Community Development /
---------------------------------	-------------------------

REVIEWERS

Tom Scannell
Melissa Cabrera
Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. Ordinance
2. Ordinance Exhibit A - Plan

Bill No. _____

Ordinance No. _____

AN ORDINANCE APPROVING THE COOPERATIVE AGREEMENT AMONG THE CITY OF INDEPENDENCE, MISSOURI, THE BLUE RIDGE CROSSING-EAST COMMUNITY IMPROVEMENT DISTRICT, AND MBS MALL INVESTOR-98, LLC.

WHEREAS, the City Council of the City of Independence, Missouri (the “City Council”), did on February 4, 2025 pass Ordinance No. 19651 which approved the formation of the Blue Ridge Crossing-East Community Improvement District (the “District”) and the Petition to Establish the Blue Ridge Crossing – East Community Improvement District (the “Petition”); and

WHEREAS, the ordinance requires that the District enter into a cooperative agreement with the City to implement the goals and objectives of the Petition, including the administration of the District Revenue; and

WHEREAS, the City now desires to enter into a cooperative agreement with the District and MBS Mall Investor-98, LLC (the “Developer”) to set forth their respective duties and obligations with respect to the administration, enforcement, and operation of the Sales Tax and the use of the District Revenue; and

WHEREAS, the City Council hereby determines that it is in the best interest of the City to enter into a cooperative agreement with the District and the Developer in substantially the form attached hereto.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, as follows:

SECTION 1. The City Council hereby approves, and the Mayor is hereby authorized to execute the Cooperative Agreement which shall be substantially in the form attached hereto as **Exhibit A**, with such changes therein as shall be approved by the Mayor, the Mayor’s signature thereon being conclusive evidence of his approval thereof.

SECTION 2. City officers and agents of the City are each hereby authorized and directed to take such actions, execute such other documents, certificates and instruments and engage such consultants as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

SECTION 3. All ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed.

SECTION 4. This ordinance shall be in full force and effect ten (10) days after the date of its passage and approval.

PASSED THIS ____ DAY OF _____ 2026, BY THE CITY COUNCIL OF
THE CITY OF INDEPENDENCE, MISSOURI.

Presiding Office of the City Council of the
City of Independence, Missouri

ATTEST:

City Clerk

APPROVED AS TO FORM AND LEGALITY:

City Counselor

REVIEWED BY:

Interim City Manager

Exhibit A
Cooperative Agreement

[Attached]

COOPERATIVE AGREEMENT

among the

CITY OF INDEPENDENCE, MISSOURI,

the

BLUE RIDGE CROSSING-EAST COMMUNITY IMPROVEMENT DISTRICT,

and

MBS MALL INVESTOR-98, LLC

dated as of

_____, 2026

COOPERATIVE AGREEMENT

THIS COOPERATIVE AGREEMENT (“**Agreement**”), entered into as of _____, 2026, by and among the **CITY OF INDEPENDENCE, MISSOURI**, a constitutional charter city and political subdivision of the State of Missouri (the “**City**”), the **BLUE RIDGE CROSSING-EAST COMMUNITY IMPROVEMENT DISTRICT**, a community improvement district and political subdivision of the State of Missouri (“**District**” or “**CID**”), and **MBS MALL INVESTOR-98, LLC**, a Missouri limited liability company (the “**Developer**”) (the City, the District and the Developer being sometimes collectively referred to herein as the “**Parties**”, and individually as a “**Party**”, as the context so requires).

WITNESSETH:

WHEREAS, the City Council of the City of Independence, Missouri (the “**City Council**”), did on February 4, 2025, pass Ordinance No. 19651 (“**Ordinance**”), which approved the formation of the District and the Petition to Establish the Blue Ridge Crossing-East Community Improvement District (the “**Petition**”); and

WHEREAS, the City has subsequently approved the execution of this Agreement by ordinance; and

WHEREAS, the District is authorized under the CID Act to impose a district-wide sales tax at the maximum rate of one percent (1.0%) (the “**District Sales Tax**”) and to enter into this Agreement for the collection, payment, and administration of the proceeds of the District Sales Tax;

WHEREAS, the Parties desire to set forth through this Agreement their respective duties and obligations with respect to the administration, enforcement, and operation of the District Sales Tax and the use of the revenues collected by such tax.

NOW, THEREFORE, for and in consideration of the premises, and the mutual covenants herein contained, the Parties agree as follows:

ARTICLE 1: DEFINITIONS, RECITALS AND EXHIBITS

Section 1.1. Recitals and Exhibits. The representations, covenants and recitations set forth in the foregoing recitals and the exhibits attached to this Agreement are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Section, and the appropriate exhibits are incorporated into each Section of this Agreement that makes reference to an exhibit.

Section 1.2. Definitions. Words and terms defined elsewhere in this Agreement shall have the meanings assigned therein. Whenever used in this Agreement, the following words and phrases, unless the context otherwise requires, shall have the following meanings:

“**Applicable Laws and Requirements**” means any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, authorization, directive, requirement or decision of or agreement with or by any unit of government.

“**Board**” or “**Board of Directors**” means the governing body of the District.

“Budget” shall have the meaning set forth in Section 4.4.

“CID Act” means the Missouri Community Improvement District Act, Sections 67.1401, *et seq.*, RSMo, as amended.

“CID Improvements” means those improvements described in **Exhibit A**.

“CID Project” means the CID Improvements and the CID Services.

“CID Services” means those services described in **Exhibit A** and the Petition, along with any other CID Services that may be approved by the City and the District in accordance with the Petition, the CID Act, and this Agreement.

“City” means the City of Independence, Missouri, a constitutional charter city and political subdivision under applicable Missouri laws.

“City Council” means the governing body of the City.

“Director” means a director of the District.

“District Sales Tax” means the sales tax levied by the District on the receipts from the sale at retail of all tangible personal property or taxable services at retail within its boundaries pursuant to the CID Act in the maximum amount of one percent (1.0%), as established by resolution of the District and approved by the qualified voters of the District, in accordance with this Agreement.

“District Sales Tax Revenues” means the monies actually collected, pursuant to this Agreement and the CID Act, from the imposition of the District Sales Tax.

“Event of Default” means any event specified in Section 7.1 of this Agreement.

“Excusable Delays” means delays due to acts of terrorism, acts of war or civil insurrection, strikes, riots, floods, earthquakes, fires, tornadoes, casualties, acts of God, labor disputes, governmental restrictions or priorities, embargoes, national or regional material shortages, failure to obtain regulatory approval from any Federal or State regulatory body, unforeseen site conditions, material litigation by parties other than the Parties not caused by the Parties’ failure to perform, or any other condition or circumstances beyond the reasonable or foreseeable control of the applicable party using reasonable diligence to overcome which prevents such party from performing its specific duties or obligation hereunder in a timely manner.

“Fiscal Year” means July 1 through June 30 of each year, which Fiscal Year coincides with the City’s fiscal year.

“Operating Costs” means the actual, reasonable expenses which are necessary for the operation of the District which shall include, but is not limited to, costs associated with notices, publications, meetings, supplies, equipment, photocopying, insurance, the engagement of accountants, special legal counsel, financial auditing services, and other consultants or services including companies engaged by the District (or the City or IPL on behalf of the District) to review applications for reimbursement for payment of Reimbursable Project Costs, and shall also include costs, including reasonable attorneys’ fees, for the formation of the District.

“Ordinance” means Ordinance No. 19651 adopted by the City Council on February 4, 2025, establishing the District in accordance with the CID Act.

“Parties” or “Party” means the City, the District and the Developer, as the context requires.

“Petition” means the Petition to Establish the Blue Ridge Crossing-East Community Improvement District, approved by Ordinance 19651 on February 4, 2025.

“Private Improvements” means that portion of the CID Project designated as “Private” on **Exhibit A** hereto.

“Project Costs” means all actual and reasonable costs and expenses which are incurred by or at the direction of the District with respect to construction of the CID Project described on **Exhibit A**, including the actual and reasonable cost of labor and materials payable to contractors, builders, suppliers, vendors and materialmen in connection with the construction contracts awarded in connection with the CID Project that are constructed or undertaken, plus all actual and reasonable costs to plan, develop, design and acquire the CID Project, including but not limited to the following:

A. actual and reasonable fees and expenses of architects, appraisers, attorneys, 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 architects, appraisers, attorneys, surveyors and engineers in relation to the construction of the CID Project and all actual and reasonable costs for the oversight of the completion of the CID Project including overhead expenses for administration, supervision and inspection incurred in connection with the CID Project; and

B. all other items of expense not elsewhere specified in this definition which may be necessary or incidental to the review, approval, acquisition and construction of the CID Project and which may lawfully be paid or incurred by the District under the CID Act.

“Public Improvements” means that portion of the CID Project designated as “Public” on **Exhibit A** hereto.

“Reimbursable Project Costs” means Project Costs approved by the City pursuant to the cost certification process set out in Section 4.6, in the maximum total amount shown on **Exhibit A**, as adjusted pursuant to Section 4.6.

“Report” shall have the meaning set forth in Section 4.4.

“Secured Lender” means a bank, financial institution or other person or entity from which Developer has borrowed funds to finance all or a portion of the CID Project and in whose favor Developer has agreed to provide a security interest as collateral for such loan.

ARTICLE 2: REPRESENTATIONS

Section 2.1. Representations by the District. The District represents that:

A. The District is a community improvement district and political subdivision, duly organized and existing under the laws of the State of Missouri, including particularly the CID Act.

B. The District has authority to enter into this Agreement and to carry out its obligations under this Agreement. By proper action of its Board of Directors, the District has been duly authorized to execute and deliver this Agreement, acting by and through its duly authorized officers.

C. The CID Project is authorized in the Petition.

D. The execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the performance of or compliance with the terms and conditions of this Agreement by the District will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease or any other restriction or any agreement or instrument to which the District is a party or by which it or any of its property is bound, or any order, rule or regulation of any court or governmental body applicable to the District or any of its property, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District under the terms of any instrument or agreements to which the District is a party.

E. Consideration and public benefit: The District acknowledges that construction of the CID Project is of significant value to the District, the property within the District and the general public. Further, the District finds that the CID Project conforms to the purposes of the CID Act.

F. There is no litigation or proceeding pending or threatened against the District affecting the right of the District to execute or deliver this Agreement or the ability of the District to comply with its obligations under this Agreement or which would materially adversely affect its financial condition.

G. The District acknowledges that Section 285.530, RSMo, prohibits any business entity or employer from knowingly employing, hiring for employment, or continuing to employ an unauthorized alien to perform work within the state of Missouri. District therefore covenants that it will not knowingly violate subsection 1 of Section 285.530, RSMo, and that it will not knowingly employ, hire for employment, or continue to employ any unauthorized aliens to perform work related to this Agreement, and that its employees are lawfully eligible to work in the United States.

Section 2.2. Representations by the City. The City represents that:

A. The City is duly organized and existing under the Constitution and laws of the State of Missouri as a constitutional charter city.

B. The City has authority to enter into this Agreement and to carry out its obligations under this Agreement, and the Mayor of the City is duly authorized to execute and deliver this Agreement.

C. The execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement, and the performance of or compliance with the terms and conditions of this Agreement by the City will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease or any other restriction or any agreement or instrument to which the City is a party or by which it or any of its property is bound, or any order, rule or regulation of any court or governmental body applicable to the City or any of its property, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City under the terms of any instrument or agreement to which the City is a party.

D. There is no litigation or proceeding pending or threatened against the City affecting the right of the City to execute or deliver this Agreement or the ability of the City to comply with its obligations under this Agreement.

Section 2.3. Representations by the Developer. Developer represents that:

A. The Developer has all necessary power and authority to execute and deliver and perform the terms and obligations of this Agreement and to execute and deliver the documents required of the Developer herein, and such execution and delivery has been duly and validly authorized and approved by all necessary proceedings. Accordingly, this Agreement constitutes the legal valid and binding obligation of the Developer, enforceable in accordance with its terms.

B. The execution and delivery of this Agreement, the consummation of the transactions contemplated thereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any corporate or organizational restriction or of any agreement or instrument to which it is now a party, and do not and will not constitute a default under any of the foregoing.

C. No litigation, proceedings or investigations are pending or, to the knowledge of the Developer, threatened against the Developer or any member of the Developer or the CID Project, which litigation, proceedings or investigations would in any manner challenge or adversely affect the existence or powers of the Developer to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by the Developer of the terms and provisions of this Agreement, or that would materially adversely affect the financial condition of the Developer.

D. The Developer acknowledges that Section 285.530, RSMo, prohibits any business entity or employer from knowingly employing, hiring for employment, or continuing to employ an unauthorized alien to perform work within the state of Missouri. Developer therefore covenants that it will not knowingly violate subsection 1 of Section 285.530, RSMo, and that it will not knowingly employ, hire for employment, or continue to employ any unauthorized aliens to perform work related to this Agreement, and that its employees are lawfully eligible to work in the United States.

E. The Developer acknowledges that the funding and implementation of the CID Project is of significant value to the property within the District and the general public.

ARTICLE 3: DISTRICT SALES TAX

Section 3.1. Imposition of the District Sales Tax. The Board of Directors has adopted a resolution imposing the District Sales Tax. The qualified voters within the District have approved the District Sales Tax as evidenced by the election results certified by the Jackson County Election Board on May 20, 2025. The District Sales Tax shall be imposed at a rate of 1.0% for the purpose of funding costs of the CID Project as desired by the District and approved by the City. By letter dated May 20, 2025, the District notified the Missouri Department of Revenue of the District Sales Tax imposition and that the District Sales Tax will become effective on October 1, 2025. The District shall annually appropriate all District Sales Tax Revenues by resolution in accordance with this Agreement.

Section 3.2. Collection and Administration of the District Sales Tax

A. The District has adopted a resolution that (i) imposes the District Sales Tax (subject to qualified voter approval) and (ii) prescribes any required forms and administrative rules and regulations for reporting and collecting the District Sales Tax.

B. The District Sales Tax shall be collected by the Missouri Department of Revenue as provided in the CID Act. The District shall receive the District Sales Tax Revenues from the Missouri Department of Revenue, which shall be disbursed in accordance with this Agreement.

Section 3.3. Operating Costs. The District shall pay for the Operating Costs of the District from District Sales Tax Revenues. The Operating Costs shall be included in the District's annual budget, as provided in Section 4.4. Developer shall fund the Operating Costs and be reimbursed for such advances until sufficient revenues are available to fund Operating Costs from District Sales Tax Revenues on an annual basis.

Section 3.4. Distribution of the District Sales Tax Revenue. Beginning in the first month following the effective date of the District Sales Tax and continuing each month thereafter until the expiration or repeal of the District Sales Tax, the District shall distribute the District Sales Tax Revenues received in the preceding month in the following order of priority:

1. Reimburse the City for any Operating Costs or other costs incurred by the City in connection with the performance of any function related to the District.
2. Pay the Operating Costs of the District.
3. Pay the costs of the CID Project that have been approved as Reimbursable Project Costs.
4. Pay the CID Services of the District, provided that no CID Services shall be funded by the District until all costs of the CID Project have been fully reimbursed.

Section 3.5. Records of the District Sales Tax. The District, shall keep accurate records of the District Sales Tax due and collected and copies of such records shall be made available to the District on a monthly basis. Any records pertaining to the District Sales Tax shall be provided to the City upon written request.

Section 3.6. Repeal of the District Sales Tax. The qualified voters of the District approved the District Sales Tax for a period of twenty (20) years after from the effective date of the Ordinance, or for such other shorter period to coincide with the termination of the District. However, unless extended by mutual agreement of the Parties and in accordance with the CID Act, the District shall, and the Developer shall cooperate with the District as necessary to, implement the procedures in the CID Act for repeal of the District Sales Tax and abolishment of the District as provided in Section 6.4 below. Upon repeal of the District Sales Tax, the District shall:

- A. Pay all outstanding Operating Costs and Reimbursable Project Costs, in that order.
- B. Retain any remaining District Sales Tax until such time as the District is abolished and the District has provided for the transfer of any funds remaining in a manner permitted by the CID Act.

ARTICLE 4: FINANCING DISTRICT PROJECTS

Section 4.1. Design and Construction of CID Improvements. The CID Improvements shall be designed and constructed by or at the direction of the Developer. The CID Improvements shall be designed and constructed in accordance with applicable City-approved zoning and subdivision ordinances and associated plans and specifications. The Developer shall comply with all Applicable Laws and Requirements, including (with respect to the Public Improvements) laws related to the construction of public improvements, such as the payment of prevailing wages to contractors or subcontractors of Developer for construction of the Public Improvements and obtaining a payment bond in compliance with Section 107.170, RSMo; provided that this Agreement shall not be deemed to impose such requirements if not otherwise required by Applicable Laws and Requirements. Developer shall indemnify and hold

harmless the City and the District for any damage resulting to it from failure of either Developer or its contractor or subcontractors to comply with any such requirements. Notwithstanding the foregoing, to the extent Developer fails to perform the CID Improvements, whether fully or partially, the sole remedy hereunder shall be that the Developer shall not be entitled to reimbursement of Reimbursable Project Costs, and in no event shall Developer be required to perform such obligations or expend money in furtherance thereof in excess of what may be reimbursed to Developer hereunder.

Section 4.2. Financing the CID Project. The District shall impose the District Sales Tax within the boundaries of the District to fund the CID Project and other costs authorized by this Agreement. The District shall not use or impose any taxes other than a District Sales Tax or impose any other funding mechanisms unless the City Council, by ordinance, modifies the limitations on the District's authority as set forth in the Petition. All revenues generated by the District Sales Tax shall be used to fund costs of the CID Project and other costs authorized by this Agreement within the boundaries of the District.

Section 4.3. Ownership and Maintenance of CID Improvements. Neither the City nor the District shall have ownership of the CID Improvements, and the Developer shall at all times be responsible for maintenance of the CID Improvements, except as certain improvements are dedicated to and accepted by the City in accordance with Applicable Laws and Requirements. The Developer shall be responsible for obtaining and maintaining insurance for the design, construction, operation and maintenance of the CID Improvements, except as certain improvements are dedicated to and accepted by the City in accordance with Applicable Laws and Requirements.

Section 4.4. Annual Budget. The District shall annually prepare or cause to be prepared a budget (the "**Budget**") and an annual report (the "**Report**") describing the major activities of the District during the preceding year and upcoming year. The Budget and Report shall be submitted to and reviewed by appropriate City staff and officials, as determined by the City in accordance with the CID Act, not less than ninety (90) days prior to the intended date of approval of the Budget by the District. Not later than the first day of each Fiscal Year of the District, the Board of Directors shall adopt a Budget for the District for the ensuing budget year, for every fund of the District of any kind, in such a manner as may be provided by law. If the Board of Directors fails to adopt a Budget by the first day of a Fiscal Year, the District shall be deemed to have adopted for such Fiscal Year a Budget, which provides for application of the District Sales Tax Revenues collected in such Fiscal Year in accordance with the budget for the prior Fiscal Year.

Section 4.5. New CID Projects. The District shall not undertake new District projects, aside from the improvements shown on the attached **Exhibit A** and in the amount shown on **Exhibit A**, without the prior approval of the City Council.

Section 4.6. Certification of Reimbursable Project Costs. From time to time, the Developer may submit a certification of reimbursable project costs by the Developer in substantially the form attached to this Agreement as **Exhibit B** (a "Cost Certification"). Upon receipt by the City and the District of an executed and completed Cost Certification (together with supporting invoices), the City and the District shall have thirty calendar days to inform the Developer of any inadequacy of the Cost Certification, based on the determination that the Cost Certification requests payment for costs that either are not reimbursable under this Agreement or have already been the subject of a Cost Certification. If the City or the District has no such reason to contest the Cost Certification, or if the thirty-day time period passes without such notification, the District and the City shall approve the Cost Certification by signature.

ARTICLE 5: DISTRICT OPERATIONS AND MANAGEMENT

Section 5.1. Composition of the Board of Directors and Officers.

A. In accordance with the Petition, the Board of Directors shall be composed of five (5) directors. The Board of Directors shall consist of representatives of the owners of property within the District. Replacement directors shall be appointed in the manner set out in the Petition.

B. All directors shall meet all qualifications of the CID Act and the Missouri Constitution.

C. Successor Directors shall be appointed by the Mayor with the consent of the City Council as provided in the Petition and in compliance with Section 67.1451.5, RSMo.

Section 5.2. District Meetings. The Parties agree that the Board of Directors shall not meet and conduct District business unless all Directors receive notice of the meeting and are provided with the opportunity to participate in all District meetings, either in person or by phone. The Parties agree that the District bylaws shall contain the requirements of this Section, and shall include other safeguards as mutually agreed by the Parties to provide for participation of all Directors in all matters coming before the Board of Directors.

ARTICLE 6: SPECIAL COVENANTS

Section 6.1. Records of the District. The District shall designate an appropriate official to be the official record keeper of the District, who shall keep proper books of record and account on behalf of the District in which full, true, and correct entries will be made of all dealings or transactions of or in relation to its business affairs in accordance with accounting principles generally accepted in the United States and consistently applied. The District shall furnish annual financial statements for each Fiscal Year no later than one hundred eighty (180) days following the end of such Fiscal Year. The District shall prepare, or cause to be prepared, an annual financial report of the District's financial transactions which may be either an un-audited report or an audited report prepared by a certified public accountant. All pertinent books, documents, and vouchers relating to District business, affairs, and properties shall at all times during regular business hours be open to the inspection of such accountant or other agent (who may make copies of all or any part thereof provided that the confidentiality of all records shall be maintained pursuant to such confidentiality agreements as reasonably required) as shall from time to time be designated and compensated by the inspecting party.

Section 6.2. Consent by Developer, Tenants and Transferees.

A. Developer will use commercially reasonable efforts to cause all leases of property in the District entered into after the date of this Agreement to contain a provision that is in substantial compliance with the following:

Community Improvement District: Tenant acknowledges and consents that the Leased Premises are a part of the Blue Ridge Crossing-East Community Improvement District ("District") created by ordinance of the City of Independence, Missouri ("City"), that the District imposes a sales tax on Tenant's eligible retail sales that will be applied toward the costs of CID Project that will provide a generalized benefit to the development. Upon written request of the District or the City, Tenant shall forward to the District and City copies of Tenant's State of Missouri sales tax returns for its property located in the District as filed with the Missouri Department of Revenue for such period(s) as the District or the City may request. Tenant hereby acknowledges and agrees that the City and the District are third party beneficiaries of the

obligations in this paragraph and shall have a separate and independent right to enforce these reporting requirements.

B. Developer, or any third party, may transfer real property within the CID area. Developer shall insert in any document transferring any interest in real property within the CID area, and shall use commercially reasonable efforts to cause any transferee to insert language reasonably similar to the following, and shall use commercially reasonable efforts to have such document signed by the transferee indicating acknowledgment and agreement to the following provision:

Community Improvement District: Grantee acknowledges and consents that the property is a part of the Blue Ridge Crossing-East Community Improvement District ("District") created by ordinance of the City of Independence, Missouri ("City"), and that the District imposes a sales tax on eligible retail sales conducted within the District that will be applied toward the costs of CID Project that provide a generalized benefit to all property within the District. Upon written request of the District or the City, Grantee shall, or shall cause any applicable tenant of Grantee, to forward to the District and the City copies of its State of Missouri sales tax returns for the Property as filed with the Missouri Department of Revenue for such period(s) as the District or the City may request. Grantee hereby acknowledges and agrees that the City and the District are third party beneficiaries of the obligations in this paragraph and shall have a separate and independent right to enforce these reporting requirements.

C. Failure of the Developer to require that such language be placed in any such lease/sales contract shall in not form the basis of a default on the part of the Developer hereunder.

Section 6.3. Collateral Assignment.

A. Developer and its successors and assigns shall have the right, without the City's consent, to collaterally assign to any Secured Lender as collateral any and all of Developer's rights and/or obligations under this Agreement, and such Secured Lender shall have the right to perform any term, covenant, condition or agreement and to remedy, in accordance with the terms of this Agreement, any default by Developer under this Agreement, and City shall accept such performance by any such Secured Lender with the same force and effect as if furnished by Developer. No Secured Lender shall be personally liable or obligated to perform the obligations of Developer under the Agreement unless and until such Secured Lender takes possession of the property as a mortgagee or by a receiver appointed at the request of mortgagee or becomes the owner of the fee estate of property within the District by foreclosure, or deed in lieu of foreclosure or otherwise.

B. Before a Secured Lender may exercise any rights of the Developer under the Agreement, the City shall receive: (a) within thirty (30) days following the date of such collateral assignment, a notice from the Developer that it has entered into a collateral assignment with a Secured Lender in connection with the property, which shall specify the name, address and telephone number of the Secured Lender, as well as the title, date and parties to the collateral assignment agreement; and (b) not less than ten (10) days' notice of the Secured Lender's intent to exercise its right to become the assignee of the Developer under the Agreement, which notice shall include the effective date of the collateral assignment, and the title, date and parties to such collateral assignment agreement. The City is entitled to rely upon representations made in the notices described in this paragraph without further investigation or inquiry.

C. Provided that the Developer has provided the City with notice of a collateral assignment as described in this Section, the City agrees to provide the Secured Lender with the same notice of default at the same time such notice is given to the Developer, and the Secured Lender shall have the same rights (but shall have no obligation) to cure, correct or remedy a default as are provided to the Developer.

Section 6.4. District Termination. Notwithstanding anything in this Agreement to the contrary, the District shall terminate twenty (20) years after the date of the Ordinance, or such earlier date in accordance with the provisions of the CID Act and Petition, upon payment of all costs described hereunder, unless such termination date is extended by action of the City Council.

ARTICLE 7: DEFAULTS AND REMEDIES

Section 7.1. Default and Remedies. An Event of Default shall occur upon the failure by either Party in the performance of any covenant, agreement or obligation imposed or created by this Agreement and the continuance of such failure for fifteen (15) days after the other Party has given written notice to such Party specifying such failure.

If any Event of Default has occurred and is continuing, then any non-defaulting party may, upon its election or at any time after its election while such default continues, by mandamus or other suit, action or proceedings at law or in equity, enforce its rights against the defaulting party and its officers, agents and employees, and require and compel duties and obligations required by the provisions of this Agreement.

Section 7.2. Rights and Remedies Cumulative. The rights and remedies maintained by any Party under this Agreement and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. Any Party shall be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Agreement, notwithstanding availability of an adequate remedy at law, and any Party hereby waives the right to raise such defense in any proceeding in equity.

Section 7.3. Waiver of Breach. No waiver of any breach of any covenant or agreement contained in this Agreement shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of an Event of Default, a non-defaulting Party may nevertheless accept from the defaulting party, any payment or payments without in any way waiving the non-defaulting party's right to exercise any of its rights and remedies as provided herein with respect to any such default or defaults in existence at the time when such payment or payments were accepted by the non-defaulting party.

Section 7.4. Excusable Delays. No Party shall be deemed to be in default of this Agreement because of Excusable Delays. Excusable Delays shall extend the time of performance for the period of such Excusable Delay.

ARTICLE 8: MISCELLANEOUS

Section 8.1. Effective Date and Term. This Agreement shall become effective on the date this Agreement has been fully executed by the Parties. This Agreement shall remain in effect for as long as the District is legally in existence.

Section 8.2. Immunities. No recourse shall be had for any claim based thereon or upon any representation, obligation, covenant or agreement in this Agreement contained against any past, present or future officer, member, employee, director or agent of the City or the District, or of any successor thereto, as such, either directly or through the City or the District, or any successor thereto, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, employees, directors or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement.

The Developer shall indemnify, release, defend, be responsible for and forever hold harmless the City and the District, their officers, agents, employees, elected officials, and attorneys, each in their official and individual capacities, from and against all lawsuits, suits, actions, costs, claims, demands, damages, disability, losses, expenses, including reasonable attorney's fees and other defense costs or liabilities of any character and from any cause whatsoever, brought because of loss or damage received or sustained, by any person, persons, property owners or property arising out of or resulting from any act, error, omission, or intentional act of the Developer or its agents, employees, or subcontractors, to the extent conducted pursuant to this Agreement and/or in connection with the ownership, design, development, redevelopment, use or occupancy of the property within the District or a portion thereof and the CID Project.

Section 8.3. Modification. The terms, conditions, and provisions of this Agreement can be neither modified nor eliminated except in writing and by mutual agreement among the City, the District and the Developer. Any modification to this Agreement as approved shall be attached hereto and incorporated herein by reference.

Section 8.4. Jointly Drafted. The Parties agree that this Agreement has been jointly drafted and shall not be construed more strongly against another Party.

Section 8.5. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

Section 8.6. Validity and Severability. It is the intention of the Parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies of State of Missouri, and that the unenforceability (or modification to conform with such laws or public policies) of any provision hereof shall not render unenforceable, or impair, the remainder of this Agreement. Accordingly, if any provision of this Agreement shall be deemed invalid or unenforceable in whole or in part, this Agreement shall be deemed amended to delete or modify, in whole or in part, if necessary, the invalid or unenforceable provision or provisions, or portions thereof, and to alter the balance of this Agreement in order to render the same valid and enforceable.

Section 8.7. Execution of Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

Section 8.8. City Approvals. Unless specifically provided to the contrary herein, all approvals of the City hereunder may be given by the Mayor or his or her designee without the necessity of any action by the City Council. The Mayor may seek the input from the City Council before granting any approval.

Section 8.9. District Approvals. Unless specifically provided to the contrary herein, all approvals of the District hereunder may be given by the Chairman of the District or his or her designee without the necessity of any action by the Board of Directors.

Section 8.10. Electronic Storage. The parties agree that the transactions 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 8.11. Reserved.

Section 8.12. Notices. Any notice, demand, or other communication required by this Agreement to be given by either party hereto to the other shall be in writing and shall be sufficiently given or delivered if dispatched by certified United States First Class Mail, postage prepaid, or delivered personally or by a reputable overnight delivery service to all parties listed below. Mailed notices shall be deemed effective on the third day after mailing and all other notices shall be effective when delivered.

To the City:

City of Independence, Missouri
111 E. Maple Ave
Independence, MO 64050
Attn: Tom Scannell
tscannell@indepmo.org

with copy to:

Gilmore & Bell, P.C.
2405 Grand Blvd., Suite 1100
Kansas City, MO 64108
Attn: Megan Miller
mmiller@gilmorebell.com

To the District:

Blue Ridge Crossing-East Community
Improvement District
Attn: Dan Horn
470 NW Legacy Drive
Kansas City, MO 64155

with copy to:

Rouse Frets White Goss Gentile Rhodes, P.C.
Attn. William B. Moore
801 W. 47th Street, Suite 500
Kansas City, MO 64112

To the Developer:

MBS Mall Investor-98, LLC
Attn: Dan Horn
470 NW Legacy Drive
Kansas City, MO 64155

with copy to:

Rouse Frets White Goss Gentile Rhodes, P.C.
Attn. William B. Moore
801 W. 47th Street, Suite 500
Kansas City, MO 64112

or to such other address with respect to either party as that party may, from time to time, designate in writing and forward to the other as provided in this paragraph.

Section 8.13. Anti-Discrimination. The Developer hereby certifies and agrees that, to the extent that the “Anti -discrimination Against Israel Act,” Section 34.600, Revised Statutes of Missouri (the “Israel Act”), is applicable to this Agreement, the Developer is not currently engaged in and shall not, for the duration of this Agreement, engage in a boycott of goods or services from the State of Israel (“Israel”), companies doing business in or with Israel or authorized by, licensed by or organized under the laws of Israel or persons or entities doing business with Israel, in all respects within the meaning of the Israel Act. The foregoing certification shall not be deemed an admission or agreement that the Israel Act is applicable to this Agreement but the foregoing certification is enforceable if the Israel Act is applicable. If the Israel Act is determined not to apply to this Agreement for any reason including the repeal or amendment of the Israel Act or any ruling of a court of competent jurisdiction as to the unenforceability or invalidity of the Israel Act, then the certification shall be of no effect.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

CITY OF INDEPENDENCE, MISSOURI

[SEAL]

By: _____
Rory Rowland
Mayor

ATTEST:

Susanne Holland
City Clerk

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

On this ____ day of _____, 2026 before me appeared, Rory Rowland, who being, by me duly sworn, did say that she is the Mayor of the **CITY OF INDEPENDENCE, MISSOURI**, a constitutional charter city and political subdivision of the State of Missouri, and did say that the seal affixed to the foregoing instrument is the seal of said City, and that said instrument was signed and sealed on behalf of said City, by authority of its City Council, and said Mayor acknowledged said instrument to be 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.

Notary Public

(SEAL)

My commission expires: _____

**BLUE RIDGE CROSSING-EAST
COMMUNITY IMPROVEMENT
DISTRICT**

[SEAL]

By: _____
BJ Craig, Chair

ATTEST:

Secretary

STATE OF MISSOURI)
) SS.
COUNTY OF JACKSON)

On this _____ day of _____, 2026, before me appeared BJ Craig, who being by me duly sworn, did say that he is the Chair of the Board of Directors of the **BLUE RIDGE CROSSING-EAST COMMUNITY IMPROVEMENT DISTRICT**, a community improvement district organized and existing under the laws of the State of Missouri, and that said instrument was signed in behalf of said District by authority of its Board of Directors and said individual acknowledged said instrument to be the free act and deed of said District.

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.

Notary Public

(SEAL)

My commission expires: _____

MBS MALL INVESTOR-98, LLC

By: _____
_____, Authorized Signatory

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

On this _____ day of _____, 2026, before me appeared _____, who being by me duly sworn, did say that s/he is the Authorized Signatory of **MBS MALL INVESTOR-98, LLC**, a Missouri limited liability company organized and existing under the laws of the State of Missouri, and that said instrument was signed in behalf of said limited liability company by authority of its members 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.

Notary Public

(SEAL)

My commission expires: _____

EXHIBIT A
CID PROJECT

CID Project	Budget
Maintenance wages	\$10,000
Management fee	\$10,000
Electricity	\$3,000
Water Sewer	\$3,000
LED lighting upgrades	\$10,000
Security	\$55,000
Landscaping	\$15,000
Snow removal	\$5,000
Trash removal	\$10,000
Sign/Entrance maintenance	\$15,000
Sweeping	\$5,000
Repair driveways/sidewalks	\$15,000
Maintenance - misc	\$5,000

The cost of services funded by the CID will be included in annual budgets and adjusted as needed.

EXHIBIT B

FORM OF COST CERTIFICATION

Date: _____

CERTIFICATION OF PROJECT COSTS PURSUANT TO THE COOPERATIVE AGREEMENT
RELATING TO THE BLUE RIDGE CROSSING-EAST COMMUNITY IMPROVEMENT
DISTRICT

To: City of Independence, Missouri (the “City”) and the Blue Ridge Crossing-East Community Improvement District (the “District”)

MBS Mall Investor-98, LLC (the “Developer”) hereby requests reimbursement from District Sales Tax Revenues in accordance with this request and the Cooperative Agreement (the “Cooperative Agreement”) among the City, the Developer, and the District, and hereby states and certifies as follows:

1. Capitalized terms used but not defined in this Cost Certification have the meanings given in the Cooperative Agreement.
2. The following costs (the “Certified Costs”) have been paid by the Developer and are hereby submitted for reimbursement from District Sales Tax Revenues:

<i>Cost Description</i>	<i>Contractor or Service Provider</i>	<i>Amount</i>

3. Each item included as a Certified Cost in this Cost Certification is a valid cost of implementing the CID Project authorized under CID Act and described in the Petition and the Cooperative Agreement or is a valid cost of formation of the District.
4. The Certified Costs included in this Cost Certification are reasonable costs that are payable under the Petition and reimbursable to the Developer under the Cooperative Agreement.
5. No item included in the above request has previously been paid or reimbursed from District Sales Tax Revenues and no part thereof has been included in any other Cost Certification previously filed by the Developer.
6. The Developer is not in material default of any provision of the Cooperative Agreement.

SIGNATURE PAGE TO COST CERTIFICATION

Certified by:

MBS MALL INVESTOR-98, LLC

By: _____,
_____, Authorized Signatory

Approved and Accepted:

**BLUE RIDGE CROSSING-EAST
COMMUNITY IMPROVEMENT
DISTRICT**

By: _____
Name: _____
Title: _____

**CITY OF INDEPENDENCE,
MISSOURI**

By: _____
Name: _____
Title: _____

City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

26-016 **2R** An ordinance amending Chapter 4 Article 11 Landlord Tenant Code and Article 15 Rental Ready of the City Code. **2R Item passes 7-0 Ord. No. 19787**

Recommendations:

Staff recommends approval.

Background:

The City's current Rental Ready Ordinance applies the same inspection schedule to all rental housing types, regardless of size, density or operational complexity. This includes large multifamily apartment buildings as well as single-family homes and duplexes.

The proposed ordinance creates a seven-year inspection cycle for single-family and duplex rental units, while preserving the City's authority to require inspections when public health or safety concerns exist.

Under the amendment:

- A rental dwelling unit inspection for a single-family or duplex property would be valid for seven (7) years from the date of the most recent inspection, or upon a change of tenant, whichever occurs first.
- No single-family or duplex rental unit may exceed seven (7) years between inspections, unless the City determines that an earlier inspection is necessary due to documented complaints or observed code violations affecting public health, safety, or welfare.

All other rental housing types would remain subject to the City's existing inspection requirements.

The City will continue to:

- Investigate landlord tenant complaints,
- Conduct inspections of violations, and
- Enforce all applicable building, housing and property maintenance codes.

As part of this amendment, the penalty section of the Landlord Tenant code is being updated to comply with Missouri State Statutes.

Emergency Justification:

Fiscal Impact:

Council Action:

Department / Contact	Community Development /
---------------------------------	-------------------------

REVIEWERS

Tom Scannell
Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. Ordinance - Landlord Tenant and Rental Ready Amendment 2026
2. Ordinance - Landlord Tenant and Rental Ready Amendment 2026 - Word
3. Ord. No. 19787

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 4 ARTICLE 11 LANDLORD
TENANT CODE AND ARTICLE 15 RENTAL READY OF THE CITY
CODE.

WHEREAS, in 1989 the City adopted Article 11 of Chapter 4 Landlord Tenant Code outlining basic landlord and tenant requirements; and,

WHEREAS, minor amendments to this article occurred in the 1990's however, there have been no other amendments since; and,

WHEREAS, in September 2016, the City Council adopted a new program called "Rental Ready" which established an interior rental dwelling unit inspection program, which began on June 1, 2017; and,

WHEREAS, the Rental Ready program applies to all rental dwelling units in the city and requires all rental properties to be licensed and pass a basic health and safety inspection every two years; and,

WHEREAS, the City's Landlord Tenant Code is integral to protecting the public health, safety and general welfare of residents in rental dwellings; and,

WHEREAS, the City Council desires to amend the Landlord Tenant section to amend the penalty section and Rental Ready section to update the timing of inspections for certain rental dwelling types.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. That Section 4.11.009 of the City Code is hereby amended as follows:

Sec. 4.11.009. Penalty.

Any person, firm or corporation who shall violate a provision of this article shall, upon conviction thereof, be subject to a fine of not less than \$150.00 for the first conviction, a fine of not less than \$300.00 for the second conviction, and a fine of not less than \$500.00 for the third and subsequent convictions ~~or to imprisonment not exceeding a period of six months, or both such fine and imprisonment. In addition to or in lieu of such fines, such person may be required to complete a training course regarding property maintenance, and may be required to provide community service.~~

SECTION 2. That Section 4.15.006.D of the City Code is hereby amended as follows:

“Sec. 4.15.006. Rental dwelling unit inspection required.

- A. A valid rental unit inspection form shall be submitted to the City in the form and manner prescribed by the City for all rental units.
 - 1. The qualified rental housing inspector shall submit all inspection records to the City upon completion of rental inspection and payment by the property owner. The City shall retain all records in accordance with the Missouri Sunshine Law and the Local Government Records Retention Schedule.
- B. The qualified rental housing inspector hired by the property owner shall make an inspection of the dwelling or dwelling units for which a satisfactorily completed and executed application for a rental ready certificate is filed. In accordance with Section 4.11.002 of the Independence City Code, the landlord shall give reasonable notice before entering and allowing inspection of the leased premises.
- C. Any rental dwelling unit that has been inspected for any reason may submit that inspection report provided the inspection is no older than 12 months.
- D. During the initial implementation, the rental dwelling unit inspection shall be valid for up two years from the date the City issues the business license for the rental dwelling units(s). After the initial implementation, the rental dwelling unit inspection shall be valid for two years from the date the City issues the business license or upon a change of tenant for the rental dwelling unit(s), whichever occurs later. In no case shall a rental dwelling unit exceed four years between inspections.

Notwithstanding the foregoing, single-family dwelling units and duplex dwelling units used as rental housing shall be subject to a modified inspection cycle. For such properties, a rental dwelling unit inspection shall be valid for seven (7) years from the date of the most recent inspection or upon a change of tenant, whichever occurs first. In no case shall a single-family or duplex rental dwelling unit exceed seven (7) years between inspections unless the City determines, based on documented complaints or observed code violations, that an earlier inspection is necessary to protect the public health, safety, or welfare. It shall be the responsibility of the landlord of said single-family and/or duplex dwelling units to notify the City when a new rental agreement with a new tenant has been entered into, triggering the City’s right to have the unit(s) inspected by a qualified rental housing inspector before the occupancy of the new tenant.

SECTION 3. That all other parts and provisions of the City Code not in conflict herewith shall remain in full force and effect unless previously or subsequently amended or repealed.

SECTION 4. That correction of any scriveners’ errors identified within these articles are hereby authorized by this ordinance.

PASSED THIS _____ DAY OF _____, 2026, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED AS TO FORM AND LEGALITY:

City Counselor

REVIEWED BY:

City Manager

NOTE: Words struck through and bolded are being removed by this ordinance and words underscored and bolded are being added by this ordinance.

BILL NO. _____

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PASSED THIS ____ DAY OF _____, 2026, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED AS TO FORM AND LEGALITY:

City Counselor

REVIEWED BY:

City Manager

NOTE: Words struck through and bolded are being removed by this ordinance and words underscored and bolded are being added by this ordinance.

BILL NO. 210-016

ORDINANCE NO. 19787

AN ORDINANCE AMENDING CHAPTER 4 ARTICLE 11 LANDLORD
TENANT CODE AND ARTICLE 15 RENTAL READY OF THE CITY
CODE.

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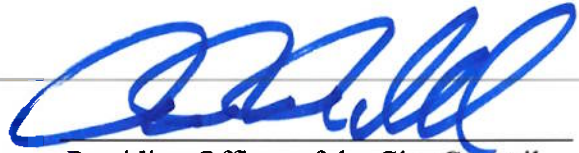
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SECTION 3. That all other parts and provisions of the City Code not in conflict herewith shall remain in full force and effect unless previously or subsequently amended or repealed.

SECTION 4. That correction of any scriveners' errors identified within these articles are hereby authorized by this ordinance.

PASSED THIS 16th DAY OF Feb., 2026, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.



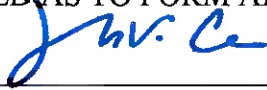
Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:



City Clerk

APPROVED AS TO FORM AND LEGALITY:



City Counselor

REVIEWED BY:



City Manager



NOTE: Words struck through and bolded are being removed by this ordinance and words underscored and bolded are being added by this ordinance.

City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

22-075 **2R** An ordinance approving a rezoning from District C-1 (Neighborhood Commercial) and District R-6 (Single-Family Residential) to District R-18/PUD (Moderate-Density Residential/Planned Unit Development) and approving a preliminary development plan for the properties at 2610 and 2612 S. Lee's Summit Road, in Independence, Missouri. **2R (1R was on 8/1/2022) Item passes 7-0 Ord. No. 19788**

Recommendations:

Commissioner Wiley made a motion to recommend approval of the rezoning and preliminary development plan which consists of the attached photographs of the site, with the following conditions:

1. For the Final Development Plan, create a denser landscaped buffer along the southern edge of the property. Create a Medium-Intensity landscape buffer per the landscaping section of the Unified Development Ordinance (UDO);
2. Provide a four-foot high berm along Lee's Summit Road. Submit a cross-section elevation with the Final Development Plan;
3. All sidewalks provided must be 5-foot wide to meet ADA requirements;
4. Provide parking lot parameter trees and shrubs, and shrubs around the buildings (the exact number of plantings worked out with staff for the Final Development Plan);
5. The Final Development Plan should provide an elevation of a entry sign/feature;
6. Stripe a left-turn lane at the entrance to the proposed development;
7. The Masonry façades on the front elevations of the buildings must be carried for at least two feet onto the adjacent side elevations and across all right-of-way facing façades;
8. On the Final Development Plan, label the new public right-of-way, "E. 26th Terrace Court S." The units will be addressed on the Final Development Plan as well;
9. Prior to the issuance of any building permits, a replat of the property shall be approved.

A second to the motion was made by Commissioner Michell. The Independence Planning Commission voted as follows:

Commissioner Nesbitt – No
Commissioner Michell – Yes
Commissioner Wiley – Yes
Commissioner Young – No
Commissioner McClain – Absent
Commissioner Preston – Yes
Commissioner Ferguson – No

The motion did not receive a majority vote and failed to pass 3-3 and such application is

forwarded to the City Council for its consideration. Staff recommends approval of the application with conditions.

Background:

Seth Veld seeks to rezone the properties at 2610 and 2612 S. Lee's Summit Road from C-1 (Neighborhood Commercial) and R-6 (Single-Family Residential) to R-18/PUD (Moderate Density Residential/Planned Unit Development) and approve a Preliminary Development Plan.

Property History:

This property is actually two tracts similar in size lying adjacent and abutting the Lee's Summit Road right-of-way. The northern of the two contains a small, old farmhouse with an accessory structure west in the rear yard. The seven-acre tract has had some form of single-family residential designation since 1965 and its use has been single-family residential through that entire period. The southern six-acre tract has been undeveloped field over the same time period. In earlier times, it had agricultural uses, but today it is an underutilized field. In 1980, it was given a CP-1 zoning designation, a change from its earlier single-family zoning designation. However, nothing ever came of that neighborhood commercial zoning opportunity. The properties have been owned by Englewood Assembly of God for 35 years and had been envisioned as a location for a new church. They have been marketed for sale off and on since the early 2000's.

Physical Characteristics of Property:

The property is the site of a small, old farmhouse and an undeveloped field. The tracts are fairly flat and featureless, except for stands of trees around the perimeter. The property is neither in a flood plain nor near a stream requiring accompanying stream buffer zones.

Characteristics of the Area:

The surrounding neighborhood is largely residential in nature. Although Glendale Elementary lies across Lee's Summit Road, the immediate vicinity largely consists of single-family homes. The Mansion Apartments lie almost three blocks to the southeast. Although most nearby residences are of fairly good quality and condition, the newest developments in the neighborhood, The Mansion and Drum Farm, are of an architectural quality that staff believes should be reflected in this new townhome community. Thus, conditions for the Final Development Plan include improvement to the building elevations, particularly higher wainscots and extensions that should wrap around the sides of the buildings and cover all right-of-way facing façades.

Proposal:

Summit Living Townhomes will be an age-restricted (50+) community with 123 units on 13 acres. The applicant indicates in his narrative that, "the purpose of Summit Living Townhomes is to help older adults remain in the community, as well as remain independent."

The proposed zoning R-18/PUD would permit up to 18 units per acre. The applicant needs it only to be able to accommodate his proposal for a development with 10 units per acre.

Provided amenities will include a dog park and community building. Sidewalks will be provided on both sides of the rights-of-way and around the perimeters of the parking lots.

The applicant's intention is to create a development similar in design and concept to Parkway Villas in Blue Springs. It consists of eight, 5-unit buildings and one, 4-unit building on 3.86-acres (a density of 11.39-units per acre). In Independence, the applicant proposes twenty-eight 4-unit buildings with 112-units, three 3-unit buildings with 9-units and one 2-unit building with 2-

units. Nine of the 4-unit buildings and two of the 3-unit buildings will have one-story units without garages. The remainder of the buildings will have two-story units with garages. The two-story units will be along public rights-of-way and those that are one-story will be arranged around one of two parking lots.

Consistency with *Independence for All*, Strategic Plan:

The proposal relates to the goal: “Achieve livability, choice, access, health and safety through a quality, built environment through building new housing units to fill a market need.”

Comprehensive Plan Guiding Land Use Principles:

The Imagine Independence 2040 Comprehensive Plan designated this site for “Residential Neighborhoods,” which envisions new neighborhoods with a walkable layout with streets that connect in a logical manner throughout the neighborhood and to adjacent developments for seamless transitions. The Comprehensive Plan Guiding Principles most relevant to the proposed development are, “Provide a diversity of housing options in all neighborhoods”, “Facilitate the development of connected neighborhoods where appropriate,” and “Neighborhoods and housing should be designed to be inclusive of the needs of the wide span of mobility.”

Zoning:

The applicant proposes R-18/PUD zoning. District R-18/PUD allows: multiple-family housing, home-based daycare, government facilities, churches, schools, utilities, cemeteries, crops and gardening. The existing districts for the two tracts allow the following uses. District C-1 allows: residential above the first floor and in 50-percent of the first-floor area, retail sales, government facilities, churches, schools, utilities, artist workspaces, employment and business support services, restaurants, small venues, banks, medical services, offices, parking, personal improvement services, artisan uses, crops and gardening. District R-6 allows: single-family housing, home-based daycare, government facilities, churches, schools, utilities, cemeteries, crops and gardening.

Historic and Archeological Sites:

There are no apparent historic/archeological issues with this property.

Public Utilities:

Water, sewer and electrical services are available to the property.

Environmental, Storm Water and Stream Buffer:

The property is the site of a small, old farmhouse and a never developed field. There is not any reason to believe that the property has experienced environmental degradation.

The tracts are fairly flat and featureless, except for stands of trees around the perimeter. The property is neither in a floodplain nor near a stream requiring accompanying stream buffer zones.

The Municipal Services environmental division will require approved plans to ensure the parking, loading and storage areas comply with Chapter 20 of the City Code.

Building Permits and Phasing:

Given the proposed development will be a rental community sited on one or two lots and constructed in two phases, permits for each structure, in a particular phase, will be submitted around the same time. In the development’s first phase, the two-story units with garages, near Lee’s Summit Road, and the one-story units in the middle of the development will be constructed. The remainder of the two-story units with garages will be constructed in the second phase. Most of the new right-of-way, the parking lots and accompanying sidewalks will

be constructed in the first phase. The remainder of the public street and sidewalks will be completed in the second phase.

Elevations:

Whether they are four, three or two-unit buildings, the applicant proposes just two styles of structures; two-story structures with garages and one-story structures without garages. The two-story structures will have dormers (above some of the garage doors) and covered front entries. The one-story buildings without the garages will have mission-style entries from adjacent patios and gables. All the façades will be predominantly lap siding but will need to have four-foot-tall masonry wainscots (that are higher than indicated on the submitted elevations). Further, those wainscots must wrap at least two feet around the side of the buildings as well as be present on all right-of-way facing façades. The buildings will have composition shingles and the units will have two bedrooms. None of the units will have basements.

CIP Investments

The City's 2022-28 Capital Improvement Plan has programed the Woodbury and 25th Street stormwater project, which is located northwest of the subject property, for 2026-27. This project will address the lack of stormwater facilities in that area. The applicant's project will not have an impact on the CIP project.

Traffic Study:

The applicant submitted a Traffic Impact Study, which analyzes the traffic impacts on the surrounding roadway network for the *Existing* and *Existing + Site* traffic-volume scenarios. The study concluded that the addition of the development traffic has minimal impact on existing traffic operations. The analysis indicated that no turn lanes are warranted at the intersection of S Lee's Summit Road & the Proposed Site Drive. However, a left turn lane into the school is currently warranted and the City's traffic division is recommending striping of a left turn lane for the entrance to this addition as part of the first phase.

Streets, Driveways and Parking Lots:

The right-of-way with its two, appended cul-de-sacs will be labeled and addressed as one street; a public street, built to City standards and having accompanying public sidewalks on both sides. A limited access drive, for the use of emergency vehicles, will be constructed leading from the street to the northwest corner of the property where it will connect with S. Trail Ridge Drive, but will be gated. Driveways to the units accessing the right-of-way will provide parking for one car and lead to a single garage providing parking for another. The two parking lots provided for the units without garages will each provide 36 spaces (2 handicapped spaces) for 19 and 23-units. Staff believes, given the expected senior residents, more handicapped spaces should be provided than ADA requires. Lastly, a 16-space parking lot will be provided for the community building.

Landscape, Screening and Berm:

When the Final Development Plan is submitted, in addition to the street trees indicated on the Preliminary Development Plan, trees and shrubs should be provided around the parking lot perimeters and buildings as indicated in the Unified Development Ordinance (UDO). The stands of trees abutting the west and northwest sides of the property appear to be adequate buffers. Along the southern edge of the property, where there is some thick landscaping in place, medium-intensity landscaping, as defined in the UDO, should be planted. Lastly, a four-foot-tall berm should be constructed along the S. Lee's Summit Road right-of-way.

Recommendations and decisions for the proposed planned unit development rezoning and its accompanying preliminary development plan must be based on consideration of the criteria listed in Section 14-703-05-H:

1. The Conformance of the requested zoning with the Comprehensive Plan.

The Comprehensive Plan envisions Residential Neighborhoods uses for this vicinity. The proposed multiple-family use, and the rezoning of the southern tract from C-1 to R-18/PUD, will be in keeping with the plan's vision

2. Conformance of the requested zoning with any adopted neighborhood or sub-area plans in which the property is located or abuts.

There are not any subarea plans that cover the vicinity around this proposed development;

3. The compatibility of the proposed zoning with the zoning and use of nearby property, including any overlay zoning.

The proposed zoning will be most compatible with the Mansion Apartment across Lee's Summit Road to the southeast and with the Glendale Elementary located directly across the street. The development is arguably less compatible with the adjacent and nearby single-family residential uses. However, the applicant has minimized the impact via buffering and similar architectural style;

4. The compatibility of the proposed zoning and allowed uses with the character of the neighborhood.

Although the residential uses in the immediate vicinity are largely single-family residential, there is R-18/PUD zoning 2½-blocks to the southeast containing a large apartment complex with hundreds of units. Further, the property across the street is an elementary school. The masonry façades of the proposed buildings will be somewhat reflective of the façade standard of the adjacent single-family development to the south;

5. The suitability of the subject property for the uses to which it has been restricted under the existing zoning regulations.

The more northern tract, being zoned R-6, is in keeping with the surrounding zoning. The southern tract is less so without some aesthetic standards;

6. The length of time the subject property has remained vacant as zoned.

The southern property has never been developed. The northern property has a residence;

7. The extent to which approving the rezoning will detrimentally affect nearby properties.

With the medium intensity landscape screening prescribed by the UDO, detrimental effects could be mitigated;

8. The gain, if any, to the public health, safety and welfare due to denial of the application, as compared to the hardship imposed upon the landowner, if any, as a result of denial of the application.

If the rezoning is denied, the developer will not be able to build at the density he wishes. If approved, the proposed use will advance the Guiding Principle of creating a diversity of housing and thus the welfare of the community.

Draft Planning Commission minutes are attached to this Council agenda item.

Emergency Justification:

Fiscal Impact:

Council Action:

Department / Contact	Community Development /
---------------------------------	-------------------------

REVIEWERS

Tom Scannell
Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. Amended Ordinance
2. Draft Ordinance
3. Staff Report 22-125-08
4. Cover Letter Summit Living Townhomes Independent Living 2610, 2612 S. Lee's Summit Rd
5. Application form signed_Redacted
6. Original Notification Letter
7. Original Notification Addresses
8. Original Affidavit
9. Summit Living Town Homes - Rev Pre Development Plan 7-1-22
10. Summit Living Concept Materials Plan
11. Traffic Impact Study
12. Comp Plan Map

13. Zoning Map
14. 07-12-22 PC Minutes-Summary
15. 2026 Notification Addresses
16. 2026 Notification Affidavit
17. 2026 Notification Letter
18. Ord. No. 19788

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE APPROVING A REZONING FROM DISTRICT C-1 (NEIGHBORHOOD COMMERCIAL) AND DISTRICT R-6 (SINGLE-FAMILY RESIDENTIAL) TO DISTRICT R-18/PUD (MODERATE-DENSITY RESIDENTIAL/PLANNED UNIT DEVELOPMENT) AND APPROVING A PRELIMINARY DEVELOPMENT PLAN FOR THE PROPERTIES AT 2610 and 2612 S. LEE’S SUMMIT ROAD, IN INDEPENDENCE, MISSOURI.

WHEREAS, the application submitted by the City of Independence requesting approval of a rezoning from District C-1 (Neighborhood Commercial) and District R-6 (Single-Family Residential) to District R-18/PUD (Moderate-Density Residential/Planned Unit Development) and a preliminary development plan at 2610 and 2612 S. Lee’s Summit Road was referred to the Planning Commission as required by the Unified Development Ordinance; and,

WHEREAS, the Unified Development Ordinance provides for the approval of a rezoning and preliminary development plan by the City following public hearings by the Planning Commission and City Council; and,

WHEREAS, after due public notice in the manner prescribed by law, the Planning Commission held a public hearing for the consideration of the request on July 12, 2022, and rendered a report to the City Council with its vote to recommend approval of this application failing by a vote of 3-3; and,

WHEREAS, after due public notice in the manner prescribed by law, the City Council held a public hearing on August 15, 2022, and rendered a decision to approve the rezoning and preliminary development plan for the said property; and,

WHEREAS, in accordance with the Unified Development Ordinance, it was determined that the rezoning and preliminary development plan was consistent with the review criteria in Section 14-701-02 and 14-703-05 respectively; and,

WHEREAS, no legal protests were signed, acknowledged, and presented for the application.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. That the following legally described tracts of real estate are hereby rezoned from District C-1 (Neighborhood Commercial) and District R-6 (Single Family Residential) to District R-18/PUD (Moderate-Density Residential/Planned Unit Development) and shall be subject to the regulations of said district:

Section 12, Township 49, Range 32; North 7 1/3-acres of the South 13 1/3-acres of the West ½-acre of the Southeast ¼-acre (Except a part in the Lee’s Summit Road right-of-way aka the Kiger Road right-of-way)

Section 12, Township 49, Range 32; South 6-acres of the West 1/2 -acre of the Southeast ¼-acre (Except a part in the Lee’s Summit Road right-of-way aka the Kiger Road right-of-way)

SECTION 2. That the Preliminary Development Plan, in the form of photographs of the site, is attached hereto and is incorporated by reference as if fully set out herein, is hereby approved with the

following conditions:

1. For the Final Development Plan, create a denser landscaped buffer along the southern edge of the property. Create a Medium-Intensity landscape buffer per the landscaping section of the Unified Development Ordinance (UDO);
2. Provide a four-foot high berm along Lee’s Summit Road. Submit a cross-section elevation with the Final Development Plan;
3. All sidewalks provided must be 5-foot wide to meet ADA requirements;
4. Provide parking lot parameter trees and shrubs, and shrubs around the buildings (the exact number of plantings worked out with staff for the Final Development Plan);
5. The Final Development Plan should provide an elevation of a entry sign/feature;
6. Stripe a left-turn lane at the entrance to the proposed development;
7. The Masonry façades on the front elevations of the buildings must be carried for at least two feet onto the adjacent side elevations and across all right-of-way facing façades;
8. On the Final Development Plan, label the new public right-of-way, “E. 26th Terrace Court S.” The units will be addressed on the Final Development Plan as well;
9. Prior to the issuance of any building permits, a replat of the property shall be approved.
10. The subject property shall be developed, used, and maintained exclusively as age-restricted “Housing for Older Persons” in compliance with the federal Fair Housing Act, the Housing for Older Persons Act of 1995 (HOPA), as amended, and applicable Missouri law. Deed restrictions ensuring compliance with HOPA shall be recorded concurrently with the Final Plat for the Planned Unit Development (PUD). Such restrictions shall limit occupancy to persons fifty-five (55) years of age or older, consistent with 42 U.S.C. Section 3607(b) and all applicable federal and state regulations. (Condition added by City Council on February 4, 2026.)

SECTION 3. Nonseverability. All provisions of this ordinance are so essentially, and inseparable connected with, and so dependent upon, each other that no such provision would be enacted without all others. If a court of competent jurisdiction enters a final judgement on the merits that is not subject to appeal and that declares any provision or part of this ordinance void, unconstitutional, or unenforceable, then this ordinance, in its collective entirety, is invalid and shall have no legal effect as of the date of such judgement.

SECTION 4. Scrivener’s Errors. Typographical errors and other matters of a similar nature that do not affect the intent of this ordinance, as determined by the City Clerk and City Counselor, may be corrected with the endorsement of the City Manager without the need to come before City Council.

SECTION 5. That failure to comply with all the provisions contained in this ordinance shall constitute violations of both this ordinance and Chapter 14, the Unified Development Ordinance, of the Code of the City of Independence, Missouri.

PASSED THIS _____ DAY OF _____, 2026, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED AS TO FORM AND LEGALITY:

City Counselor

REVIEWED BY:

Interim City Manager

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE APPROVING A REZONING FROM DISTRICT C-1 (NEIGHBORHOOD COMMERCIAL) AND DISTRICT R-6 (SINGLE-FAMILY RESIDENTIAL) TO DISTRICT R-18/PUD (MODERATE-DENSITY RESIDENTIAL/PLANNED UNIT DEVELOPMENT) AND APPROVING A PRELIMINARY DEVELOPMENT PLAN FOR THE PROPERTIES AT 2610 and 2612 S. LEE’S SUMMIT ROAD, IN INDEPENDENCE, MISSOURI.

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WHEREAS, in accordance with the Unified Development Ordinance, it was determined that the rezoning and preliminary development plan was consistent with the review criteria in Section 14-701-02 and 14-703-05 respectively; and,

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2. Provide a four-foot high berm along Lee’s Summit Road. Submit a cross-section elevation with the Final Development Plan;
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4. Provide parking lot parameter trees and shrubs, and shrubs around the buildings (the exact number of plantings worked out with staff for the Final Development Plan);
5. The Final Development Plan should provide an elevation of a entry sign/feature;
6. Stripe a left-turn lane at the entrance to the proposed development;
7. The Masonry façades on the front elevations of the buildings must be carried for at least two feet onto the adjacent side elevations and across all right-of-way facing façades;
8. On the Final Development Plan, label the new public right-of-way, “E. 26th Terrace Court S.” The units will be addressed on the Final Development Plan as well;
9. Prior to the issuance of any building permits, a replat of the property shall be approved.

SECTION 3. Nonseverability. All provisions of this ordinance are so essentially, and inseparable connected with, and so dependent upon, each other that no such provision would be enacted without all others. If a court of competent jurisdiction enters a final judgement on the merits that is not subject to appeal and that declares any provision or part of this ordinance void, unconstitutional, or unenforceable, then this ordinance, in its collective entirety, is invalid and shall have no legal effect as of the date of such judgement.

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PASSED THIS _____ DAY OF _____, 2022, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED AS TO FORM AND LEGALITY:

City Counselor

REVIEWED BY:

City Manager

MEETING DATE: July 12, 2022

STAFF: Brian Harker, Planner

PROJECT NAME: Summit Living Townhomes-An Active Independence Living Community

CASE NUMBER/REQUEST: Case 22-125-08 – Rezoning – 2610 and 2612 S. Lee’s Summit Road – A request by Joseph J. Laughlin to rezone this property from District C-1 (Neighborhood Commercial) and District R-6 (Single-Family Residential) to District R-18/PUD (Moderate Density Residential/Planned Unit Development) and approve a Preliminary Development Plan

APPLICANT/OWNER: Joseph J. O’Loughlin, O’Loughlin Development LLC

PROPERTY ADDRESS: 2610 and 2612 S. Lee’s Summit Road

SURROUNDING ZONING/LAND USE:

North: District R-6...single-family homes
West: District R-6...single-family homes
East: District R-6...single-family homes and elementary school
South: District R-6/PUD...single-family homes

PUBLIC NOTICE:

- Letters to adjoining property owners – June 24, 2022
- Public Notice published in the Independence Examiner – June 25, 2022
- Sign posted on property – June 25, 2022

FURTHER ACTION:

Following action by the Planning Commission, this rezoning request is scheduled for a first reading by the City Council on August 1, 2022 and the public hearing/second reading on August 15, 2022.

RECOMMENDATION

Staff recommends approval of the rezoning/preliminary development with the following conditions.

- 1) For the Final Development Plan, create a denser landscaped buffer along the southern edge of the property. Create a Medium-Intensity landscape buffer per the landscaping section of the Unified Development Ordinance (UDO);
 - 2) Provide a four-foot high berm along Lee’s Summit Road. Submit a cross-section elevation with the Final Development Plan;
 - 3) All sidewalks provided must be 5-foot wide to meet ADA requirements;
 - 4) Provide parking lot parameter trees and shrubs, and shrubs around the buildings (the exact number of plantings worked out with staff for the Final Development Plan);
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-

- 6) Stripe a left-turn lane at the entrance to the proposed development;
- 7) The Masonry façades on the front elevations of the buildings must be carried for at least two feet onto the adjacent side elevations and across all right-of-way facing façades;
- 8) On the Final Development Plan, label the new public right-of-way, “E. 26th Terrace Court S.” The units will be addressed on the Final Development Plan as well;
- 9) Prior to the issuance of any building permits, a replat of the property shall be approved.

PROJECT DESCRIPTION & BACKGROUND INFORMATION

PROJECT DESCRIPTION: A request by Joseph J. Laughlin to rezone this property from C-1 (Neighborhood Commercial) and R-6 (Single-Family Residential) to R-18/PUD (Moderate Density Residential/Planned Unit Development) and approve a Preliminary Development Plan.

Current Zonings:	C-1 (Neighborhood Commercial) and R-6 (Single-Family Residential)	Proposed Zoning:	R-18/PUD (Moderate Density Residential/Planned Unit Development)
Current Use:	undeveloped land	Proposed Uses:	Multiple-Family Development
Square Footage:	585,922-square feet		
Former Zoning	Prior to 1980, from 1965 – R-1 (Single-Family Residential) Prior to 2009, from 1980 – CP-1 (Planned Neighborhood Commercial) and R-1b (Single-Family Residential)		

PROPERTY HISTORY

This property is actual two tracts similar in size lying adjacent and abutting the Lee’s Summit Road right-of-way. The northern of the two contains a small, old farmhouse with an accessory structure west in the rear yard. The seven-acre tract has had some form of single-family residential designation since 1965 and its use as been single-family residential through that entire period. The southern six-acre tract has been undeveloped field over the same time period. In earlier times, it had agricultural uses, but today it is an underutilized field. In 1980, it was given a CP-1 zoning designation, a change from its earlier single-family zoning designation. However, nothing ever came of that neighborhood commercial zoning opportunity. The properties have been owned by Englewood Assembly of God for 35 years and had been envisioned as a location for a new church. They have been marketed for sale off and on since the early 2000’s.

PHYSICAL CHARACTERISTICS OF PROPERTY

The property is the site of a small, old farmhouse and a never developed field. The tracts are fairly flat and featureless, except for stands of trees around the perimeter. The property is neither in a flood plain or near a stream requiring accompanying stream buffer zones.

CHARACTERISTICS OF THE AREA

The surrounding neighborhood is largely residential in nature. Although Glendale Elementary lies across Lee's Summit Road, the immediate vicinity largely consist of single-family homes. The Mansion Apartments lie almost three blocks to the southeast. Although most nearby residences are of fairly good quality and condition, the newest developments in the neighborhood, The Mansion and Drum Farm, are of an architectural quality that staff believes should be reflected in this new townhome community. Thus, conditions for the Final Development Plan include improvement to the building elevations, particularly higher wainscots and extensions that should wrap around the sides of the buildings and cover all right-of-way facing façades.

PROPOSAL:

Summit Living Townhomes will be an age restricted (50+) community with 123 units on 13 acres. The applicant indicates in his narrative that, "the purpose of Summit Living Townhomes is to help older adults remain in the community, as well as remain independent."

The zoning proposed R-18/PUD would permit up to 18-units per acre. The applicant needs it only to be able to accommodate his proposal for a development with 10-units per acre.

Provided amenities will include a dog park and community building. Sidewalks will be provided on both sides of the rights-of-way and around the perimeters of the parking lots.

The applicant's intention is to create a development similar in design and concept to Parkway Villas in Blue Springs. It consists of eight, 5-unit buildings and one, 4-unit building on 3.86-acres (a density of 11.39-units per acre). In Independence, the applicant proposes twenty-eight 4-unit buildings with 112-units, three 3-unit buildings with 9-units and one 2-unit building with 2-units. Nine of the 4-unit buildings and two of the 3-unit buildings will have one-story units without garages. The remainder of the buildings will have two-story units with garages. The two-story units will be along public rights-of-way and those that are one-story will be arranged around one of two parking lots.

ANALYSIS

Consistency with *Independence for All*, Strategic Plan:

The proposal relates to the Goal "Achieve livability, choice, access, health and safety through a quality, built environment through building new housing units to fill a market need."

Comprehensive Plan Guiding Land Use Principles:

The Imagine Independence 2040 Comprehensive Plan designated this site for "Residential Neighborhoods," which envisions new neighborhoods with a walkable layout with streets that connect in a logical manner throughout the neighborhood and to adjacent developments for seamless transitions. The Comprehensive Plan Guiding Principles most relevant to the proposed development are, "Provide a diversity of housing options in all neighborhoods", "Facilitate the development of connected neighborhoods where appropriate," and "Neighborhoods and housing should be designed to be inclusive of the needs of the wide span of mobility."

Zoning:

The applicant proposes R-18/PUD zoning. District R-18/PUD allows; multiple-family housing, home based daycare, government facilities, churches, schools, utilities, cemeteries, crops and gardening. The existing districts for the two tracts allow the following uses. District C-1 allows; residential above the first floor and in 50-percent of the first-floor area, retail sales, government facilities, churches, schools, utilities, artist workspaces, employment and business support services, restaurants, small venues, banks, medical services, offices, parking, personal improvement services, artisan uses, crops and gardening. District R-6 allows: single-family housing, home based daycare, government facilities, churches, schools, utilities, cemeteries, crops and gardening.

Historic and Archeological Sites:

There are no apparent historic/archeological issues with this property.

Public Utilities:

Water, sewer and electrical services are available to the property.

Environmental, Storm Water and Stream Buffer:

The property is the site of a small, old farmhouse and a never developed field. There is not any reason to believe that the property has experienced environmental degradation.

The tracts are fairly flat and featureless, except for stands of trees around the perimeter. The property is neither in a floodplain nor near a stream requiring accompanying stream buffer zones.

The Municipal Services environmental division will require approved plans to ensure the parking, loading and storage areas comply with Chapter 20 of the City Code.

Building Permits and Phasing:

Given the proposed development will be a rental community sited on one or two lots and constructed in two phases, permits for each structure, in a particular phase, will be submitted around the same time. In the development's first phase, the two-story units with garages, near Lee's Summit Road, and the one-story units in the middle of the development will be constructed. The remainder of the two-story units with garages will be constructed in the second phase. Most of the new right-of-way, the parking lots and accompanying sidewalks will be constructed in the first phase. The remainder of the public street and sidewalks will be completed in the second phase.

Elevations:

Whether they are four, three or two-unit buildings, the applicant proposes just two style of structures, two-story structures with garages and one-story structures without garages. The two-story structures will have dormers (above some of the garage doors) and covered front entries. The one-story buildings without the garages will have mission style entries from adjacent patios and gables. All the façades will be predominantly lap siding but will need to have four-foot-tall masonry wainscots (that are higher than indicated on the submitted elevations). Further, those wainscots must wrap at least two feet around the side of the buildings as well as be present on all right-of-way facing façades. The buildings will have composition shingles and the units will have two-bedrooms. None of the units will have basements.

CIP Investments

The City's 2022-28 Capital Improvement Plan has programmed the Woodbury and 25th Street stormwater project, which is located northwest of the subject property, for 2026-27. This project will address the lack of stormwater facilities in that area. The applicant's project will not have an impact on the CIP project.

Traffic Study:

The applicant submitted a Traffic Impact Study, which analyzes the traffic impacts on the surrounding roadway network for the *Existing* and *Existing + Site* traffic-volume scenarios. The Study concluded the addition of the development traffic has minimal impact on existing traffic operations. The analysis indicated that no turn lanes are warranted at the intersection of S Lee's Summit Road & the Proposed Site Drive. However, a left turn lane into the school is currently warranted and the City's traffic division is recommending striping of a left turn lane for the entrance to this addition as part of the first phase.

Streets, Driveways and Parking Lots:

The right-of-way with its two, appendage cul-de-sacs will be labeled and addresses as one street; a public street, build to City standards and having accompanying public sidewalks on both sides. A limited access drive, for the use of emergency vehicles, will be constructed leading from the street to the northwest corner of the property where it will connect with S. Trail Ridge Drive, but be gated. Driveways to the units accessing the right-of-way will provide parking for one car and lead to a single garage providing parking for another. The two parking lots provided for the units without garages will each provide 36 spaces (2 handicapped spaces) for 19 and 23-units. Staff believes, given the expected senior residents, more handicapped spaces should be provided than ADA requires. Lastly, a 16-space parking lot will be provided for the community building.

Landscape, Screening and Berm:

When the Final Development Plan is submitted, in addition to the street trees indicated on the Preliminary Development Plan, trees and shrubs should be provided around the parking lot perimeters and buildings as indicated in the Unified Development Ordinance (UDO). The stands of trees abutting the west and northwest sides of the property appear to be adequate buffers. Along the southern edge of the property, where there is some thick landscaping in place, Medium-Intensity landscaping, as defined in the UDO, should be planted. Lastly, a four-foot-tall berm should be constructed along the S. Lee's Summit Road right-of-way.

REVIEW CRITERIA

Recommendations and decisions on rezoning applications must be based on consideration of all the following criteria:

1. Conformance of the requested zoning with the Comprehensive Plan.

The Comprehensive Plan envisions Residential Neighborhoods uses for this vicinity. The proposed multiple-family use, and the rezoning of the southern tract from C-1 to R-18/PUD, will be in keeping with the plan's vision;

2. Conformance of the requested zoning with any adopted neighborhood or sub-area plans in which the property is located or abuts.

There are not any subarea plans that cover the vicinity around this proposed development;

3. The compatibility of the proposed zoning with the zoning and use of nearby property, including any overlay zoning.

The proposed zoning will be most compatible with the Mansion Apartment across Lee's Summit Road to the southeast and with the Glendale Elementary located directly across the street. The development is arguably less compatible with the adjacent and nearby single-family residential uses; however, the applicant has minimized the impact via buffering and similar architectural style;

4. The compatibility of the proposed zoning and allowed uses with the character of the neighborhood.

Although the residential uses in the immediate vicinity are largely single-family residential, there is R-18/PUD zoning 2½-blocks to the southeast containing a large apartment complex with hundreds of units. Further, the property across the street is an elementary school. The masonry façades of the proposed buildings will be somewhat reflective of the façade standard of the adjacent single-family development to the south;

5. The suitability of the subject property for the uses to which it has been restricted under the existing zoning regulations.

The more northern tract, being zoned R-6, is in keeping with the surrounding zonings. The southern tract less so without some aesthetic standards;

6. The length of time the subject property has remained vacant as zoned.

The southern property has never been developed. The northern property has a residence;

7. The extent to which approving the rezoning will detrimentally affect nearby properties.

With the medium intensity landscape screening prescribed by the UDO, detrimental effects could be mitigated;

8. The gain, if any, to the public health, safety and welfare due to denial of the application, as compared to the hardship imposed upon the landowner, if any, as a result of denial of the application.

If the rezoning is denied, the developer will not be able to build at the density he wishes. If approved, proposed use will advance the Guiding Principle of creating a diversity of housing and thus the welfare of the community.

EXHIBITS

1. Applicant's letter
2. Application
3. Notification letter
4. Mailing List
5. Affidavit
6. Pre-Development Plan

7. Elevations Materials
8. Traffic Study
9. Comp Plan Map
10. Zoning Map



O'Loughlin Development LLC

9393 W 110th Street, Suite 500
Corporate Woods Building 51
Overland Park, KS 66210

Summit Living Townhomes *Independent Living designed for Aging-in-Place*

2610, 2612 S. Lee's Summit Road, Independence, MO



Summit Living Townhomes, Independent Living is a beautiful, age-restricted (50+) community nestled between two schools on the East and West, a patio home community to the South and a residential community to the North. The developer lives in Independence and his background is in aging services and real estate – with a master's from USC and bachelor's from BYU. Englewood Assembly of God is also an interested party in this development – having owned the land for more than 35 years and actively marketed it for sale off and on since the early 2000's.



Introduction. Summit Living Townhomes. Finding Greater Independence in Independence.

There is a severe shortage of senior housing in Independence, based upon the City of Independence's 2022 Housing Study. As of 2021, 40% of the City of Independence's total population is 50+, comprising approximately 47,000 individuals. While that number is not too surprising given the national trend, the amount of housing designed to support aging individuals is. As of 2021, in the City of Independence, there were just 600 units (independent living and assisted living) designed for older adults. As the living needs of this 40% of the population change, where will they move? There is a great need for this project and the need will only be greater in the coming years.

So many people are used to "Peter Pan" homes – meaning, homes seemingly designed for people who will never grow old. The developer's grandparents lived in one of these. Two stories on a basement. Over time this home grew impractical for them. So, what were their options? Install an elevator, add ramps, retrofit doorways, install grab bars, etc, ... or, move into a nursing home.

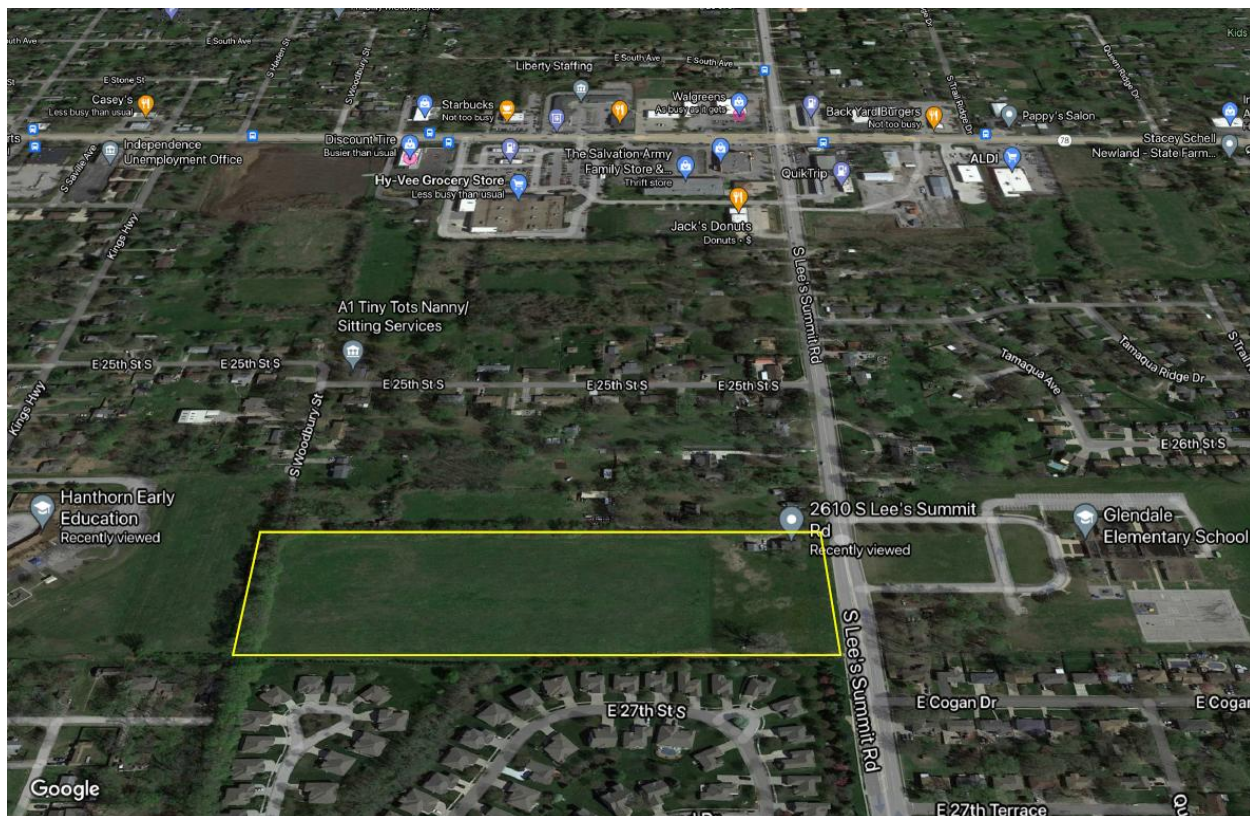
As people age, housing suited to their needs is a major determinant of whether they are able to remain capable of their own care, and thus remain in the community or whether they need to move into a full care facility. Maintenance-provided, zero step living communities are severely short in supply in the City of Independence, Jackson County and throughout the nation. Often, as people age, they are required to move into areas sequestered from the communities with which they have long been familiar and which are far from family and loved ones. The area's aging population need not be required to move elsewhere to find living situations that support their independence.

The City of Independence is an ideal destination for budget-conscious seniors. There is a shortage of senior housing throughout the entire country. The draw to the Kansas City Area, and Independence in

particular, is access to excellent medical care, family friendly communities, and a lower cost of living than is found in many other retirement areas of the country.

As the City of Independence helps meet this need, not only will the city fulfill an obligation to take good care of its own, but it will draw those individuals to our city from the surrounding areas and from throughout the country that make some of the best citizens. Older Adults have the knowledge, the experience, and very often also the time, to be great contributors to the long-term success of the communities in which they live. Housing that serves seniors, combined with top quality medical care, excellent amenities, a central location in our nation, and comparatively low cost of living could make the City of Independence a national retirement destination.

The purpose of Summit Living Townhomes is to help older adults remain in the community, as well as remain independent, for longer. For many older adults, Summit Living Townhomes will mean greater independence, in Independence, MO.



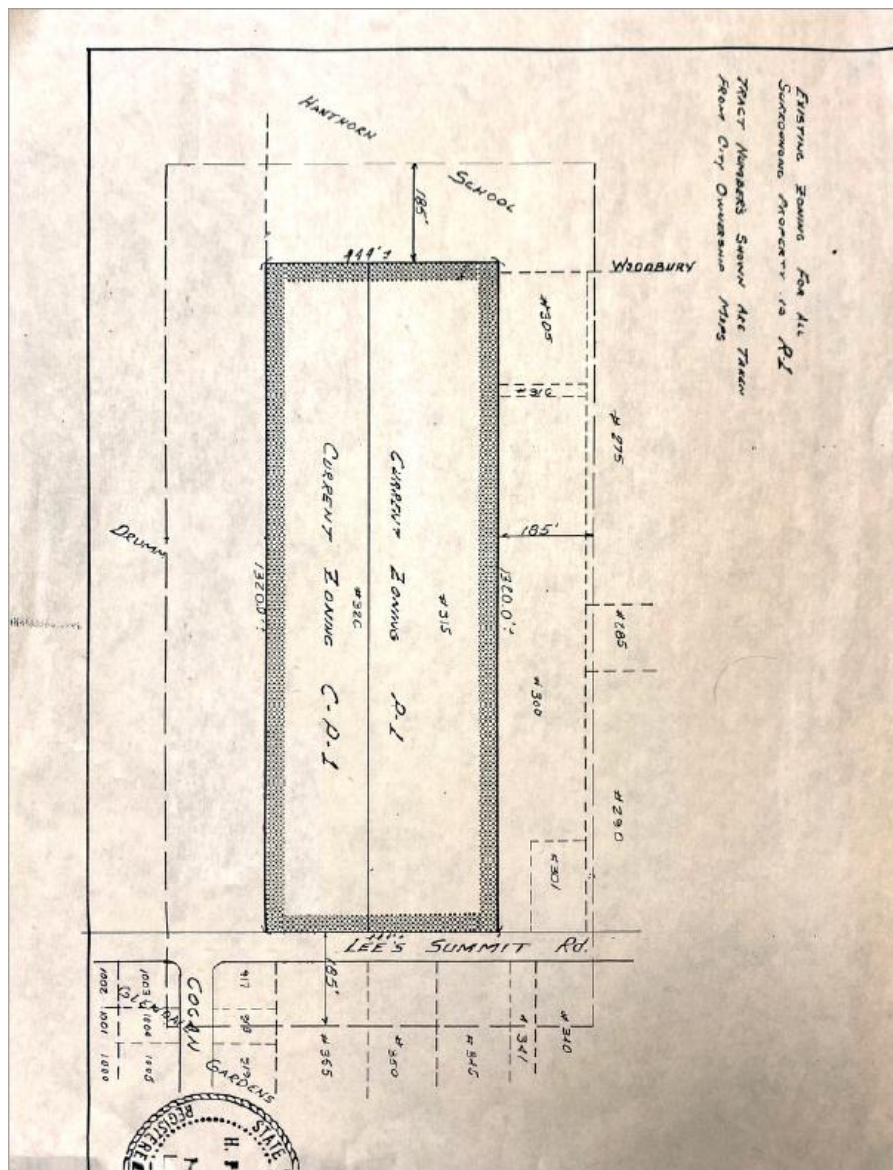
The Site. 2610, 2612 South Lee's Summit Road, Independence, MO

The independent living site comprises two parcels. The 6-acre parcel to the South is currently zoned C-1, which is neighborhood commercial and permits multistory mixed use development commercial on the main floor and apartments above, and also permits nursing homes. The 7+ acres to the North is currently zoned R-6 which allows six, 7000 sf single family home lots per acre.

Attempting to meet community needs within the permitted uses of the current C-1 zoning of the southern parcel, the developer has considered a mixed-use development, including lower level shops and apartments on the upper floors of 3-4 large, but attractive, mixed use buildings. However, the developer feels the proposed development will do more to enhance the desirability of the neighborhood.

The land has remained vacant under the current R-6 and C-1 zoning for 35 years. In some jurisdictions Independent Living Communities are permitted under the Nursing Home use, which would require no change in the current zoning of the southern 6 acre parcel (Blue Springs, MO is an example of a city that has permitted Independent Living under the Nursing Home – i.e. Parkway Villas (11.4 units/ac), built in 2019 in a neighborhood similar to the proposed (see below). If this is the case, the R-6 parcel would be requested to be changed to the minimum zoning which permits the proposed Independent Living Community PUD, which may be C-1 or R-18 PUD, though the density on the proposed community is comfortably below 10 units per acre.

Summit Living Townhomes also provides lengthy sidewalks throughout, equivalent to the sidewalks throughout the Drumm Farms subdivision immediately to the south. These sidewalks are used daily by residents and neighbors and promote health and activity. In addition to adding to walks in the area, Summit Living also has a beautiful dog park, a desirable amenity encouraging recreation and exercise.

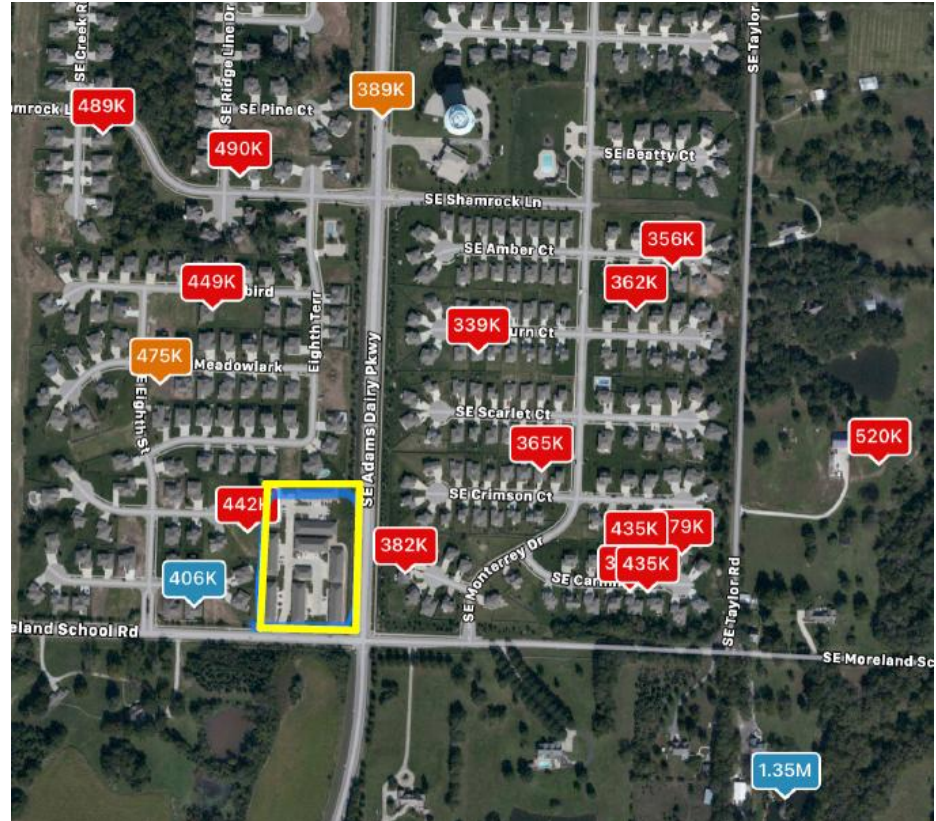


Zoning division of 2610, 2612 S. Lee's Summit Road, Independence, MO.

Parkway Villas

I know property values are a concern. As an example of a similar development nearby here is a brief look at Parkway Villas. This is an independent living community located at the intersection of Moreland School Road and Adams Dairy Parkway in Blue Springs.

This 44-unit independent living community consists of eight, 5-unit buildings and one 4-unit building (44 units) on 3.86 acres (density of 11.39 units/acre). It is surrounded by single family neighborhoods on the north, east and west and bordered by estate lot homes to the south. Home values in the surrounding areas do not appear to be negatively affected at all, with values in the \$350,000-\$500,000 range.



As a quick aside, these units are 2 bedrooms, 1 bathroom, have no garage, and most have steps going up to and returning from the units. By comparison, the homes in the proposed development have no steps, have 2 bedrooms and 2 bathrooms, and nearly 70% of units have garages (and in the opinion of some, the homes of the proposed development are much more attractive).



Parkway Villas, built 2019

City of Independence. A Retirement Destination.

The City of Independence is an ideal destination for budget-conscious Seniors. As you may know, there is a dearth of senior housing throughout the entire country. Some of the draw to the Kansas City Area, and Independence in particular, is access to excellent medical care, family friendly communities, and a lower cost of living than is found in many other retirement areas of the country.

So, what do people want, and need, as they age? Many seniors aren't able to continue living in their empty nest home, but are far from needing to move to a care facility. Summit Living Townhomes, and communities like it, provide a middle ground for people who are aging, and are still very much active and independent - and may remain so the remainder of their lives. The people living in these communities love living in them. The challenge is that housing designed with seniors in mind is in very short supply.

Summit Living Townhomes, combined with nearby amenities make the townhomes a destination for many retirees which will support the City of Independence's trajectory as a family-friendly city that welcomes retirees seeking a budget-friendly community without sacrificing access to recreation, national shopping, and top quality medical care.

Conclusion.

With 40% of the residents of Independence 50+, and just 600 units of independent and assisted living within the city, there is a significant shortage of senior housing in Independence. While there are other excellent sites along the I-70 corridor, the situation of this site, including the developer's and the church's desire to give something meaningful back to the community, make this location an excellent location for Summit Living Townhomes. As a resident of Independence working to improve the community, the owner of O'Loughlin Development LLC asks for your full support of this step toward alleviating the senior-friendly housing shortage.

Sincerely yours,

A handwritten signature in black ink, reading "Joseph J. O'Loughlin". The signature is fluid and cursive, with the first name "Joseph" and last name "O'Loughlin" clearly legible.

Joseph J. O'Loughlin
Owner, O'Loughlin Development LLC

Planning & Zoning Application Form

Staff Use Only	
Case Number:	
PC/BOA Meeting:	
City Council Dates:	

Application Type (check all that apply)

Land Use	Land Subdivision	Site Development	Use Permit	Other
☐ Rezoning ☒ PUD Rezoning	☐ Preliminary Plat ☐ Final Plat ☐ Minor Subdivision	☐ Final Site Plan ☒ Preliminary Dev Plan ☐ Final Dev Plan (PUD)	☐ Special Use ☐ Homebased Business ☐ Short-Term Rental	☐ Admin. Adjustment ☐ Variance ☐ Street Name Change

Project Information and Location

Summit Living Townhomes. An Active Independence Living Community.

Project Name

2610, 2612 S. Lee's Summit Road, Independence, MO

Project Address/Location

See cover letter.	13.29	2	No
Sq. Ft. of Building	Acreage	Number of Lots/Tracts	Steam Buffer (Yes or No)
C-1 & R-6	R-18	Vacant and single house.	Independent Living Commu
Existing Zoning	Proposed Zoning	Existing Land Use	Proposed Land Use

Basic Application Requirements (See the Planning & Zoning Application Guide for additional requirements)

☒ Completed & Signed Application Form ☒ Application Fee ☒ Cover Letter Describing Details of Project	☒ Plat Map, Development Plan, or Other Map (24" x 36" & 8.5" x 11" hard copy, and electronic copy) ☒ Legal Description of the property in question
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Contact Information

Applicant

Name: Joseph J. O'Loughlin

Company: O'Loughlin Development LLC

Owner

Name: Brandon Watkiss

Company: Englewood Assembly of God Church

Architect/Engineer/Surveyor/Other: Engineer

Name: Robert Walquist, PE

Company: Quist Engineering, Inc.

Architect/Engineer/Surveyor/Other: Designer

Name: Bryan Rahn

Company: High Point Design Studio

The applicant hereby agrees that the information provided above is accurate.

Joseph J. O'Loughlin 5/19/22
Applicant's Signature Date

Bryan Rahn 5/19/22
Owner's Signature Date

Property Owner Notification Letter

City of Independence, Missouri

Date: 6/23/2022

Case No. 22-125-08

Dear Property Owner:

This letter is to notify you that an application has been submitted for consideration by the Planning Commission and City Council. A full public hearing will be held by the Planning Commission and the City Council will consider new information on the dates and times below.

Proposed Case Type (Check One):

- ☐ Rezoning ☒ Rezoning/PUD ☐ Special Use Permit
☒ Preliminary Development Plan

Proposed project description: Summit Living townhomes meets a significant need for aging-friendly homes.

The are maintenance-provided, age-restricted, market rate (\$1250-\$1400/mo), and include picnic areas and a dog park.

Applicant: Englewood Assembly of God Church and O'Loughlin Development LLC

Location of Property: 2610, 2612 S. Lee's Summit Road, Independence, MO

Planning Commission Meeting Date: 12 July, 2022, at 6:00 p.m.

City Council Meeting Date: 15 August, 2022, at 6:00 p.m.

Location of public hearings: City Council Chambers, City Hall
111 E Maple Ave, Independence, Missouri, 64050

All interested persons are invited to attend and will have an opportunity to be heard at the full public hearing (Planning Commission).

REZONINGS ONLY: You may file a protest petition with the Community Development Department. For more information or to get copies of a petition, please contact Planning staff at 816-325-7421.


Applicant (or Owner/Agent)

For more information, contact the Community Development Department at 816-325-7421.

Property Owner Notification List

REBECCA L MEDLIN OR CURRENT OWNER(S)

2625 LEES SUMMIT RD

INDEPENDENCE, MO 64055

THE SCHOOL DISTRICT OF CITY OF INDEPENDENCE

201 N FOREST AVE

INDEPENDENCE, MO 64050-2513

OLIVAREZ JOHN G & JOANNE M-TRUSTEES OR CURRENT OWNER(S)

2605 S LEES SUMMIT RD

INDEPENDENCE, MO 64055

HARRIS MARK JAMES OR CURRENT OWNER(S)

2602 LEES SUMMIT RD

INDEPENDENCE, MO 64055

CARTER JAMES L-TRUSTEE OR CURRENT OWNER(S)

2608 S LEES SUMMIT RD

INDEPENDENCE, MO 64055

COPELAND MICHAEL & LEE OR CURRENT OWNER(S)

2520 LEES SUMMIT RD

INDEPENDENCE, MO 64055

SCHULTZ DAVID & BRENDA OR CURRENT OWNER(S)

1421 WOODBURY ST

INDEPENDENCE, MO 64055

CASTRO SANDRA OR CURRENT OWNER(S)

301 NW PONDEROSA ST

LEES SUMMIT, MO 64064

RELIHAN PHILIP F JR & LAURIE E OR CURRENT OWNER(S)

18605 E 25TH TER CT S

INDEPENDENCE, MO 64057

LEGACY BNB LLC OR CURRENT OWNER(S)

11505 E 162ND DR

BRIGHTON, CO 80602

DRUMM FARM VILLAS HOMES ASSOC INC

2700 KENDALLWOOD PKWY STE 106

KANSAS CITY, MO 64119

DRUMM FARM VILLAS HOMES ASSOC INC

11125 NW AMBASSADOR DR STE 200

KANSAS CITY, MO 64153

**MONGEON SUSAN K TRUSTEE HER/HIS SUCCESSORS TRUST UNDER MONGEON SUSAN K
TRUST DATED 4/5/21 OR CURRENT OWNER(S)**

2708 S HADEN CT

INDEPENDENCE, MO 64055

TRANHAM MELANIE OR CURRENT OWNER(S)

4629 S EASTLAND CENTER DR

INDEPENDENCE, MO 64055

VAN DINE WAYNE R & MARY ANN E-TRUSTEES OR CURRENT OWNER(S)

2700 S HADEN CT

INDEPENDENCE, MO 64055

MARY ANN STRIBLING TRUST OR CURRENT OWNER(S)

41505 CARLOTTA DR UNIT 141

PALM DESERT, CA 92211

MOORE PATRICIA A OR CURRENT OWNER(S)

2705 S HADEN CT

INDEPENDENCE, MO 64055

FERGUSON JASON & FERGUSON PAMELA OR CURRENT OWNER(S)

2709 S HADEN CT

INDEPENDENCE, MO 64055

GUILFOYLE DAVID T & BONNIE J OR CURRENT OWNER(S)

2708 S WOODBURY DR

INDEPENDENCE, MO 64055

MARY BACHMANN REVOCABLE TRUST DATED AUGUST 15, 2014 OR CURRENT OWNER(S)

2704 S WOODBURY DR

INDEPENDENCE, MO 64055

ROMANO ANTHONY J & MARJORIE E OR CURRENT OWNER(S)

2718 S BRENTWOOD DR

INDEPENDENCE, MO 64055

KAPKE GEORGE E & BETH S OR CURRENT OWNER(S)

15800 E 27TH ST S

INDEPENDENCE, MO 64055

STEPHEN & DIANE WELLER

15804 E 27TH ST S

INDEPENDENCE, MO 64055-2382

COLTER CHERYL OR CURRENT OWNER(S)

15808 E 27TH ST S

INDEPENDENCE, MO 64055

MCKINNEY ADRUTH E-TRUSTEE OR CURRENT OWNER(S)

15812 E 27TH ST S

INDEPENDENCE, MO 64055

MISER GENE R OR CURRENT OWNER(S)

15820 E 27TH ST

INDEPENDENCE, MO 64055

CAMPBELL THOMAS D OR CURRENT OWNER(S)

15816 E 27TH ST S

INDEPENDENCE, MO 64055

GEORGE CURTIS A & CAROL A OR CURRENT OWNER(S)

2701 S BRECKENRIDGE DR

INDEPENDENCE, MO 64055

SPRADLING ROBERT W & TONI M OR CURRENT OWNER(S)

2705 S BRECKENRIDGE DR

INDEPENDENCE, MO 64055

GAMBLE JAMES W & PAULA B OR CURRENT OWNER(S)

2709 S BRECKENRIDGE DR

INDEPENDENCE, MO 64055

RODGERS JOHN D & KATHRYN M OR CURRENT OWNER(S)

16000 COGAN

INDEPENDENCE, MO 64055

BHAVNANI REANNE & SIRISH or CURRENT OWNER(S)

16004 E COGAN DR

INDEPENDENCE, MO 64055

GREGOVICH SHEILA L-TRUSTEE OR CURRENT OWNER(S)

15805 E 27TH ST S

INDEPENDENCE, MO 64055

FORD ROBERT D & ESTRELLA L OR CURRENT OWNER(S)

15809 E 27TH ST S

INDEPENDENCE, MO 64055

MULLIKIN FERN L (CARY) – TRUSTEE OR CURRENT OWNER(S)

15813 E 27TH ST S

INDEPENDENCE, MO 64055

SPIELBUSCH DAVID L OR CURRENT OWNER(S)

16001 E COGAN DR

INDEPENDENCE, MO 64055

Property Owner Notification Affidavit

STATE OF MISSOURI

COUNTY OF JACKSON

Case No. 22-125-08

I, Joseph O'Loughlin, of lawful age being first duly sworn upon oath, state:

That I am the (agent, owner, attorney) for the property for which the application was filed and did, not later than fifteen (15) days prior to the date of the public hearing scheduled before the Planning Commission, mail notices to all persons owning property within 185 feet of the subject property. **The list of property owners to whom notice has been mailed is attached.**

These notices were mailed on the 24th day of June, 2022.


Signature of Agent, Owner or Attorney

Subscribed and sworn to before me this 30th day of June, 2022.


Notary Public

Joan Vande Voort
Notary Public-Notary Seal
STATE OF MISSOURI
Jackson County
My Commission Expires 3-26-2025
ID #16140281

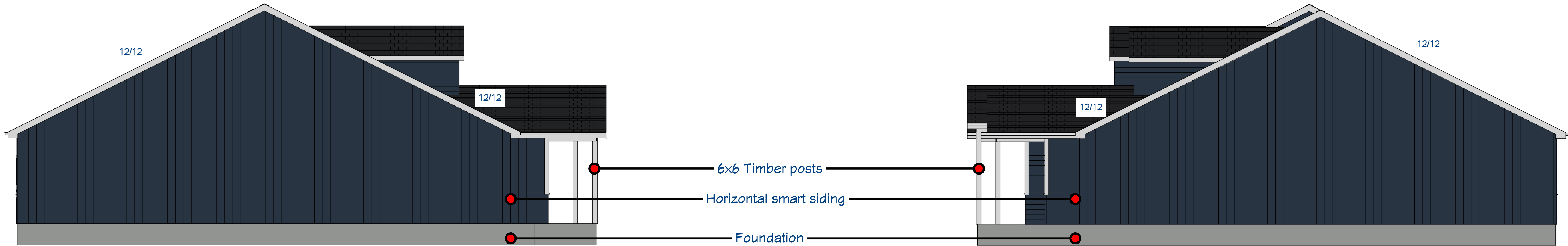
3/26/2025
Commission Expiration Date



Exterior Elevation Front



Exterior Elevation Rear



Exterior Elevation Left

Exterior Elevation Right

REVISION TABLE	
NUMBER	DATE

The Villas at Glendell

ELEVATION TYPE A

HIGHPOINT
DESIGN STUDIO
WWW.HIGHPOINTDESIGNSTUDIO.COM

DATE:

6/23/2022

SCALE:

1/4" = 1'

SHEET:

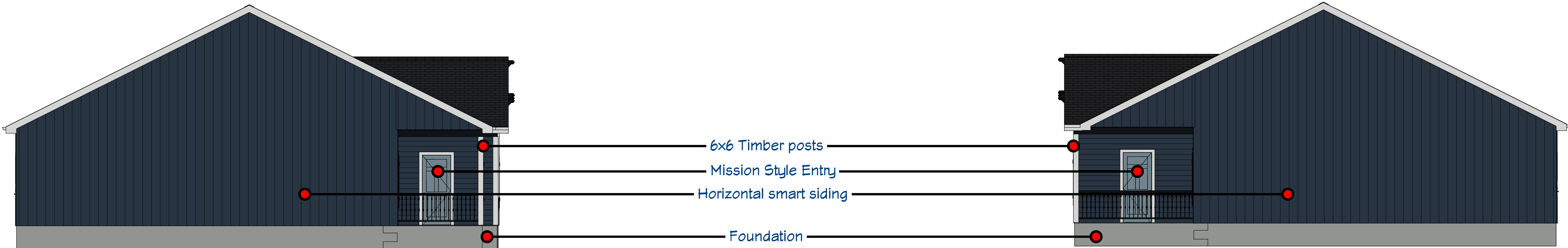
E-1



Exterior Elevation Front



Elevation 3



Exterior Elevation Left

Exterior Elevation Right

REVISION TABLE	
NUMBER	DATE

The Villas at Glendell

ELEVATION TYPE B

HIGHPOINT
DESIGN STUDIO
WWW.HIGHPOINTDESIGNSTUDIO.COM

DATE:

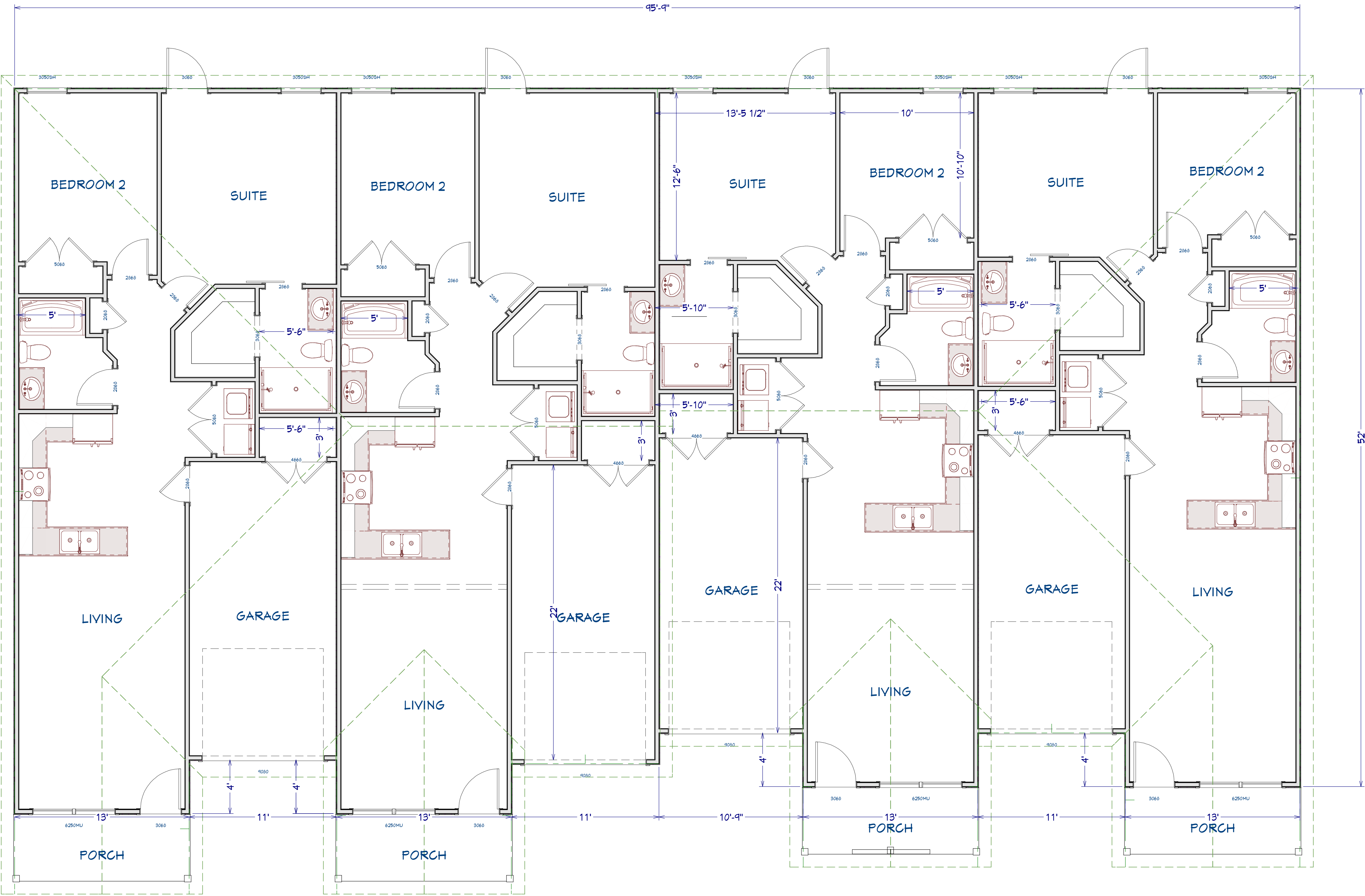
6/23/2022

SCALE:

1/4" = 1'

SHEET:

E-2



Floorplan
Scale 1/4" = 1'

REVISION TABLE	
NUMBER	DATE

The Villas at Glendell

1st Floor Plan Type A

HIGHPOINT
DESIGN STUDIO
WWW.HIGHPOINTDESIGNSTUDIO.COM

DATE:

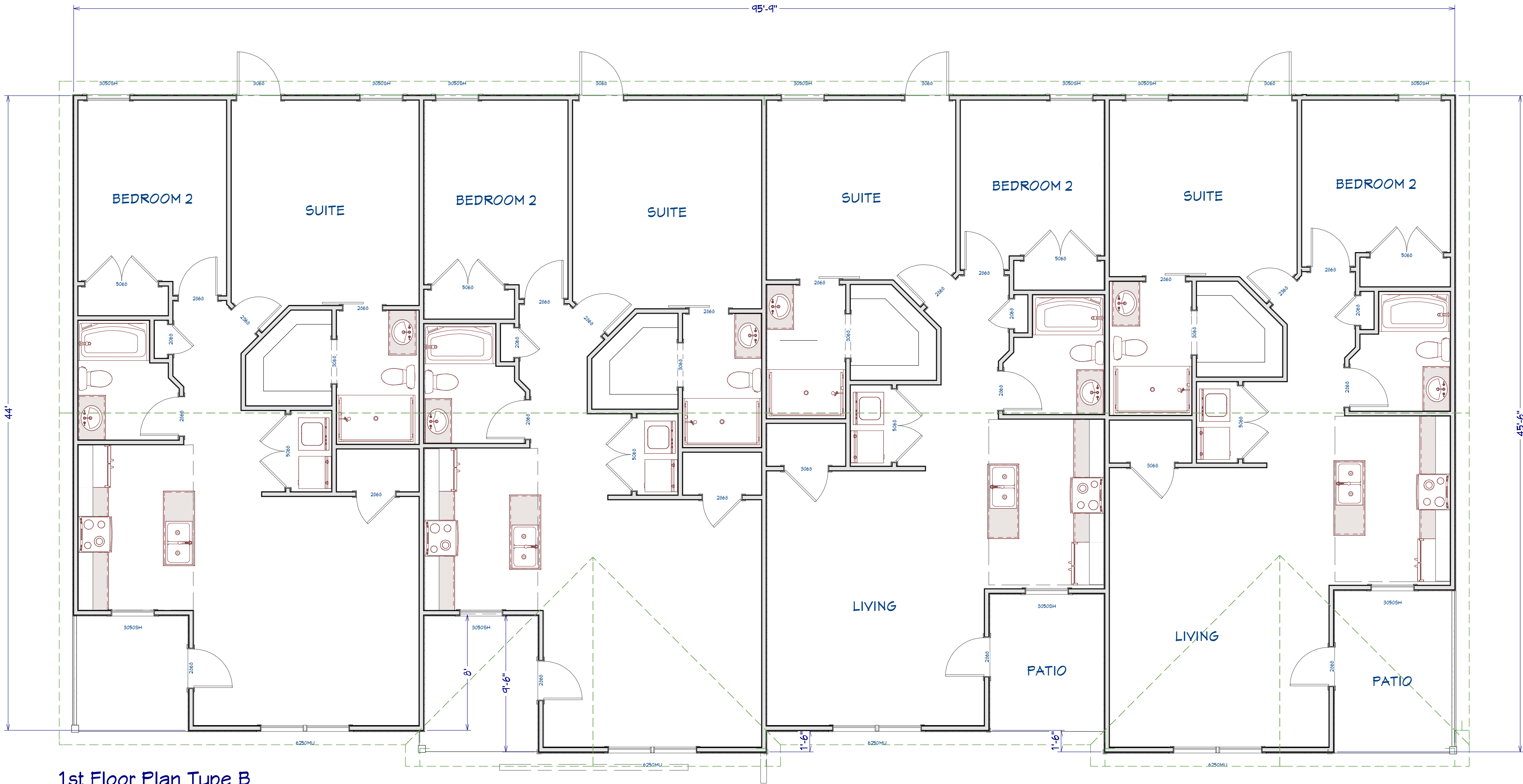
6/23/2022

SCALE:

1/4" = 1'

SHEET:

A-1



1st Floor Plan Type B
Scale 1/4" = 1'

REVISION TABLE		REVISION	DESCRIPTION
NUMBER	DATE	REVISOR	DESCRIPTION

The Villas at Glendell

1st Floor Plan Type B

HIGHPOINT
DESIGN STUDIO
WWW.HIGHPOINTDESIGNSTUDIO.COM

DATE:

6/23/2022

SCALE:

1/4" = 1'

SHEET:

A-2

TRAFFIC IMPACT STUDY

SUMMIT LIVING TOWNHOMES

INDEPENDENCE, MISSOURI

Prepared For:
O'Loughlin Development LLC

Prepared By:
Janelle Clayton, PE, PTOE

May 18, 2022



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VOLUMES

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FIGURE 2	EXISTING + SITE TRAFFIC VOLUMES (AM PEAK HOUR)
FIGURE 3	EXISTING + SITE TRAFFIC VOLUMES (PM PEAK HOUR)

LEVELS OF SERVICE

FIGURE 4	EXISTING LEVELS OF SERVICE (AM PEAK HOUR)
FIGURE 5	EXISTING LEVELS OF SERVICE (PM PEAK HOUR)
FIGURE 6	EXISTING + SITE LEVELS OF SERVICE (AM PEAK HOUR)
FIGURE 7	EXISTING + SITE LEVELS OF SERVICE (PM PEAK HOUR)

INTRODUCTION

The proposed Summit Living Townhomes residential development is an age-restricted, multi-family development that consists of a mix of 8-plex, 4-plex, 3-plex, and 2-plex buildings with a total of 123 dwelling units. The development will be marketed and sold to residents aged 55+. The proposed development is located west of Lee's Summit Road across from Glendale Elementary School in Independence, Missouri. The approximate location of the proposed development is shown in the Google Earth image below.



The existing site is generally vacant with one single-family residence in the northeast corner.

This study analyzes the traffic impacts on the surrounding roadway network for the *Existing* and *Existing + Site* traffic-volume scenarios. The following intersections are included in the study network:

- S Lee's Summit Road & E Cogan Drive
- S Lee's Summit Road & School Entrance / Site Driveway
- S Lee's Summit Road & School Exit

EXISTING CONDITIONS

Existing Traffic Volumes: Existing AM and PM peak-hour traffic volumes at the study intersections were recorded by Gewalt-Hamilton Associates (GHA) via video camera during the hours of 7:30-9:30 AM and 3:00-6:00 PM on Wednesday, May 4th, 2022. The counts were processed by Miovision Technologies, Inc. and can be found in the Appendix. In general, the AM peak hour occurred from 8:30 – 9:30 AM and the PM peak hour occurred from 4:15 – 5:15 PM. The existing AM and PM peak-hour volumes are shown on **Figure 1**.

Existing Roadway Network: Current roadway characteristics near the study area are summarized in **Table 1**.

Table 1: Existing Roadway Characteristics

Roadway	Classification	Section	Median Type	Posted Speed Limit
S Lee's Summit Road	Major Arterial	4-Lane	Undivided	35 mph
E Cogan Drive	Collector	2-Lane	Undivided	25 mph

*Classifications as listed in the City's Thoroughfare Plan

All of the study intersection are currently stop-controlled on the minor side-street approaches.

PROPOSED CONDITIONS

Proposed Land Use: The proposed Summit Living Townhomes residential development is a townhome development for residents aged 55+. The development consists of a mix of 8-plex, 4-plex, 3-plex, and 2-plex buildings with a total of 123 dwelling units. The site plan for the proposed development is shown on **Exhibit 1**.

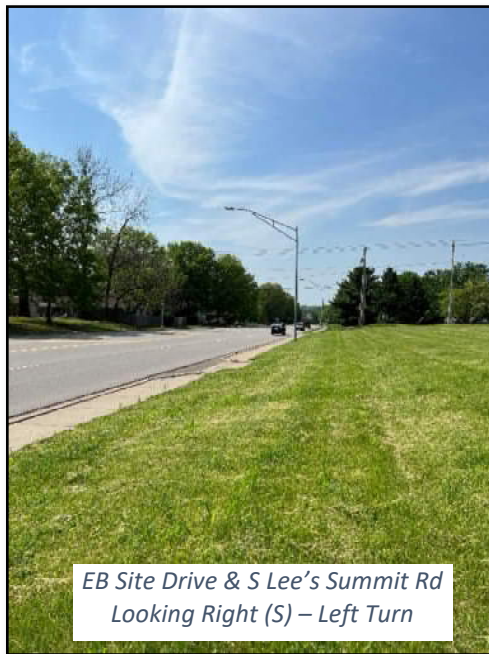
Proposed Access Plan: The development will be served by one full-access intersection with S Lee's Summit Road and will line up across from the entrance driveway to Glendale Elementary School.

Intersection Sight Distance: Intersection sight-distance measurements were taken in the field at the proposed driveway location. Based on AASHTO's *A Policy on Geometric Design of Highways and Streets*, the amount of sight distance that is desirable for a 35-mph road is 390' for a left-turning vehicle (Case B1) and 335' for a right-turning vehicle (Case B2).

The results of the intersection sight distances recorded in the field are summarized below. It should be noted that if available sight distance was over the recommended value, a field measured value of ">distance" is recorded below. If the sight-distance requirements were not easily reached by simple observation, actual distances were recorded.

Eastbound Site Drive & Lee's Summit Road

	<u>AASHTO Recommended</u>	<u>Field Measured</u>
Left-Turning Vehicle	390'	>390'
Right-Turning Vehicle	335'	>335'



Trip Generation: The estimated trip generation for the proposed Summit Living Townhome Development was based upon the 11th Edition of the Institute of Transportation Engineers (ITE) *Trip Generation Manual*. **Table 2** depicts the trip generation for the site.

Table 2:
Proposed Trip Generation

				AM Peak Hour (VPH)			PM Peak Hour (VPH)		
Land Use	Qty	Unit	ADT (VPD)	TOTAL	IN	OUT	TOTAL	IN	OUT
251 – Senior Adult Housing – Single-Family	123	DU	707	45	15	30	52	32	20

Trip Distribution: Estimates of the expected trip distribution to and from the Summit Living Townhome Development were based upon the available and planned street network and existing traffic flow. The trip-distribution patterns that were utilized are as follows:

- To / From the north via S Lee's Summit Rd 75%
- To / From the south via S Lee's Summit Rd 25%

Existing + Site Traffic Volumes: The expected Summit Living Townhome development-related traffic volumes were added to the existing volumes and were assigned to the existing and planned street system. The *Existing + Site* AM and PM peak-hour volumes are shown on **Figures 2 & 3**, respectively.

ANALYSES

A series of intersection capacity analyses were completed at the study intersections to determine the expected levels of service, the lengths of delays, and the vehicle queues experienced by drivers. The study intersections were analyzed based upon the 6th Edition of the Transportation Research Board's (TRB) *Highway Capacity Manual*. A description of the level-of-service criteria used in these analyses is shown below:

Level of Service Definitions		
Level of Service	Signalized Intersection Average Control Delay (sec/veh)	Unsignalized Intersection Average Control Delay (sec/veh)
A	<10	<10
B	<20	<15
C	<35	<25
D	<55	<35
E	<80	<50
F	≥80	≥50

The amount of control delay is assigned a level of service based on driver acceptance with LOS "A" representing little or no delay and LOS "F" representing long delays. The queues shown on the figures represent the 95th percentile queue, or the queue that has only a 5% chance of being exceeded during the peak hour

All capacity analysis output is included in the Appendix attached to this report. It should be noted that all completed analyses utilized the Synchro 11 software package.

Existing Traffic Conditions: **Figures 4 & 5** depict the results of the completed analyses for the *Existing* AM and PM peak-hour traffic volume scenarios. As shown on the figures, most individual movements at the study intersections currently operate at LOS "C" or better with minimal queuing. The westbound left-turn approach at the intersection of S Lee's Summit Road & the School Exit Drive currently operates at LOS "D" during the PM peak hour, but with only a 45' queue. It should be noted that it is not uncommon for stop-controlled, side-street approaches to experience longer delays during the peak hours. These delays are typically experienced only for short durations, and traffic-control improvements are not typically necessary.

Existing + Site Traffic Conditions: As shown on **Figures 6 & 7**, similar traffic operations at the study intersections would be expected with the addition of the Summit Living Townhome site

development traffic. Most individual movements would be expected to operate at LOS “C” or better with minimal queuing. As with the *Existing* scenario, the westbound left-turn approach at the intersection of S Lee’s Summit Road & the School Exit Drive would operate at LOS “D” during the PM peak hour, but with only a 50’ queue. The eastbound approach at the intersection of S Lee’s Summit Road & the Proposed Site Drive would be expected to operate at LOS “D” during the AM and PM peak hours, but with only a one-car queue. Again, it is not uncommon for stop-controlled, side-street approaches to experience longer delays during the peak hours. These delays are typically experienced only for short durations and traffic control improvements are not typically necessary.

Turn Lane Warrants

Left-turn and right-turn lane warrants at the proposed site driveway intersection were analyzed in conjunction with MoDOT’s *Access Management Guidelines* and can be found in the Appendix. The analyses indicated that auxiliary turn lanes would not be warranted at the proposed site driveway.

The warrants were also analyzed for the intersection of S Lee’s Summit Road & the School Entrance Driveway. The analysis indicated that a southbound left-turn lane is currently warranted into the School Entrance Driveway.

SUMMARY & RECOMMENDATIONS

This traffic study summarizes the anticipated traffic impacts of the proposed Summit Living Townhome development. In general, the addition of the development traffic has minimal impact on existing traffic operations.

Left-turn and right-turn lane warrants at the driveway intersection were analyzed in conjunction with MoDOT’s *Access Management Guidelines*. The analysis indicated that no turn lanes are warranted at the intersection of S Lee’s Summit Road & the Proposed Site Drive.

A southbound left-turn lane is currently warranted at the intersection of S Lee’s Summit Road & the School Entrance Drive. The satisfaction of the warrant criteria alone does not necessarily dictate the installation of a turn lane. However, if the City improves S Lee’s Summit Road in the future, a turn lane should be considered. It should be noted that the Summit Living Townhome development does not contribute to the need for this turn lane.

We appreciate the opportunity to serve you on this very important project. Please feel free to contact us if you should have any questions.

Respectfully submitted,

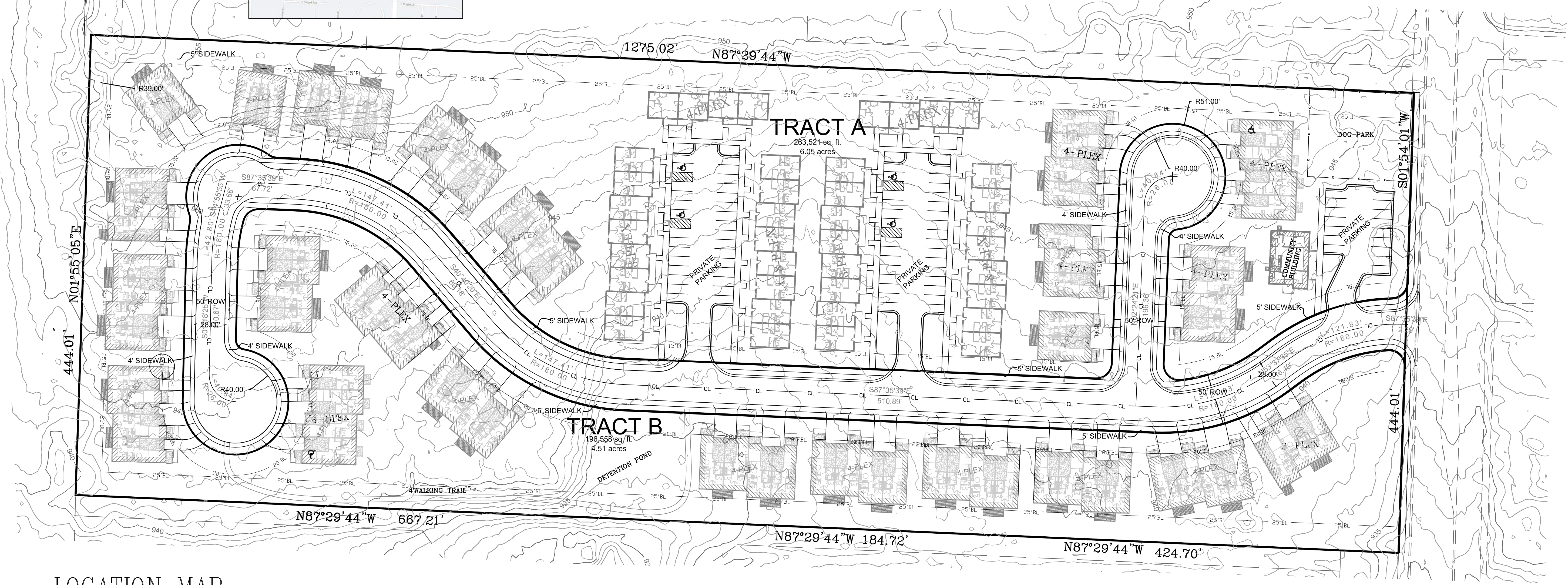
Merge Midwest Engineering, LLC



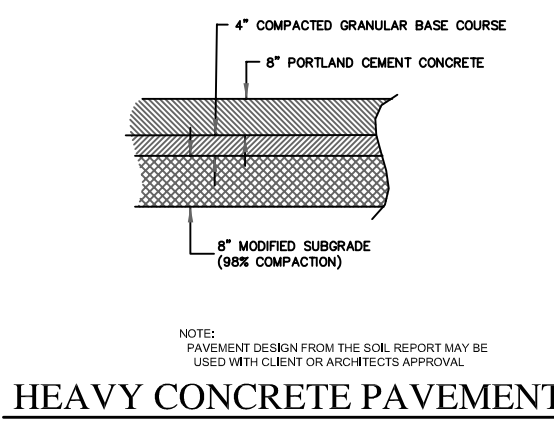
Janelle M. Clayton, P.E., PTOE
Manager / Co-Owner

PRELIMINARY DEVELOPMENT PLAN FOR
SUMMIT LIVING TOWN HOMES
INDEPENDENT LIVING
INDEPENDENCE, JACKSON COUNTY, MISSOURI

EXHIBIT 1



LOCATION MAP

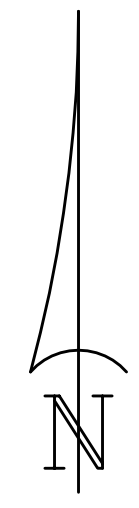
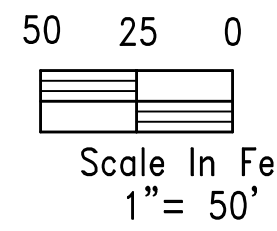


- NOTES:
- 1. TOATAL AREA OF SITE = 13.00ac
 - 2. TOTAL PROSED UNITS
 - 8-PLEX = 4 - UNITS = 32
 - 4-PLEX = 19 - UNITS = 76
 - 3-PLEX = 3 - UNITS = 9
 - 2-PLEX = 3 - UNITS = 6TOTAL UNITS = 123 UNITS
 - 3. TOAL UNITS PER ACRE = 9.46 UNITS /AC
 - 4. TOAL DEDICATED ROW = 2.45ac
 - 5. TOTAL GREEN SPACE = 50%

- UTILITY NOTES:
- 1. SANITARY SEWER MAIN SHALL BE BUILT TO CITY STANDARDS AND DEDICATED TO THE CITY ALONG WITH A 15' UTILITY EASEMENT.
 - 2. ALL FIRE HYDRANTS AND WATER MAINS SHALL BUILT TO CITY WATERDEPARTMENT STANDARDS AND BE PUBLIC.

PERVIOUS VS IMPERVIOUS CALCULATIONS

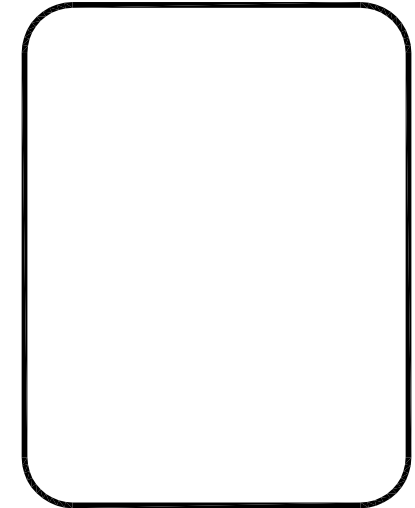
LOT SIZE	566,262 SF
IMPERVIOUS SURFACES	
PUBLIC ROADS	57,143 SF
BUILDINGS (PORCHES)	177,944 SF
DRIVES/PARKING	26,516SF
WALKS/MISC.	21,500SF
TOTAL	283,103SF
CALCULATIONS	
-/- = 50% IMPERVIOUS	50% PERVIOUS (GREEN)



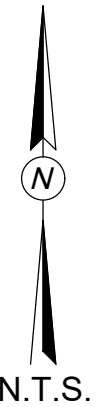
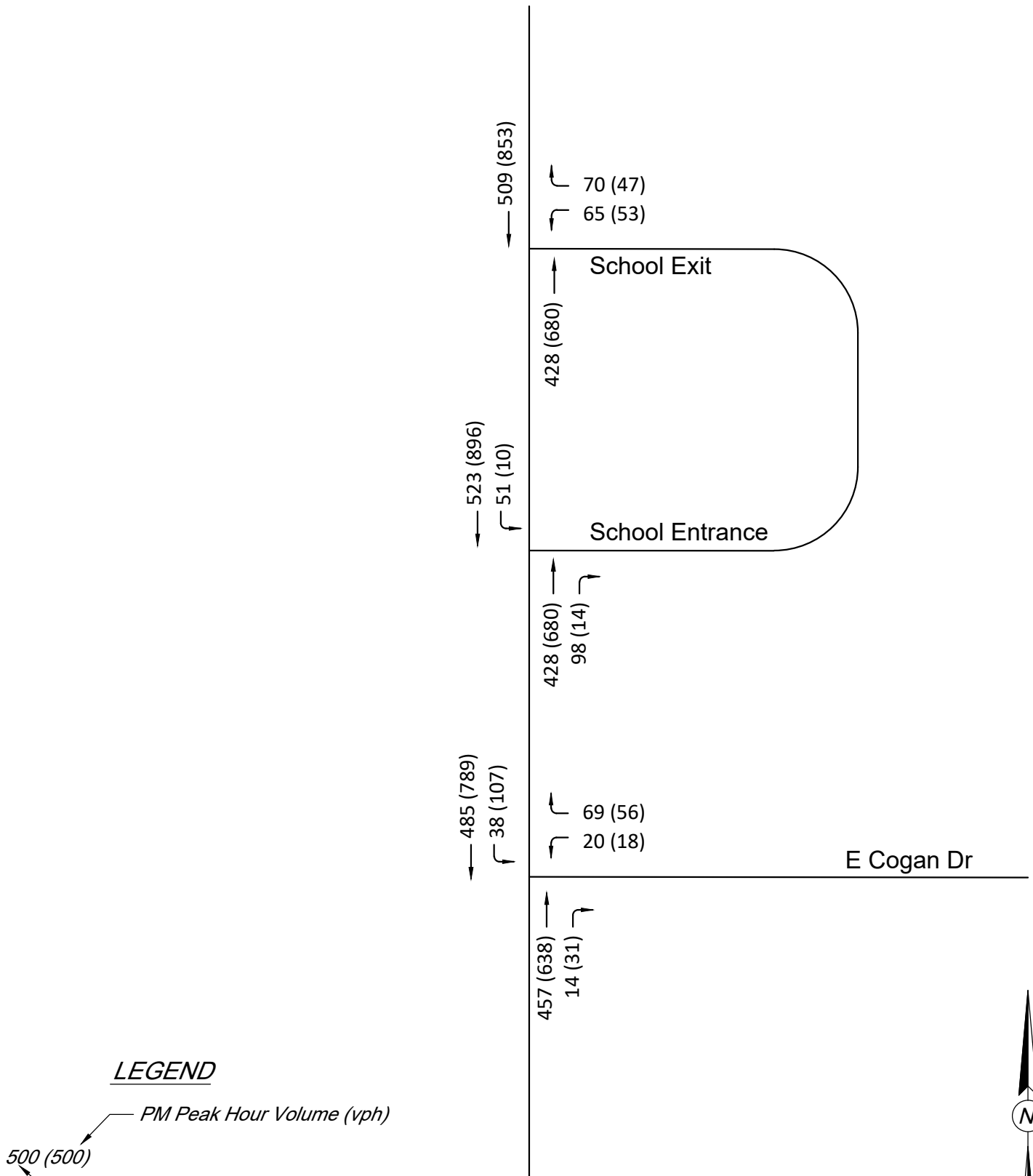
DATE	REVISION	BY

Quist Engineering Inc.
Civil Engineering for Residential & Commercial Site Development
821 NE Columbus ST.
Independence, MO 64603
Phone: (816) 550-5677
e-mail = walquist@quistengineering.com

PRELIMINARY
DEVELOPMENT PLAN FOR
SUMMIT LIVING TOWN HOMES
CIVIL PLANS FOR
SUMMIT LIVING TOWN HOMES
INDEPENDENCE, JACKSON COUNTY, MISSOURI



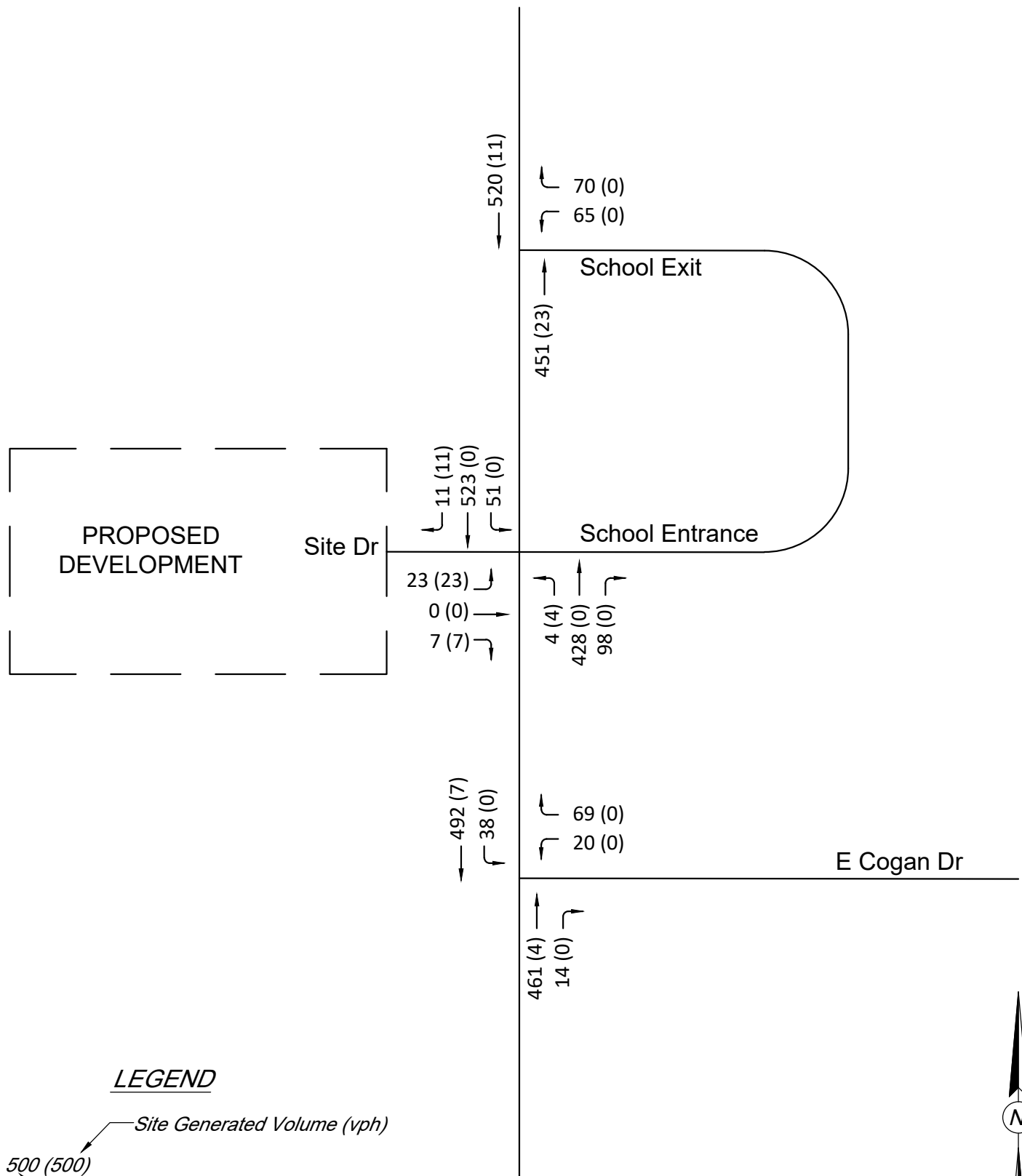
DRAWN BY	RAW
CHECKED BY	RAW
DATE	1-3-21
PROJECT NO.	E120-307
SCALE	1"=60'

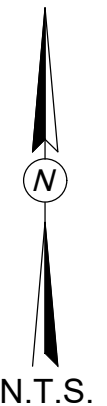
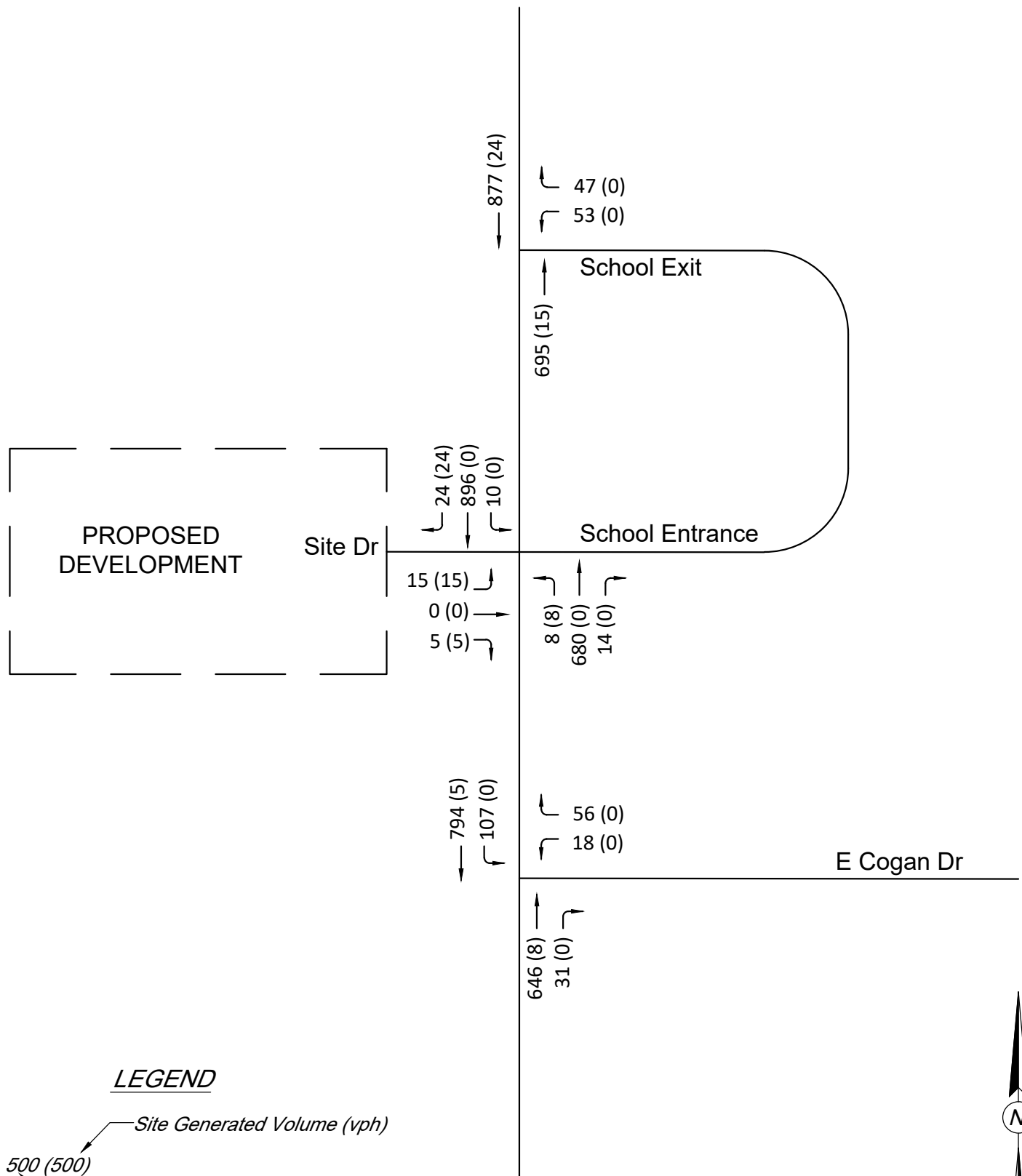


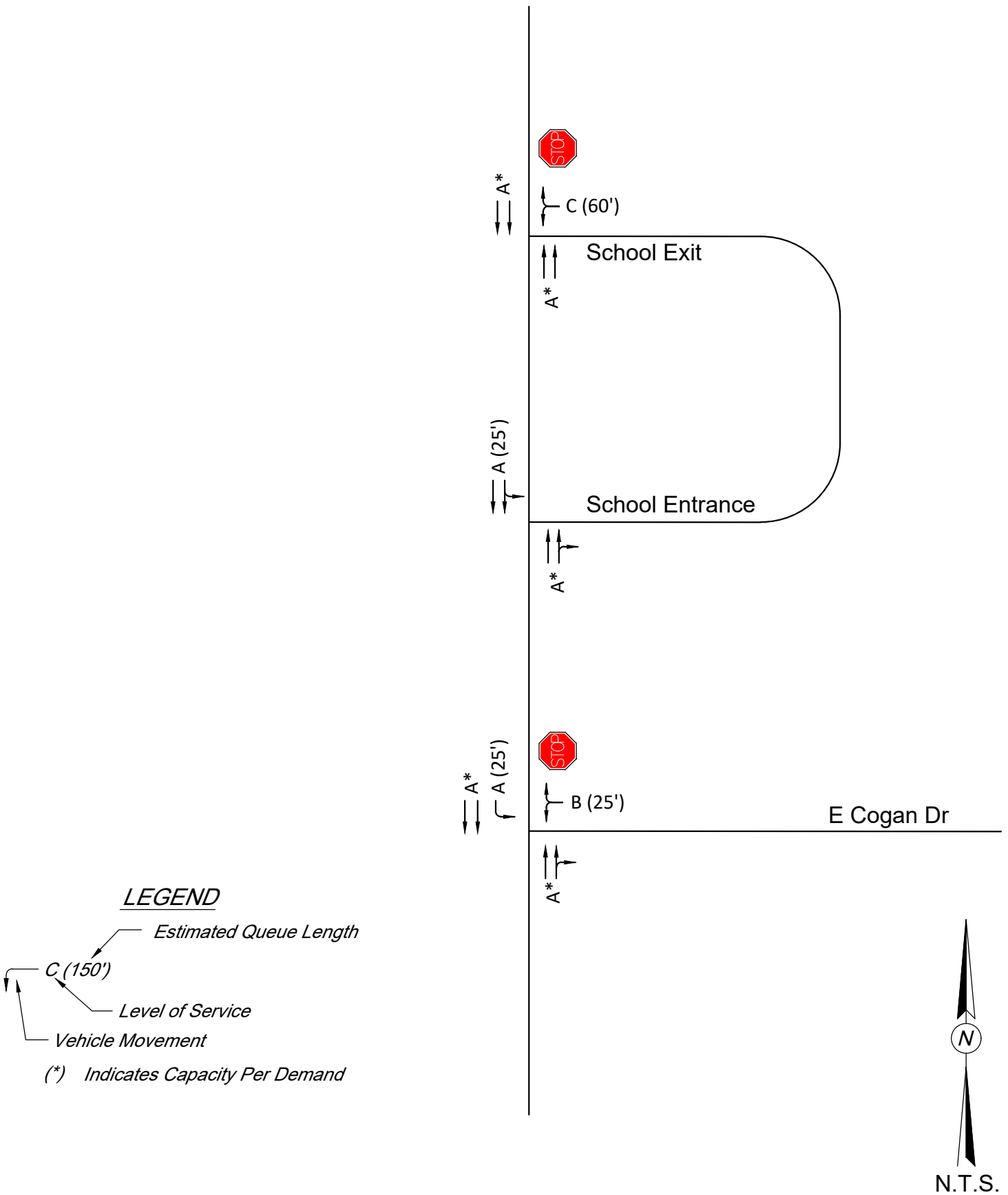
PROJECT NUMBER
22025
DATE
MAY 2022

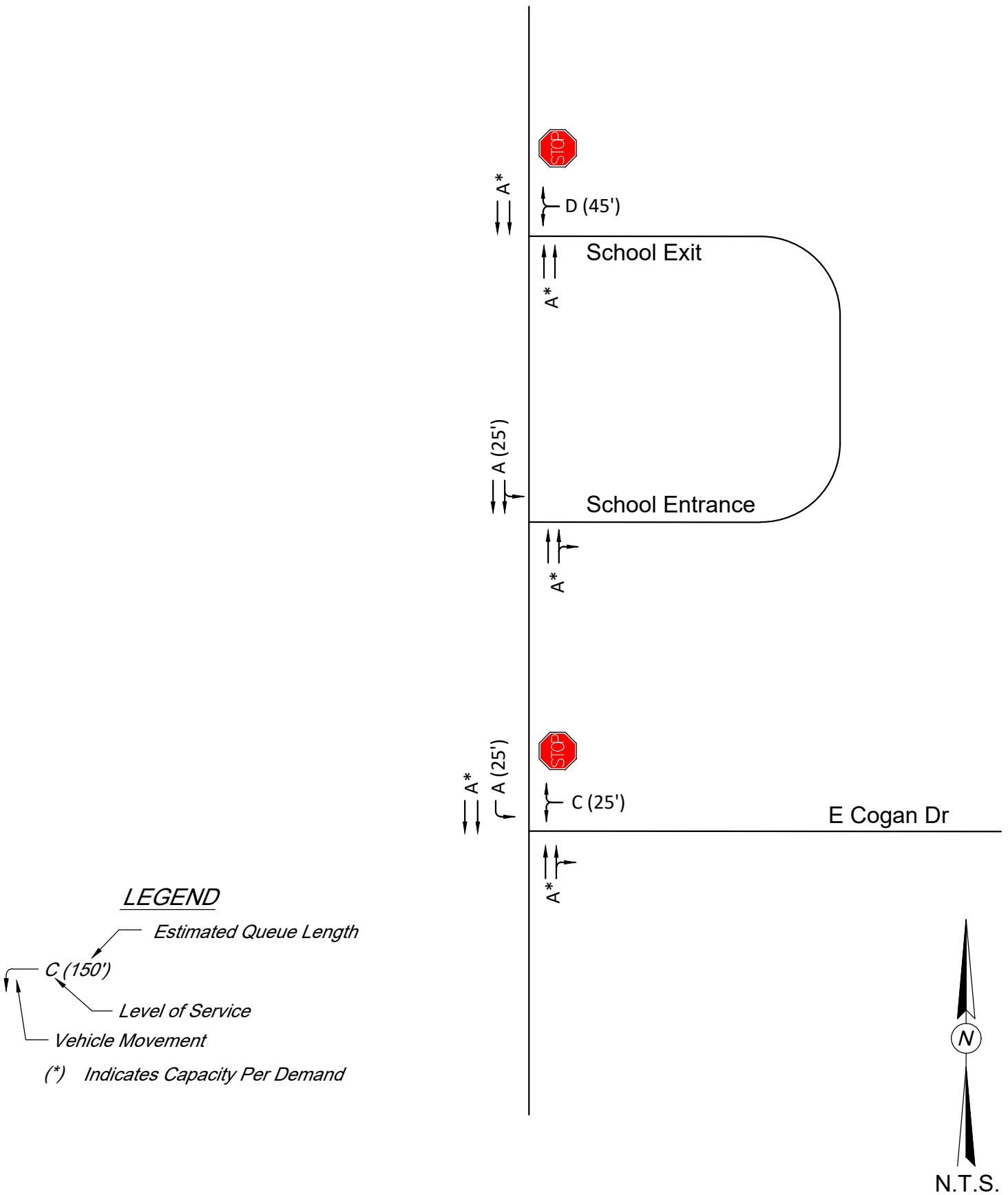
EXISTING
TRAFFIC VOLUMES

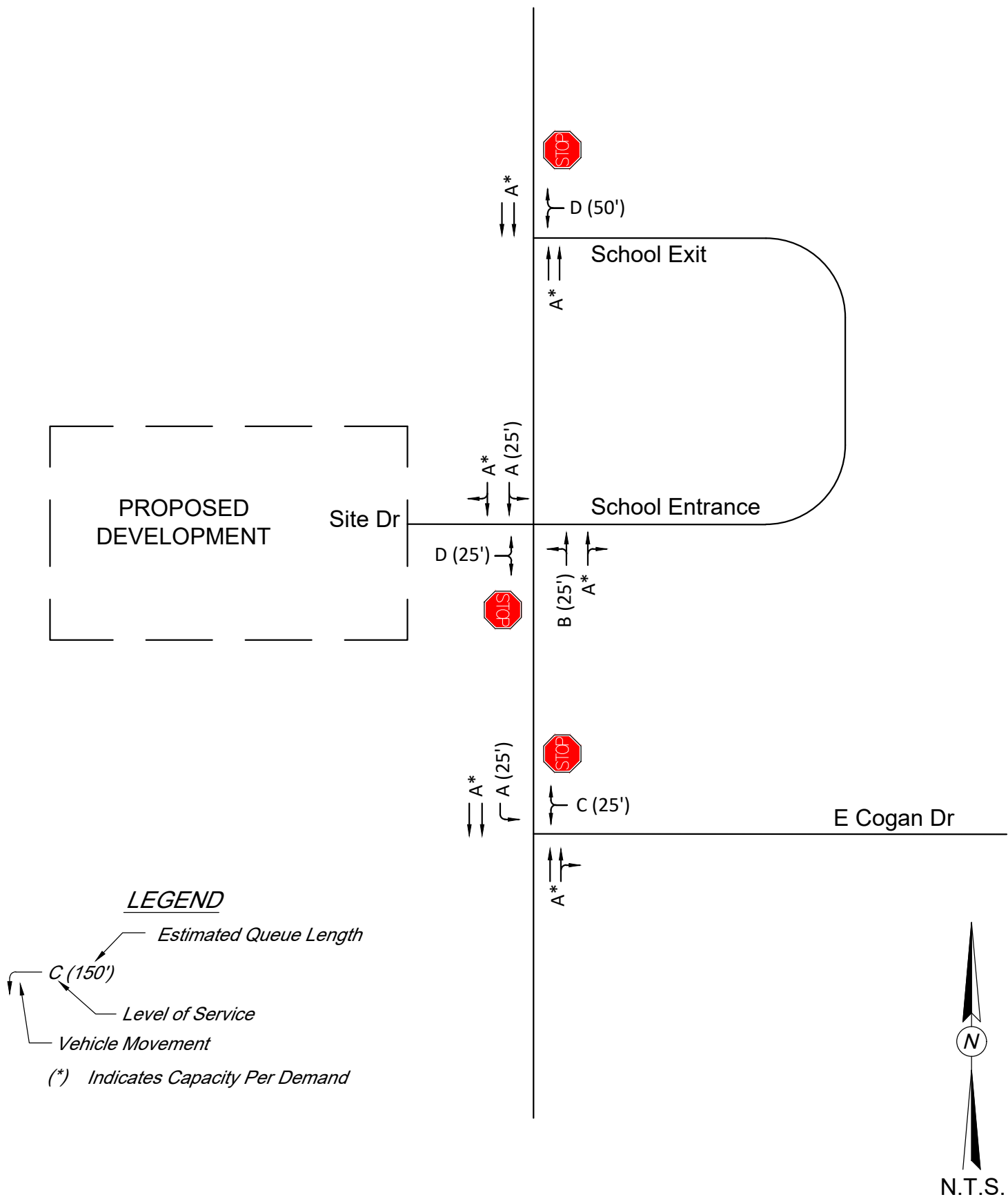
FIGURE 1











Appendix

Traffic Counts

S Lee's Summit Road & E Cogan Drive - TMC

Wed May 4, 2022

Full Length (7:30 AM-9:30 AM, 3 PM-6 PM)

All Classes (Lights, Articulated Trucks, Buses and Single-Unit Trucks, Pedestrians, Bicycles on Crosswalk)

All Movements

ID: 944941, Location: 39.070649, -94.390968



Provided by: Gewalt Hamilton Associates Inc.
625 Forest Edge Drive, Vernon Hills, IL, 60061, US

Leg Direction	Lees Summit Southbound					Cogan Westbound					Lees Summit Northbound					
Time	T	L	U	App	Ped*	R	L	U	App	Ped*	R	T	U	App	Ped*	Int
2022-05-04 7:30AM	72	9	0	81	0	14	4	0	18	0	5	91	0	96	0	195
7:45AM	89	5	0	94	0	10	3	0	13	0	2	117	0	119	0	226
Hourly Total	161	14	0	175	0	24	7	0	31	0	7	208	0	215	0	421
8:00AM	77	8	0	85	0	11	1	0	12	0	3	92	0	95	0	192
8:15AM	109	4	0	113	0	13	3	0	16	0	3	87	0	90	0	219
8:30AM	97	3	0	100	0	21	5	0	26	2	4	105	0	109	0	235
8:45AM	154	11	0	165	0	23	4	0	27	0	3	137	0	140	0	332
Hourly Total	437	26	0	463	0	68	13	0	81	2	13	421	0	434	0	978
9:00AM	128	15	0	143	0	11	7	0	18	0	5	107	0	112	0	273
9:15AM	106	9	0	115	0	14	4	0	18	0	2	88	0	90	0	223
Hourly Total	234	24	0	258	0	25	11	0	36	0	7	195	0	202	0	496
3:00PM	121	7	0	128	0	18	4	0	22	0	9	150	0	159	0	309
3:15PM	124	20	0	144	0	12	3	0	15	0	5	142	0	147	0	306
3:30PM	178	12	0	190	0	12	11	0	23	0	4	131	0	135	0	348
3:45PM	186	16	0	202	0	13	8	0	21	0	1	166	0	167	0	390
Hourly Total	609	55	0	664	0	55	26	0	81	0	19	589	0	608	0	1353
4:00PM	160	20	0	180	0	12	2	0	14	0	7	159	0	166	0	360
4:15PM	208	28	0	236	0	13	2	0	15	0	6	149	0	155	0	406
4:30PM	192	22	0	214	0	20	5	0	25	0	11	179	0	190	0	429
4:45PM	195	28	0	223	0	10	6	0	16	0	10	158	0	168	0	407
Hourly Total	755	98	0	853	0	55	15	0	70	0	34	645	0	679	0	1602
5:00PM	183	29	0	212	0	13	5	0	18	0	4	152	0	156	0	386
5:15PM	190	29	0	219	0	20	5	0	25	0	6	152	0	158	0	402
5:30PM	155	20	0	175	0	14	9	0	23	0	6	141	0	147	0	345
5:45PM	148	15	0	163	0	16	9	0	25	0	4	149	0	153	0	341
Hourly Total	676	93	0	769	0	63	28	0	91	0	20	594	0	614	0	1474
Total	2872	310	0	3182	0	290	100	0	390	2	100	2652	0	2752	0	6324
% Approach	90.3%	9.7%	0%	-	-	74.4%	25.6%	0%	-	-	3.6%	96.4%	0%	-	-	-
% Total	45.4%	4.9%	0%	50.3%	-	4.6%	1.6%	0%	6.2%	-	1.6%	41.9%	0%	43.5%	-	-
Lights	2833	305	0	3138	-	288	99	0	387	-	99	2627	0	2726	-	6251
% Lights	98.6%	98.4%	0%	98.6%	-	99.3%	99.0%	0%	99.2%	-	99.0%	99.1%	0%	99.1%	-	98.8%
Articulated Trucks	5	0	0	5	-	0	0	0	0	-	0	0	0	0	-	5
% Articulated Trucks	0.2%	0%	0%	0.2%	-	0%	0%	0%	0%	-	0%	0%	0%	0%	-	0.1%
Buses and Single-Unit Trucks	34	5	0	39	-	2	1	0	3	-	1	25	0	26	-	68
% Buses and Single-Unit Trucks	1.2%	1.6%	0%	1.2%	-	0.7%	1.0%	0%	0.8%	-	1.0%	0.9%	0%	0.9%	-	1.1%
Pedestrians	-	-	-	-	0	-	-	-	-	2	-	-	-	-	-	0
% Pedestrians	-	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-
Bicycles on Crosswalk	-	-	-	-	0	-	-	-	-	0	-	-	-	-	-	0
% Bicycles on Crosswalk	-	-	-	-	-	-	-	-	-	0%	-	-	-	-	-	-

* Pedestrians and Bicycles on Crosswalk. L: Left, R: Right, T: Thru, U: U-Turn

S Lee's Summit Road & E Cogan Drive - TMC

Wed May 4, 2022

Full Length (7:30 AM-9:30 AM, 3 PM-6 PM)

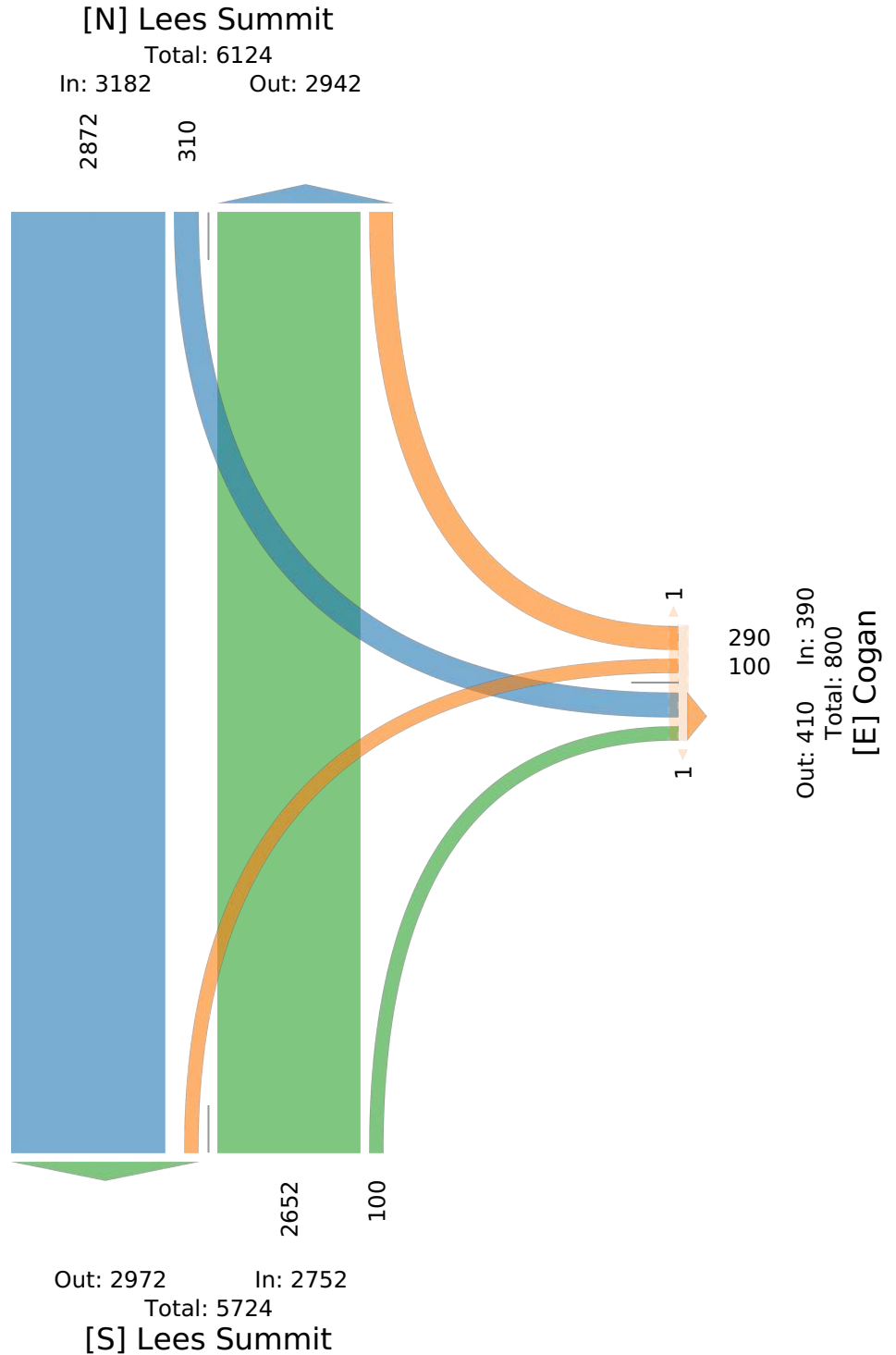
All Classes (Lights, Articulated Trucks, Buses and Single-Unit Trucks,
Pedestrians, Bicycles on Crosswalk)

All Movements

ID: 944941, Location: 39.070649, -94.390968



Provided by: Gewalt Hamilton Associates Inc.
625 Forest Edge Drive, Vernon Hills, IL, 60061, US



S Lee's Summit Road & E Cogan Drive - TMC

Wed May 4, 2022

AM Peak (8:30 AM - 9:30 AM)

All Classes (Lights, Articulated Trucks, Buses and Single-Unit Trucks, Pedestrians, Bicycles on Crosswalk)

All Movements

ID: 944941, Location: 39.070649, -94.390968

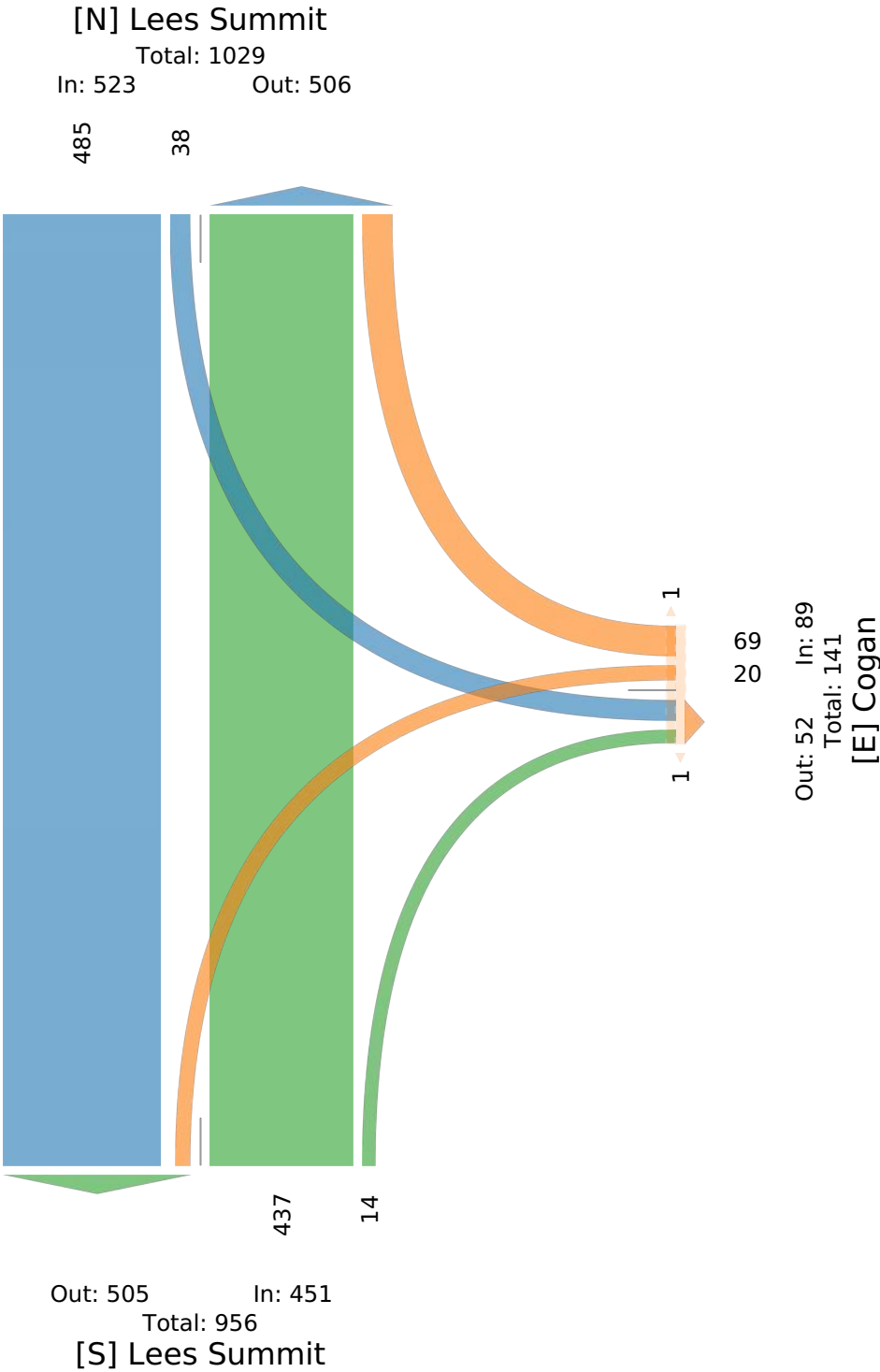


Provided by: Gewalt Hamilton Associates Inc.
625 Forest Edge Drive, Vernon Hills, IL, 60061, US

Leg Direction	Lees Summit Southbound						Cogan Westbound						Lees Summit Northbound						
Time	T	L	U	App	Ped*		R	L	U	App	Ped*		R	T	U	App	Ped*	Int	
2022-05-04 8:30AM	97	3	0	100	0		21	5	0	26	2		4	105	0	109	0	235	
8:45AM	154	11	0	165	0		23	4	0	27	0		3	137	0	140	0	332	
9:00AM	128	15	0	143	0		11	7	0	18	0		5	107	0	112	0	273	
9:15AM	106	9	0	115	0		14	4	0	18	0		2	88	0	90	0	223	
Total	485	38	0	523	0		69	20	0	89	2		14	437	0	451	0	1063	
% Approach	92.7%	7.3%	0%	-	-		77.5%	22.5%	0%	-	-		3.1%	96.9%	0%	-	-	-	
% Total	45.6%	3.6%	0%	49.2%	-		6.5%	1.9%	0%	8.4%	-		1.3%	41.1%	0%	42.4%	-	-	
PHF	0.787	0.633	-	0.792	-		0.750	0.714	-	0.824	-		0.700	0.797	-	0.805	-	0.800	
Lights	477	37	0	514	-		68	20	0	88	-		14	429	0	443	-	1045	
% Lights	98.4%	97.4%	0%	98.3%	-		98.6%	100%	0%	98.9%	-		100%	98.2%	0%	98.2%	-	98.3%	
Articulated Trucks	0	0	0	0	-		0	0	0	0	-		0	0	0	0	-	0	
% Articulated Trucks	0%	0%	0%	0%	-		0%	0%	0%	0%	-		0%	0%	0%	0%	-	0%	
Buses and Single-Unit Trucks	8	1	0	9	-		1	0	0	1	-		0	8	0	8	-	18	
% Buses and Single-Unit Trucks	1.6%	2.6%	0%	1.7%	-		1.4%	0%	0%	1.1%	-		0%	1.8%	0%	1.8%	-	1.7%	
Pedestrians	-	-	-	-	0		-	-	-	-	2		-	-	-	-	0		
% Pedestrians	-	-	-	-	-		-	-	-	-	100%		-	-	-	-	-	-	
Bicycles on Crosswalk	-	-	-	-	0		-	-	-	-	0		-	-	-	-	0		
% Bicycles on Crosswalk	-	-	-	-	-		-	-	-	-	0%		-	-	-	-	-	-	

* Pedestrians and Bicycles on Crosswalk. L: Left, R: Right, T: Thru, U: U-Turn

S Lee's Summit Road & E Cogan Drive - TMC
Wed May 4, 2022
AM Peak (8:30 AM - 9:30 AM)
All Classes (Lights, Articulated Trucks, Buses and Single-Unit Trucks,
Pedestrians, Bicycles on Crosswalk)
All Movements
ID: 944941, Location: 39.070649, -94.390968



S Lee's Summit Road & E Cogan Drive - TMC

Wed May 4, 2022

PM Peak (4:15 PM - 5:15 PM) - Overall Peak Hour

All Classes (Lights, Articulated Trucks, Buses and Single-Unit Trucks, Pedestrians, Bicycles on Crosswalk)

All Movements

ID: 944941, Location: 39.070649, -94.390968



Provided by: Gewalt Hamilton Associates Inc.
625 Forest Edge Drive, Vernon Hills, IL, 60061, US

Leg Direction	Lees Summit Southbound						Cogan Westbound						Lees Summit Northbound						
Time	T	L	U	App	Ped*		R	L	U	App	Ped*		R	T	U	App	Ped*	Int	
2022-05-04 4:15PM	208	28	0	236	0		13	2	0	15	0		6	149	0	155	0	406	
4:30PM	192	22	0	214	0		20	5	0	25	0		11	179	0	190	0	429	
4:45PM	195	28	0	223	0		10	6	0	16	0		10	158	0	168	0	407	
5:00PM	183	29	0	212	0		13	5	0	18	0		4	152	0	156	0	386	
Total	778	107	0	885	0		56	18	0	74	0		31	638	0	669	0	1628	
% Approach	87.9%	12.1%	0%	-	-		75.7%	24.3%	0%	-	-		4.6%	95.4%	0%	-	-	-	
% Total	47.8%	6.6%	0%	54.4%	-		3.4%	1.1%	0%	4.5%	-		1.9%	39.2%	0%	41.1%	-	-	
PHF	0.935	0.922	-	0.938	-		0.700	0.750	-	0.740	-		0.705	0.891	-	0.880	-	0.949	
Lights	769	107	0	876	-		56	18	0	74	-		30	630	0	660	-	1610	
% Lights	98.8%	100%	0%	99.0%	-		100%	100%	0%	100%	-		96.8%	98.7%	0%	98.7%	-	98.9%	
Articulated Trucks	2	0	0	2	-		0	0	0	0	-		0	0	0	0	-	2	
% Articulated Trucks	0.3%	0%	0%	0.2%	-		0%	0%	0%	0%	-		0%	0%	0%	0%	-	0.1%	
Buses and Single-Unit Trucks	7	0	0	7	-		0	0	0	0	-		1	8	0	9	-	16	
% Buses and Single-Unit Trucks	0.9%	0%	0%	0.8%	-		0%	0%	0%	0%	-		3.2%	1.3%	0%	1.3%	-	1.0%	
Pedestrians	-	-	-	-	0		-	-	-	-	0		-	-	-	-	0		
% Pedestrians	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-	
Bicycles on Crosswalk	-	-	-	-	0		-	-	-	-	0		-	-	-	-	0		
% Bicycles on Crosswalk	-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-	

* Pedestrians and Bicycles on Crosswalk. L: Left, R: Right, T: Thru, U: U-Turn

S Lee's Summit Road & E Cogan Drive - TMC

Wed May 4, 2022

PM Peak (4:15 PM - 5:15 PM) - Overall Peak Hour

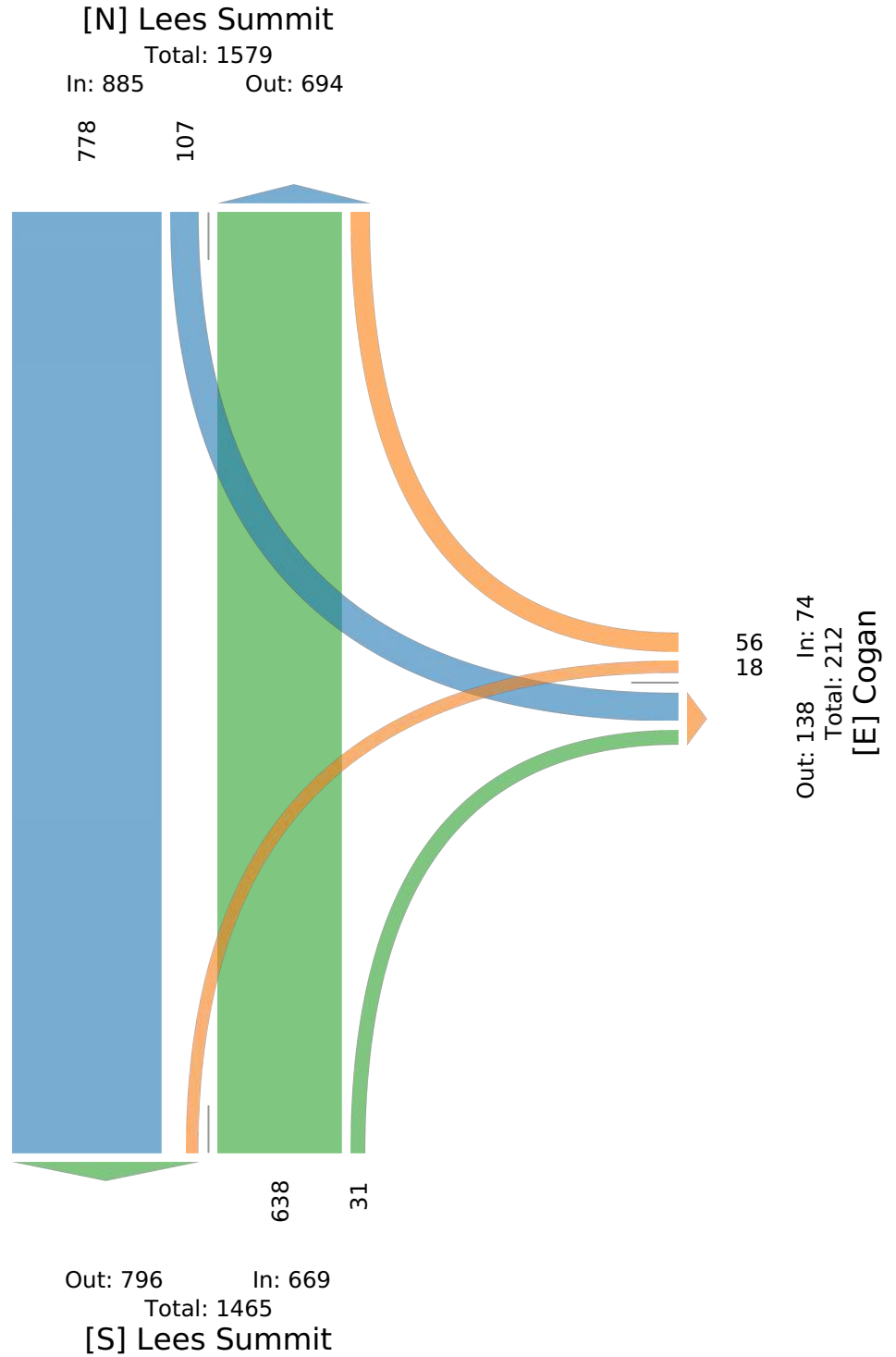
All Classes (Lights, Articulated Trucks, Buses and Single-Unit Trucks,
Pedestrians, Bicycles on Crosswalk)

All Movements

ID: 944941, Location: 39.070649, -94.390968



Provided by: Gewalt Hamilton Associates Inc.
625 Forest Edge Drive, Vernon Hills, IL, 60061, US



S Lee's Summit Road & Glendale School Entran... - TMC

Wed May 4, 2022

Full Length (7:30 AM-9:30 AM, 3 PM-6 PM)

All Classes (Lights, Articulated Trucks, Buses and Single-Unit Trucks, Pedestrians, Bicycles on Crosswalk)

All Movements

ID: 944942, Location: 39.071643, -94.390901

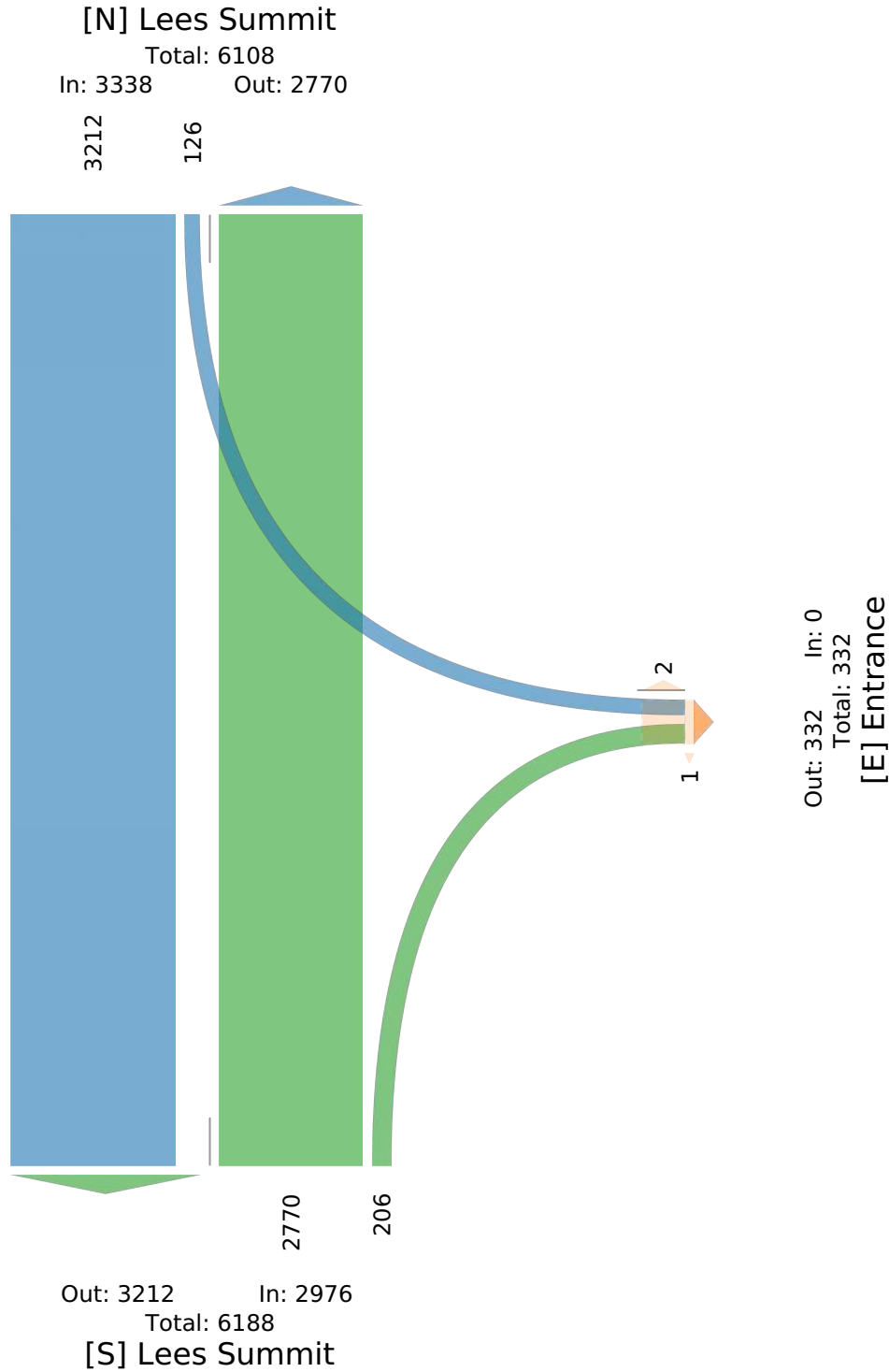


Provided by: Gewalt Hamilton Associates Inc.
625 Forest Edge Drive, Vernon Hills, IL, 60061, US

Leg Direction	Lees Summit Southbound					Entrance Westbound					Lees Summit Northbound					
Time	T	L	U	App	Ped*	R	L	U	App	Ped*	R	T	U	App	Ped*	Int
2022-05-04 7:30AM	82	2	0	84	0	0	0	0	0	0	3	102	0	105	0	189
7:45AM	94	5	0	99	0	0	0	0	0	0	10	122	0	132	0	231
Hourly Total	176	7	0	183	0	0	0	0	0	0	13	224	0	237	0	420
8:00AM	88	8	0	96	0	0	0	0	0	0	5	102	0	107	0	203
8:15AM	110	7	0	117	0	0	0	0	0	0	11	92	0	103	0	220
8:30AM	99	17	0	116	0	0	0	0	0	2	39	89	0	128	0	244
8:45AM	165	25	0	190	0	0	0	0	0	0	40	127	0	167	0	357
Hourly Total	462	57	0	519	0	0	0	0	0	2	95	410	0	505	0	1024
9:00AM	146	2	0	148	0	0	0	0	0	0	8	113	0	121	0	269
9:15AM	114	2	0	116	0	0	0	0	0	0	5	99	0	104	0	220
Hourly Total	260	4	0	264	0	0	0	0	0	0	13	212	0	225	0	489
3:00PM	129	2	0	131	0	0	0	0	0	0	5	163	0	168	0	299
3:15PM	147	1	0	148	0	0	0	0	0	0	7	148	0	155	0	303
3:30PM	193	10	0	203	0	0	0	0	0	0	13	131	0	144	0	347
3:45PM	207	16	0	223	0	0	0	0	0	0	13	170	0	183	0	406
Hourly Total	676	29	0	705	0	0	0	0	0	0	38	612	0	650	0	1355
4:00PM	178	12	0	190	0	0	0	0	0	0	20	152	0	172	0	362
4:15PM	241	6	0	247	0	0	0	0	0	0	10	153	0	163	0	410
4:30PM	215	0	0	215	0	0	0	0	0	0	0	198	0	198	0	413
4:45PM	229	2	0	231	0	0	0	0	0	0	1	164	0	165	0	396
Hourly Total	863	20	0	883	0	0	0	0	0	0	31	667	0	698	0	1581
5:00PM	211	2	0	213	0	0	0	0	0	0	3	165	0	168	0	381
5:15PM	223	4	0	227	0	0	0	0	0	0	7	166	0	173	0	400
5:30PM	178	0	0	178	0	0	0	0	0	0	3	152	0	155	0	333
5:45PM	163	3	0	166	0	0	0	0	0	1	3	162	0	165	0	331
Hourly Total	775	9	0	784	0	0	0	0	0	1	16	645	0	661	0	1445
Total	3212	126	0	3338	0	0	0	0	0	3	206	2770	0	2976	0	6314
% Approach	96.2%	3.8%	0%	-	-	0%	0%	0%	-	-	6.9%	93.1%	0%	-	-	-
% Total	50.9%	2.0%	0%	52.9%	-	0%	0%	0%	0%	-	3.3%	43.9%	0%	47.1%	-	-
Lights	3168	118	0	3286	-	0	0	0	0	-	203	2749	0	2952	-	6238
% Lights	98.6%	93.7%	0%	98.4%	-	0%	0%	0%	-	-	98.5%	99.2%	0%	99.2%	-	98.8%
Articulated Trucks	4	0	0	4	-	0	0	0	0	-	0	0	0	0	-	4
% Articulated Trucks	0.1%	0%	0%	0.1%	-	0%	0%	0%	-	-	0%	0%	0%	0%	-	0.1%
Buses and Single-Unit Trucks	40	8	0	48	-	0	0	0	0	-	3	21	0	24	-	72
% Buses and Single-Unit Trucks	1.2%	6.3%	0%	1.4%	-	0%	0%	0%	-	-	1.5%	0.8%	0%	0.8%	-	1.1%
Pedestrians	-	-	-	-	0	-	-	-	-	3	-	-	-	-	-	0
% Pedestrians	-	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-
Bicycles on Crosswalk	-	-	-	-	0	-	-	-	-	0	-	-	-	-	-	0
% Bicycles on Crosswalk	-	-	-	-	-	-	-	-	-	0%	-	-	-	-	-	-

* Pedestrians and Bicycles on Crosswalk. L: Left, R: Right, T: Thru, U: U-Turn

S Lee's Summit Road & Glendale School Entran... - TMC
Wed May 4, 2022
Full Length (7:30 AM-9:30 AM, 3 PM-6 PM)
All Classes (Lights, Articulated Trucks, Buses and Single-Unit Trucks,
Pedestrians, Bicycles on Crosswalk)
All Movements
ID: 944942, Location: 39.071643, -94.390901



S Lee's Summit Road & Glendale School Entran... - TMC

Wed May 4, 2022

AM Peak (8:15 AM - 9:15 AM)

All Classes (Lights, Articulated Trucks, Buses and Single-Unit Trucks,
Pedestrians, Bicycles on Crosswalk)

All Movements

ID: 944942, Location: 39.071643, -94.390901

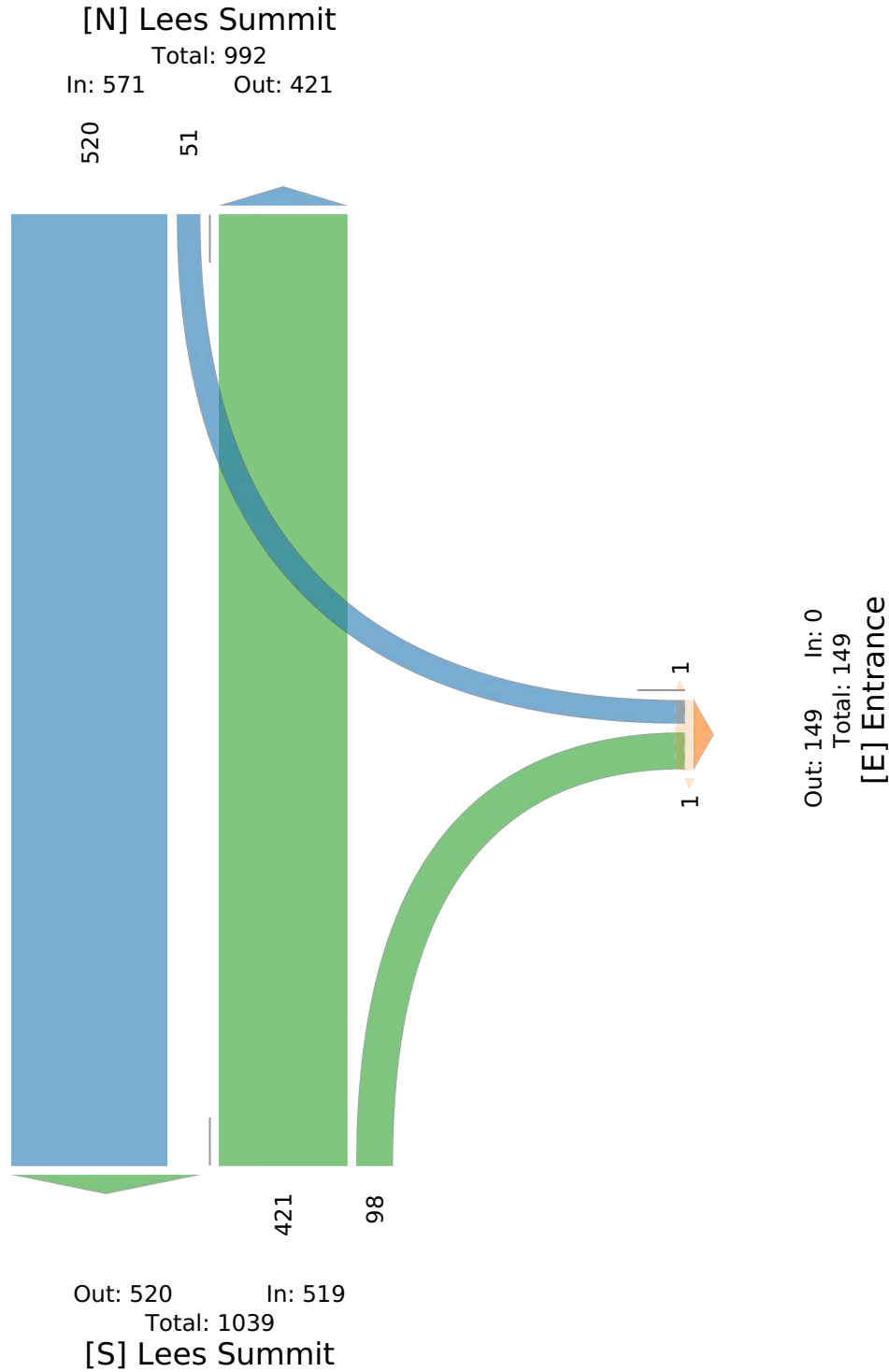


Provided by: Gewalt Hamilton Associates Inc.
625 Forest Edge Drive, Vernon Hills, IL, 60061, US

Leg Direction	Lees Summit Southbound					Entrance Westbound					Lees Summit Northbound					
Time	T	L	U	App	Ped*	R	L	U	App	Ped*	R	T	U	App	Ped*	Int
2022-05-04 8:15AM	110	7	0	117	0	0	0	0	0	0	11	92	0	103	0	220
8:30AM	99	17	0	116	0	0	0	0	0	2	39	89	0	128	0	244
8:45AM	165	25	0	190	0	0	0	0	0	0	40	127	0	167	0	357
9:00AM	146	2	0	148	0	0	0	0	0	0	8	113	0	121	0	269
Total	520	51	0	571	0	0	0	0	0	2	98	421	0	519	0	1090
% Approach	91.1%	8.9%	0%	-	-	0%	0%	0%	-	-	18.9%	81.1%	0%	-	-	-
% Total	47.7%	4.7%	0%	52.4%	-	0%	0%	0%	0%	-	9.0%	38.6%	0%	47.6%	-	-
PHF	0.788	0.510	-	0.751	-	-	-	-	-	-	0.613	0.829	-	0.777	-	0.763
Lights	511	49	0	560	-	0	0	0	0	-	95	417	0	512	-	1072
% Lights	98.3%	96.1%	0%	98.1%	-	0%	0%	0%	-	-	96.9%	99.0%	0%	98.7%	-	98.3%
Articulated Trucks	1	0	0	1	-	0	0	0	0	-	0	0	0	0	-	1
% Articulated Trucks	0.2%	0%	0%	0.2%	-	0%	0%	0%	-	-	0%	0%	0%	0%	-	0.1%
Buses and Single-Unit Trucks	8	2	0	10	-	0	0	0	0	-	3	4	0	7	-	17
% Buses and Single-Unit Trucks	1.5%	3.9%	0%	1.8%	-	0%	0%	0%	-	-	3.1%	1.0%	0%	1.3%	-	1.6%
Pedestrians	-	-	-	-	0	-	-	-	-	2	-	-	-	-	0	-
% Pedestrians	-	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-
Bicycles on Crosswalk	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	-
% Bicycles on Crosswalk	-	-	-	-	-	-	-	-	-	0%	-	-	-	-	-	-

* Pedestrians and Bicycles on Crosswalk. L: Left, R: Right, T: Thru, U: U-Turn

S Lee's Summit Road & Glendale School Entran... - TMC
Wed May 4, 2022
AM Peak (8:15 AM - 9:15 AM)
All Classes (Lights, Articulated Trucks, Buses and Single-Unit Trucks,
Pedestrians, Bicycles on Crosswalk)
All Movements
ID: 944942, Location: 39.071643, -94.390901



S Lee's Summit Road & Glendale School Entran... - TMC

Wed May 4, 2022

PM Peak (4:15 PM - 5:15 PM) - Overall Peak Hour

All Classes (Lights, Articulated Trucks, Buses and Single-Unit Trucks,
Pedestrians, Bicycles on Crosswalk)

All Movements

ID: 944942, Location: 39.071643, -94.390901

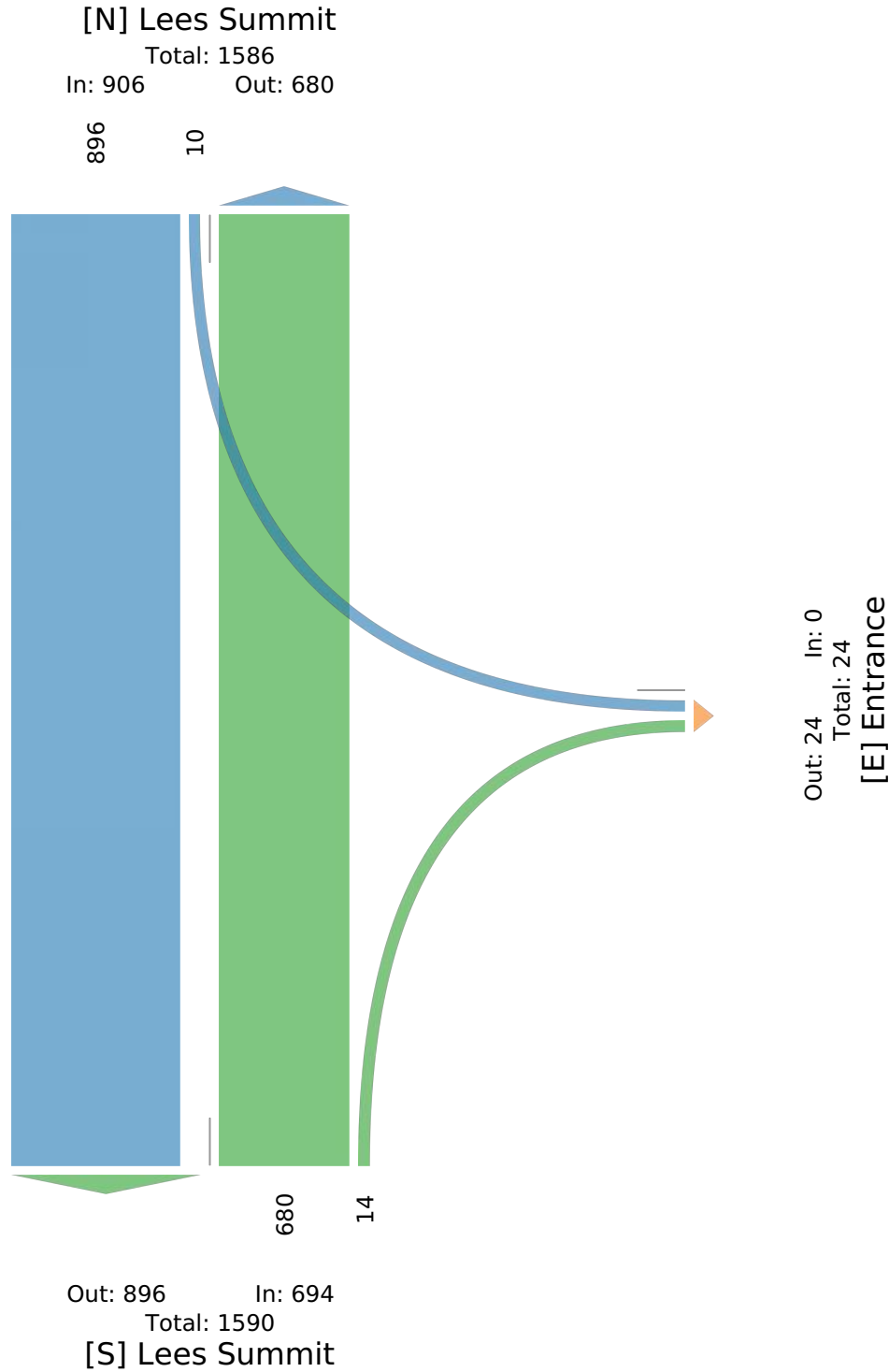


Provided by: Gewalt Hamilton Associates Inc.
625 Forest Edge Drive, Vernon Hills, IL, 60061, US

Leg Direction	Lees Summit Southbound					Entrance Westbound					Lees Summit Northbound					
Time	T	L	U	App	Ped*	R	L	U	App	Ped*	R	T	U	App	Ped*	Int
2022-05-04 4:15PM	241	6	0	247	0	0	0	0	0	0	10	153	0	163	0	410
4:30PM	215	0	0	215	0	0	0	0	0	0	0	198	0	198	0	413
4:45PM	229	2	0	231	0	0	0	0	0	0	1	164	0	165	0	396
5:00PM	211	2	0	213	0	0	0	0	0	0	3	165	0	168	0	381
Total	896	10	0	906	0	0	0	0	0	0	14	680	0	694	0	1600
% Approach	98.9%	1.1%	0%	-	-	0%	0%	0%	-	-	2.0%	98.0%	0%	-	-	-
% Total	56.0%	0.6%	0%	56.6%	-	0%	0%	0%	0%	-	0.9%	42.5%	0%	43.4%	-	-
PHF	0.929	0.417	-	0.917	-	-	-	-	-	-	0.350	0.859	-	0.876	-	0.969
Lights	888	10	0	898	-	0	0	0	0	-	14	672	0	686	-	1584
% Lights	99.1%	100%	0%	99.1%	-	0%	0%	0%	-	-	100%	98.8%	0%	98.8%	-	99.0%
Articulated Trucks	1	0	0	1	-	0	0	0	0	-	0	0	0	0	-	1
% Articulated Trucks	0.1%	0%	0%	0.1%	-	0%	0%	0%	-	-	0%	0%	0%	0%	-	0.1%
Buses and Single-Unit Trucks	7	0	0	7	-	0	0	0	0	-	0	8	0	8	-	15
% Buses and Single-Unit Trucks	0.8%	0%	0%	0.8%	-	0%	0%	0%	-	-	0%	1.2%	0%	1.2%	-	0.9%
Pedestrians	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	-
% Pedestrians	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bicycles on Crosswalk	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	-
% Bicycles on Crosswalk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Pedestrians and Bicycles on Crosswalk. L: Left, R: Right, T: Thru, U: U-Turn

S Lee's Summit Road & Glendale School Entran... - TMC
Wed May 4, 2022
PM Peak (4:15 PM - 5:15 PM) - Overall Peak Hour
All Classes (Lights, Articulated Trucks, Buses and Single-Unit Trucks,
Pedestrians, Bicycles on Crosswalk)
All Movements
ID: 944942, Location: 39.071643, -94.390901



S Lee's Summit Road & Glendale School Exit - TMC

Wed May 4, 2022

Full Length (7:30 AM-9:30 AM, 3 PM-6 PM)

All Classes (Lights, Articulated Trucks, Buses and Single-Unit Trucks, Pedestrians, Bicycles on Crosswalk)

All Movements

ID: 944943, Location: 39.072342, -94.390912



Provided by: Gewalt Hamilton Associates Inc.
625 Forest Edge Drive, Vernon Hills, IL, 60061, US

Leg Direction	Lees Summit Southbound					Exit Westbound					Lees Summit Northbound					
Time	T	L	U	App	Ped*	R	L	U	App	Ped*	R	T	U	App	Ped*	Int
2022-05-04 7:30AM	84	0	0	84	0	3	0	0	3	0	0	99	0	99	0	186
7:45AM	94	0	0	94	0	2	5	0	7	0	0	125	0	125	0	226
Hourly Total	178	0	0	178	0	5	5	0	10	0	0	224	0	224	0	412
8:00AM	92	0	1	93	0	0	0	0	0	0	0	101	0	101	0	194
8:15AM	116	0	0	116	0	0	2	0	2	0	0	91	0	91	0	209
8:30AM	115	0	0	115	0	0	2	0	2	2	0	91	1	92	0	209
8:45AM	135	0	0	135	0	54	46	0	100	0	0	124	0	124	0	359
Hourly Total	458	0	1	459	0	54	50	0	104	2	0	407	1	408	0	971
9:00AM	135	0	0	135	0	14	14	0	28	0	0	113	0	113	0	276
9:15AM	108	0	0	108	0	2	3	0	5	0	0	99	0	99	0	212
Hourly Total	243	0	0	243	0	16	17	0	33	0	0	212	0	212	0	488
3:00PM	128	0	0	128	0	1	1	0	2	0	0	162	0	162	0	292
3:15PM	144	0	0	144	0	2	2	0	4	0	0	148	0	148	0	296
3:30PM	197	0	0	197	0	2	1	0	3	0	0	131	0	131	0	331
3:45PM	219	0	0	219	0	0	2	0	2	0	0	171	0	171	0	392
Hourly Total	688	0	0	688	0	5	6	0	11	0	0	612	0	612	0	1311
4:00PM	167	0	0	167	0	29	19	0	48	0	0	150	0	150	0	365
4:15PM	212	0	0	212	0	32	37	0	69	1	0	154	0	154	0	435
4:30PM	204	0	1	205	0	9	7	0	16	0	0	197	0	197	0	418
4:45PM	222	0	0	222	0	2	7	0	9	0	0	166	0	166	0	397
Hourly Total	805	0	1	806	0	72	70	0	142	1	0	667	0	667	0	1615
5:00PM	209	0	0	209	0	4	2	0	6	0	0	162	0	162	0	377
5:15PM	218	0	1	219	0	5	4	0	9	0	0	161	0	161	0	389
5:30PM	172	0	0	172	0	2	5	0	7	0	0	155	0	155	0	334
5:45PM	164	0	0	164	0	2	4	0	6	1	0	164	0	164	0	334
Hourly Total	763	0	1	764	0	13	15	0	28	1	0	642	0	642	0	1434
Total	3135	0	3	3138	0	165	163	0	328	4	0	2764	1	2765	0	6231
% Approach	99.9%	0%	0.1%	-	-	50.3%	49.7%	0%	-	-	0%	100.0%	0%	-	-	-
% Total	50.3%	0%	0%	50.4%	-	2.6%	2.6%	0%	5.3%	-	0%	44.4%	0%	44.4%	-	-
Lights	3079	0	3	3082	-	157	161	0	318	-	0	2743	1	2744	-	6144
% Lights	98.2%	0%	100%	98.2%	-	95.2%	98.8%	0%	97.0%	-	0%	99.2%	100%	99.2%	-	98.6%
Articulated Trucks	4	0	0	4	-	0	0	0	0	-	0	0	0	0	-	4
% Articulated Trucks	0.1%	0%	0%	0.1%	-	0%	0%	0%	0%	-	0%	0%	0%	0%	-	0.1%
Buses and Single-Unit Trucks	52	0	0	52	-	8	2	0	10	-	0	21	0	21	-	83
% Buses and Single-Unit Trucks	1.7%	0%	0%	1.7%	-	4.8%	1.2%	0%	3.0%	-	0%	0.8%	0%	0.8%	-	1.3%
Pedestrians	-	-	-	-	0	-	-	-	-	4	-	-	-	-	-	0
% Pedestrians	-	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-
Bicycles on Crosswalk	-	-	-	-	0	-	-	-	-	0	-	-	-	-	-	0
% Bicycles on Crosswalk	-	-	-	-	-	-	-	-	-	0%	-	-	-	-	-	-

* Pedestrians and Bicycles on Crosswalk. L: Left, R: Right, T: Thru, U: U-Turn

S Lee's Summit Road & Glendale School Exit - TMC

Wed May 4, 2022

Full Length (7:30 AM-9:30 AM, 3 PM-6 PM)

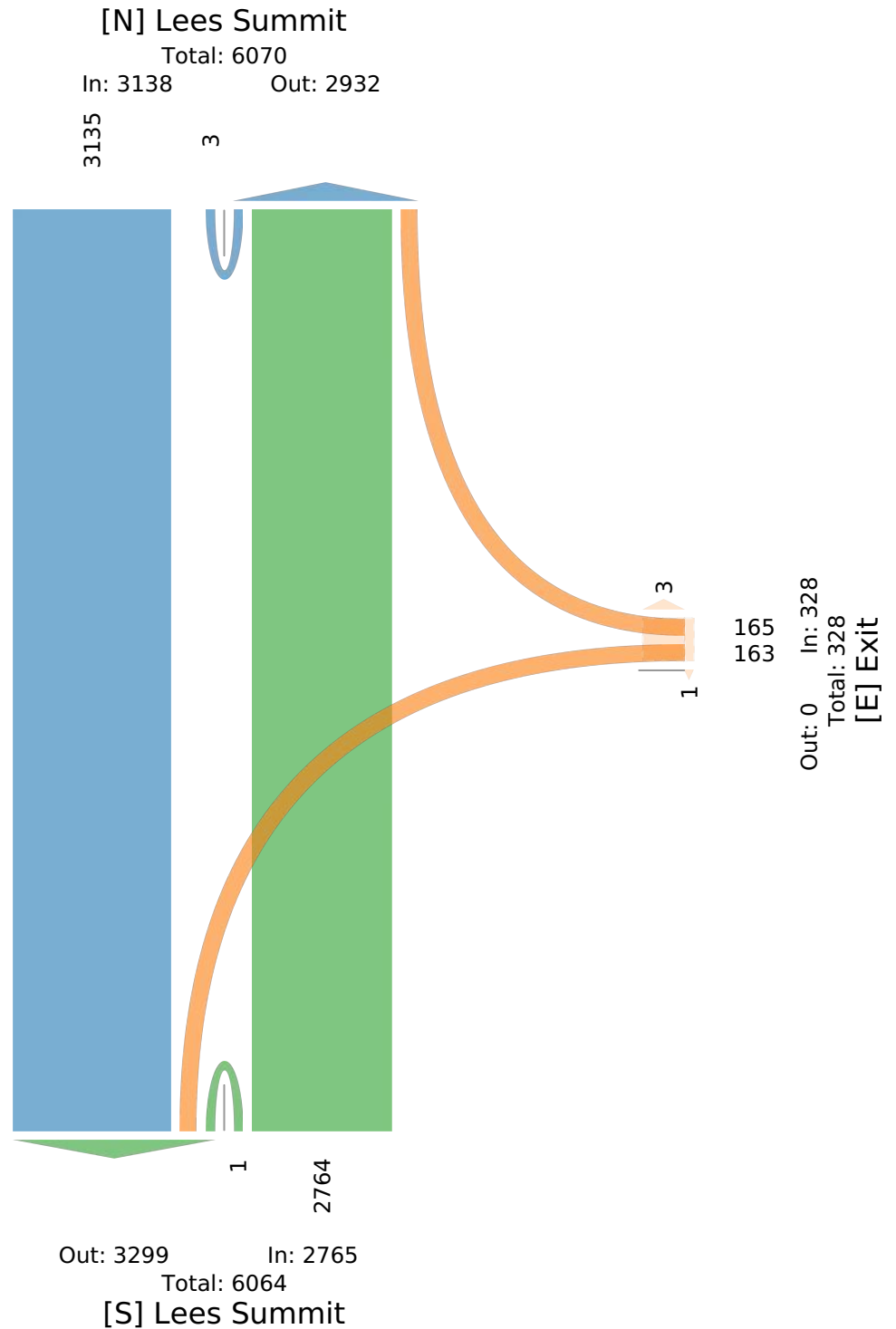
All Classes (Lights, Articulated Trucks, Buses and Single-Unit Trucks,
Pedestrians, Bicycles on Crosswalk)

All Movements

ID: 944943, Location: 39.072342, -94.390912



Provided by: Gewalt Hamilton Associates Inc.
625 Forest Edge Drive, Vernon Hills, IL, 60061, US



S Lee's Summit Road & Glendale School Exit - TMC

Wed May 4, 2022

AM Peak (8:30 AM - 9:30 AM)

All Classes (Lights, Articulated Trucks, Buses and Single-Unit Trucks,
Pedestrians, Bicycles on Crosswalk)

All Movements

ID: 944943, Location: 39.072342, -94.390912

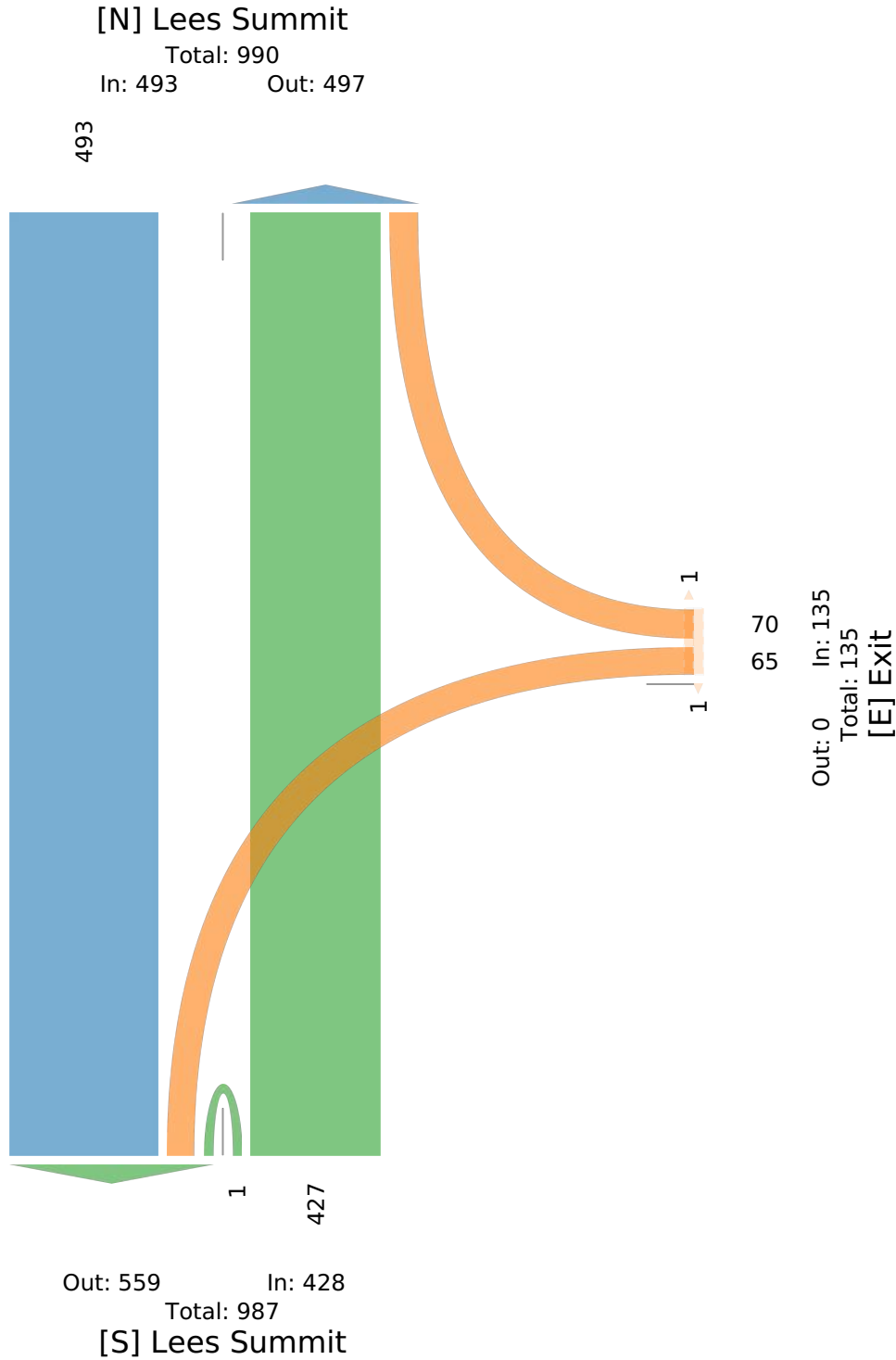


Provided by: Gewalt Hamilton Associates Inc.
625 Forest Edge Drive, Vernon Hills, IL, 60061, US

Leg Direction	Lees Summit Southbound					Exit Westbound					Lees Summit Northbound					
Time	T	L	U	App	Ped*	R	L	U	App	Ped*	R	T	U	App	Ped*	Int
2022-05-04 8:30AM	115	0	0	115	0	0	2	0	2	2	0	91	1	92	0	209
8:45AM	135	0	0	135	0	54	46	0	100	0	0	124	0	124	0	359
9:00AM	135	0	0	135	0	14	14	0	28	0	0	113	0	113	0	276
9:15AM	108	0	0	108	0	2	3	0	5	0	0	99	0	99	0	212
Total	493	0	0	493	0	70	65	0	135	2	0	427	1	428	0	1056
% Approach	100%	0%	0%	-	-	51.9%	48.1%	0%	-	-	0%	99.8%	0.2%	-	-	-
% Total	46.7%	0%	0%	46.7%	-	6.6%	6.2%	0%	12.8%	-	0%	40.4%	0.1%	40.5%	-	-
PHF	0.913	-	-	0.913	-	0.324	0.353	-	0.338	-	-	0.861	0.250	0.863	-	0.735
Lights	478	0	0	478	-	65	65	0	130	-	0	422	1	423	-	1031
% Lights	97.0%	0%	0%	97.0%	-	92.9%	100%	0%	96.3%	-	0%	98.8%	100%	98.8%	-	97.6%
Articulated Trucks	0	0	0	0	-	0	0	0	0	-	0	0	0	0	-	0
% Articulated Trucks	0%	0%	0%	0%	-	0%	0%	0%	0%	-	0%	0%	0%	0%	-	0%
Buses and Single-Unit Trucks	15	0	0	15	-	5	0	0	5	-	0	5	0	5	-	25
% Buses and Single-Unit Trucks	3.0%	0%	0%	3.0%	-	7.1%	0%	0%	3.7%	-	0%	1.2%	0%	1.2%	-	2.4%
Pedestrians	-	-	-	-	0	-	-	-	-	2	-	-	-	-	0	-
% Pedestrians	-	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-
Bicycles on Crosswalk	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	-
% Bicycles on Crosswalk	-	-	-	-	-	-	-	-	-	0%	-	-	-	-	-	-

* Pedestrians and Bicycles on Crosswalk. L: Left, R: Right, T: Thru, U: U-Turn

S Lee's Summit Road & Glendale School Exit - TMC
Wed May 4, 2022
AM Peak (8:30 AM - 9:30 AM)
All Classes (Lights, Articulated Trucks, Buses and Single-Unit Trucks,
Pedestrians, Bicycles on Crosswalk)
All Movements
ID: 944943, Location: 39.072342, -94.390912



S Lee's Summit Road & Glendale School Exit - TMC

Wed May 4, 2022

PM Peak (4:15 PM - 5:15 PM) - Overall Peak Hour

All Classes (Lights, Articulated Trucks, Buses and Single-Unit Trucks,
Pedestrians, Bicycles on Crosswalk)

All Movements

ID: 944943, Location: 39.072342, -94.390912



Provided by: Gewalt Hamilton Associates Inc.
625 Forest Edge Drive, Vernon Hills, IL, 60061, US

Leg Direction	Lees Summit Southbound						Exit Westbound						Lees Summit Northbound						
Time	T	L	U	App	Ped*		R	L	U	App	Ped*		R	T	U	App	Ped*	Int	
2022-05-04 4:15PM	212	0	0	212	0		32	37	0	69	1		0	154	0	154	0	435	
4:30PM	204	0	1	205	0		9	7	0	16	0		0	197	0	197	0	418	
4:45PM	222	0	0	222	0		2	7	0	9	0		0	166	0	166	0	397	
5:00PM	209	0	0	209	0		4	2	0	6	0		0	162	0	162	0	377	
Total	847	0	1	848	0		47	53	0	100	1		0	679	0	679	0	1627	
% Approach	99.9%	0%	0.1%	-	-		47.0%	53.0%	0%	-	-		0%	100%	0%	-	-	-	
% Total	52.1%	0%	0.1%	52.1%	-		2.9%	3.3%	0%	6.1%	-		0%	41.7%	0%	41.7%	-	-	
PHF	0.954	-	0.250	0.955	-		0.367	0.358	-	0.362	-		-	0.862	-	0.862	-	0.935	
Lights	840	0	1	841	-		44	51	0	95	-		0	671	0	671	-	1607	
% Lights	99.2%	0%	100%	99.2%	-		93.6%	96.2%	0%	95.0%	-		0%	98.8%	0%	98.8%	-	98.8%	
Articulated Trucks	1	0	0	1	-		0	0	0	0	-		0	0	0	0	-	1	
% Articulated Trucks	0.1%	0%	0%	0.1%	-		0%	0%	0%	0%	-		0%	0%	0%	0%	-	0.1%	
Buses and Single-Unit Trucks	6	0	0	6	-		3	2	0	5	-		0	8	0	8	-	19	
% Buses and Single-Unit Trucks	0.7%	0%	0%	0.7%	-		6.4%	3.8%	0%	5.0%	-		0%	1.2%	0%	1.2%	-	1.2%	
Pedestrians	-	-	-	-	0		-	-	-	-	1		-	-	-	-	0		
% Pedestrians	-	-	-	-	-		-	-	-	-	100%		-	-	-	-	-	-	
Bicycles on Crosswalk	-	-	-	-	0		-	-	-	-	0		-	-	-	-	0		
% Bicycles on Crosswalk	-	-	-	-	-		-	-	-	-	0%		-	-	-	-	-	-	

*Pedestrians and Bicycles on Crosswalk. L: Left, R: Right, T: Thru, U: U-Turn

S Lee's Summit Road & Glendale School Exit - TMC

Wed May 4, 2022

PM Peak (4:15 PM - 5:15 PM) - Overall Peak Hour

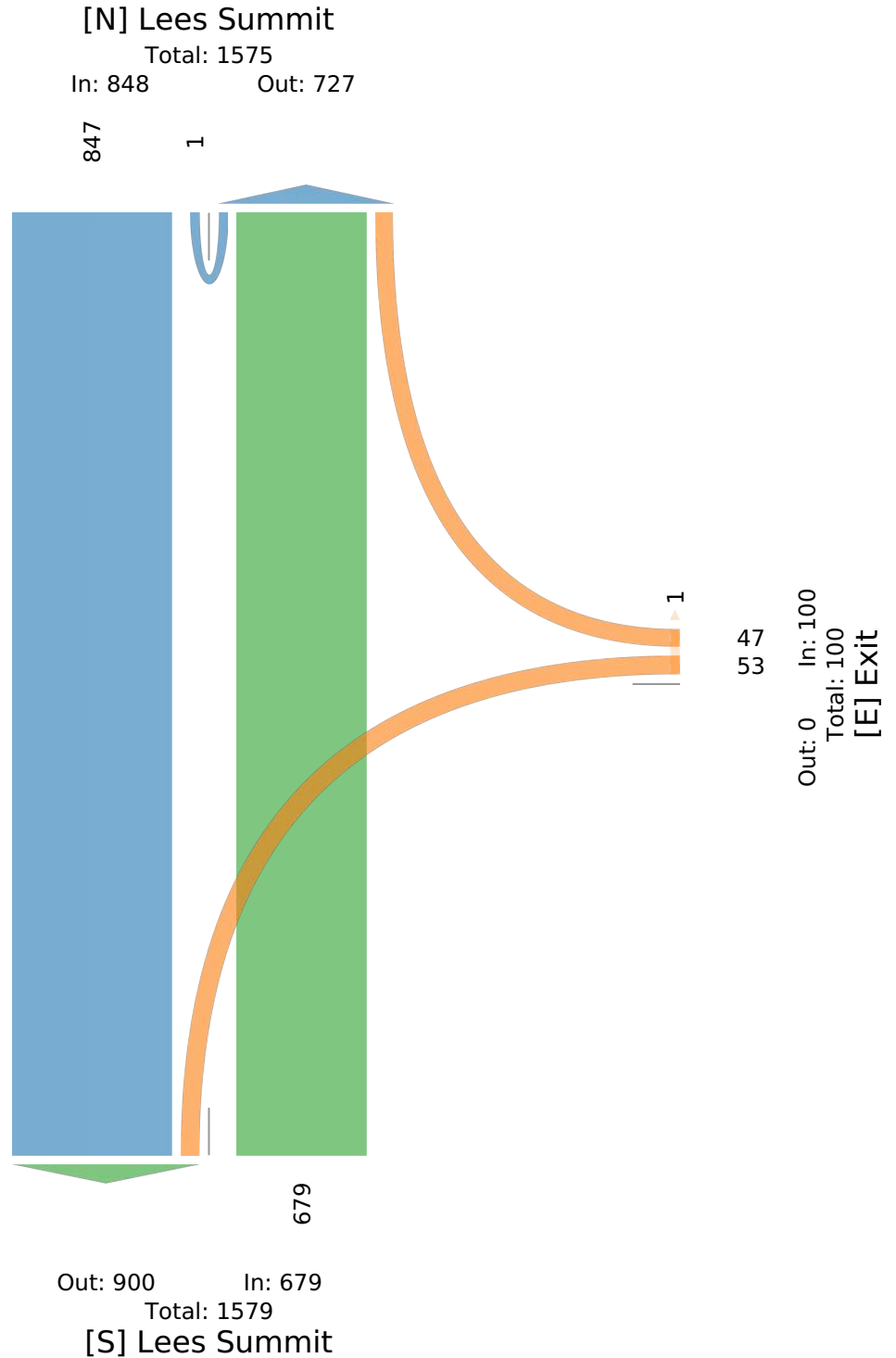
All Classes (Lights, Articulated Trucks, Buses and Single-Unit Trucks,
Pedestrians, Bicycles on Crosswalk)

All Movements

ID: 944943, Location: 39.072342, -94.390912



Provided by: Gewalt Hamilton Associates Inc.
625 Forest Edge Drive, Vernon Hills, IL, 60061, US



Trip Generation

Senior Adult Housing - Single-Family (251)

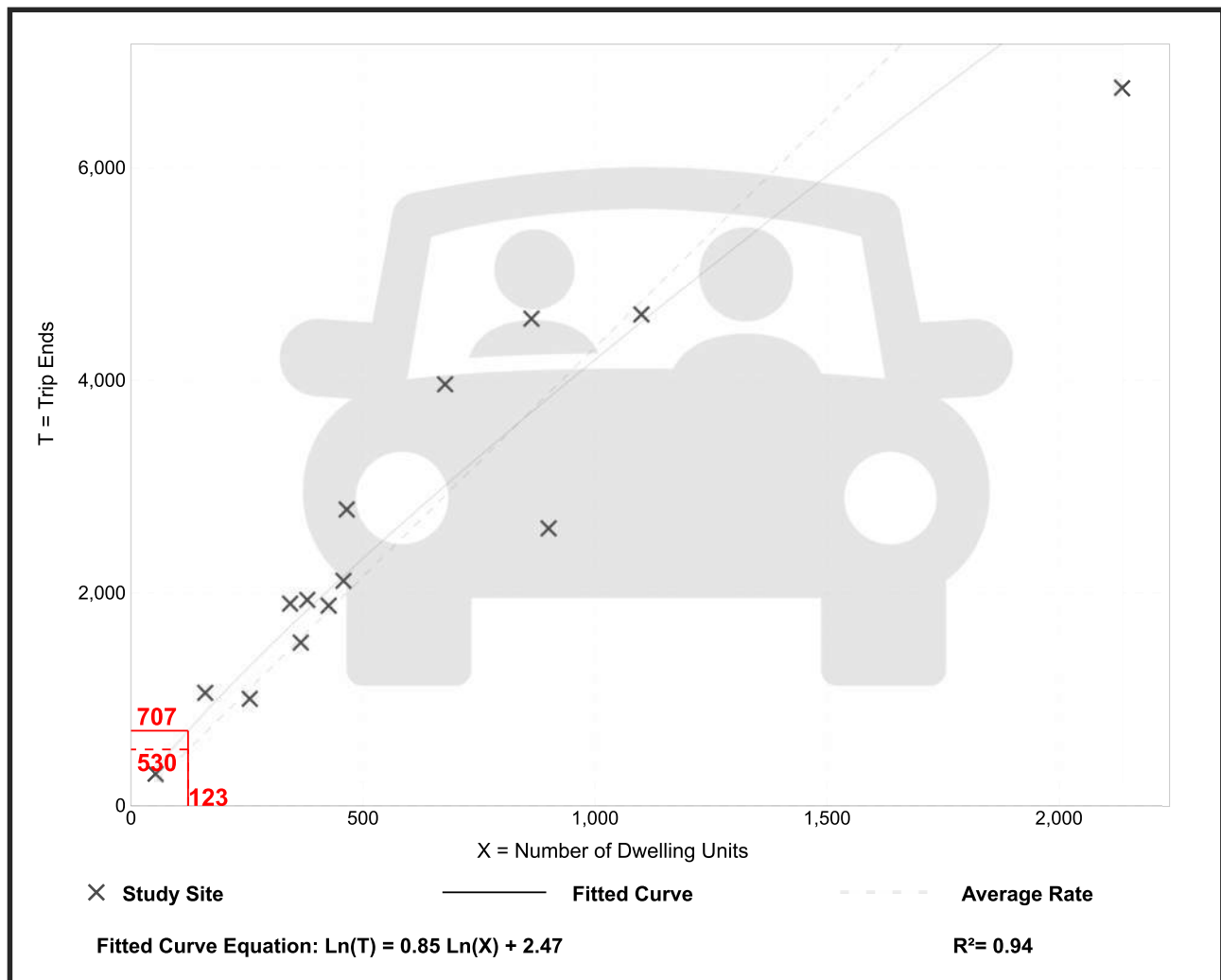
Vehicle Trip Ends vs: Dwelling Units
On a: Weekday

Setting/Location: General Urban/Suburban
Number of Studies: 15
Avg. Num. of Dwelling Units: 646
Directional Distribution: 50% entering, 50% exiting

Vehicle Trip Generation per Dwelling Unit

Average Rate	Range of Rates	Standard Deviation
4.31	2.90 - 6.66	1.07

Data Plot and Equation



Calculated Trip Ends:

Average Rate: 530 (Total), 265 (Entry), 265 (Exit)

Fitted Curve: 707 (Total), 353 (Entry), 354 (Exit)

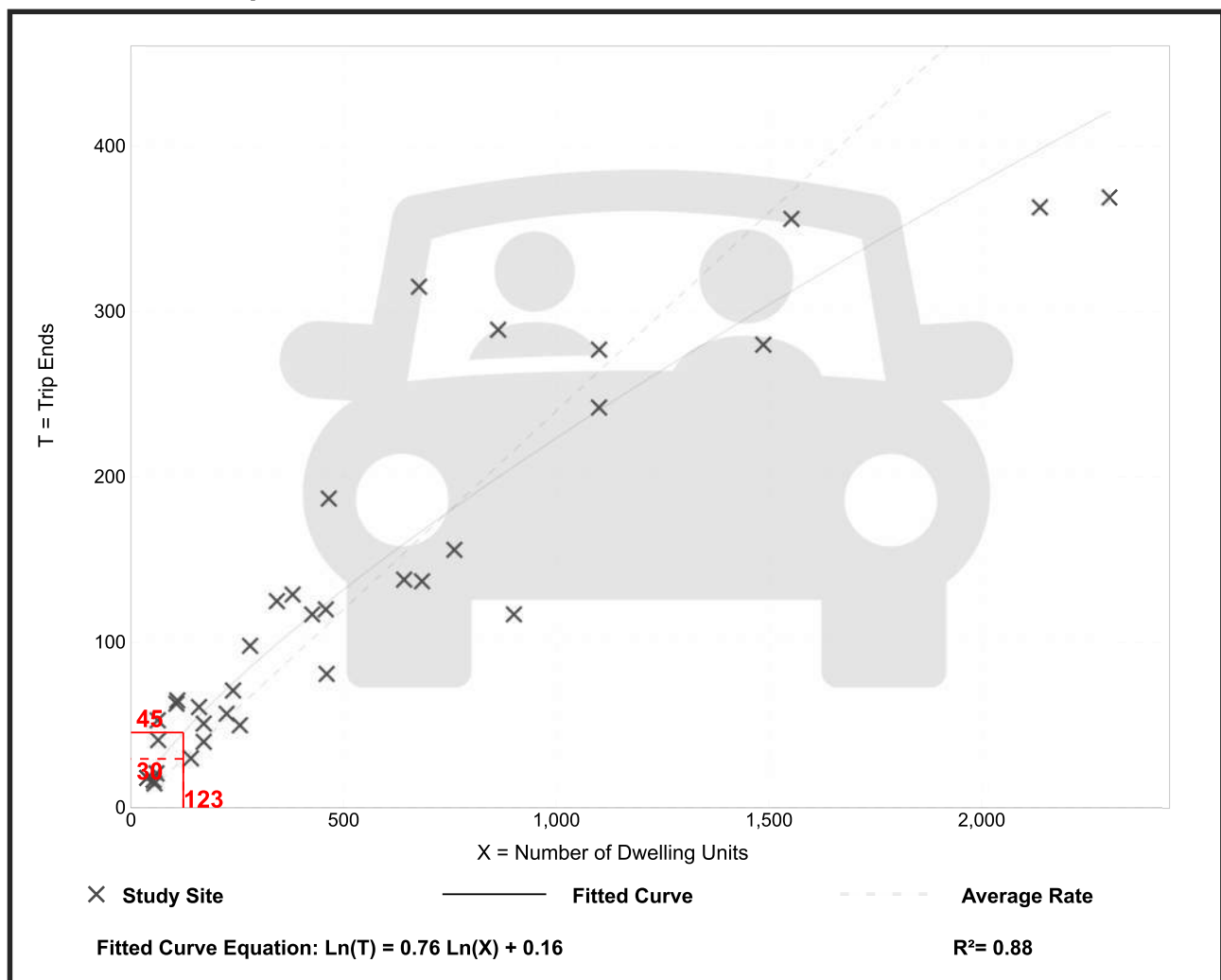
Senior Adult Housing - Single-Family (251)

Vehicle Trip Ends vs: Dwelling Units
On a: Weekday,
Peak Hour of Adjacent Street Traffic,
One Hour Between 7 and 9 a.m.
Setting/Location: General Urban/Suburban
Number of Studies: 34
Avg. Num. of Dwelling Units: 557
Directional Distribution: 33% entering, 67% exiting

Vehicle Trip Generation per Dwelling Unit

Average Rate	Range of Rates	Standard Deviation
0.24	0.13 - 0.84	0.10

Data Plot and Equation



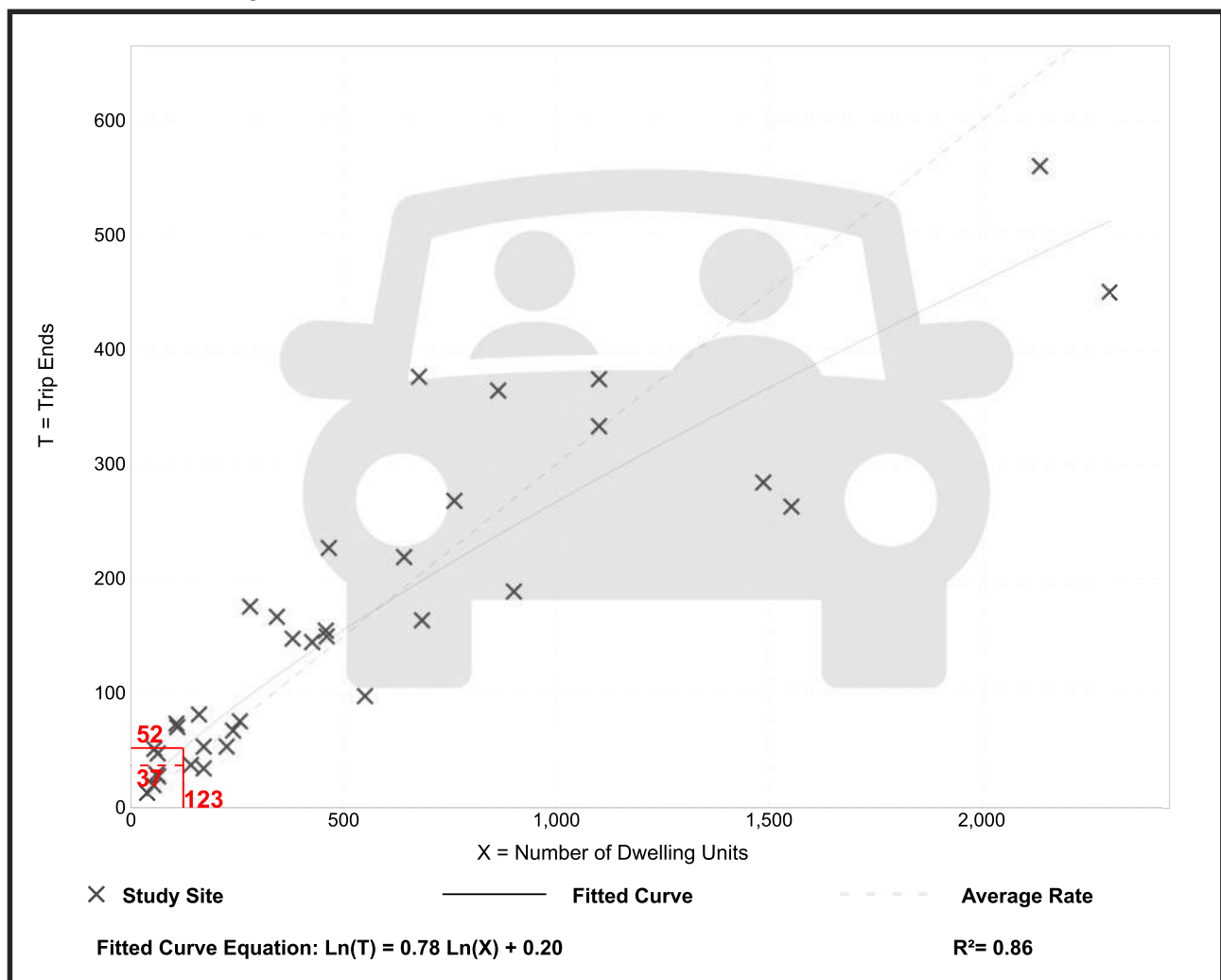
Senior Adult Housing - Single-Family (251)

Vehicle Trip Ends vs: Dwelling Units
On a: Weekday,
Peak Hour of Adjacent Street Traffic,
One Hour Between 4 and 6 p.m.
Setting/Location: General Urban/Suburban
Number of Studies: 35
Avg. Num. of Dwelling Units: 556
Directional Distribution: 61% entering, 39% exiting

Vehicle Trip Generation per Dwelling Unit

Average Rate	Range of Rates	Standard Deviation
0.30	0.17 - 0.95	0.12

Data Plot and Equation



Synchro Reports

Intersection						
Int Delay, s/veh	1.5					
Movement	WBL	WBR	NBT	NBR	SBL	SBT
Lane Configurations						
Traffic Vol, veh/h	20	69	457	14	38	485
Future Vol, veh/h	20	69	457	14	38	485
Conflicting Peds, #/hr	0	0	0	0	0	0
Sign Control	Stop	Stop	Free	Free	Free	Free
RT Channelized	-	None	-	None	-	None
Storage Length	0	-	-	-	190	-
Veh in Median Storage, #	0	-	0	-	-	0
Grade, %	0	-	0	-	-	0
Peak Hour Factor	80	80	80	80	80	80
Heavy Vehicles, %	2	2	2	2	3	2
Mvmt Flow	25	86	571	18	48	606
Major/Minor	Minor1	Major1		Major2		
Conflicting Flow All	979	295	0	0	589	0
Stage 1	580	-	-	-	-	-
Stage 2	399	-	-	-	-	-
Critical Hdwy	6.84	6.94	-	-	4.16	-
Critical Hdwy Stg 1	5.84	-	-	-	-	-
Critical Hdwy Stg 2	5.84	-	-	-	-	-
Follow-up Hdwy	3.52	3.32	-	-	2.23	-
Pot Cap-1 Maneuver	247	701	-	-	976	-
Stage 1	523	-	-	-	-	-
Stage 2	647	-	-	-	-	-
Platoon blocked, %			-	-		-
Mov Cap-1 Maneuver	235	701	-	-	976	-
Mov Cap-2 Maneuver	235	-	-	-	-	-
Stage 1	523	-	-	-	-	-
Stage 2	615	-	-	-	-	-
Approach	WB	NB		SB		
HCM Control Delay, s	14.6	0		0.6		
HCM LOS	B					
Minor Lane/Major Mvmt	NBT	NBRWBLn1		SBL	SBT	
Capacity (veh/h)	-	-		485	976	
HCM Lane V/C Ratio	-	-		0.229	0.049	
HCM Control Delay (s)	-	-		14.6	8.9	
HCM Lane LOS	-	-		B	A	
HCM 95th %tile Q(veh)	-	-		0.9	0.2	

Intersection						
Int Delay, s/veh	2.7					
Movement	WBL	WBR	NBT	NBR	SBL	SBT
Lane Configurations						
Traffic Vol, veh/h	65	70	428	0	0	509
Future Vol, veh/h	65	70	428	0	0	509
Conflicting Peds, #/hr	0	0	0	0	0	0
Sign Control	Stop	Stop	Free	Free	Free	Free
RT Channelized	-	None	-	None	-	None
Storage Length	0	-	-	-	-	-
Veh in Median Storage, #	0	-	0	-	-	0
Grade, %	0	-	0	-	-	0
Peak Hour Factor	74	74	74	74	74	74
Heavy Vehicles, %	2	7	2	2	2	3
Mvmt Flow	88	95	578	0	0	688
Major/Minor	Minor1	Major1	Major2			
Conflicting Flow All	922	289	0	-	-	-
Stage 1	578	-	-	-	-	-
Stage 2	344	-	-	-	-	-
Critical Hdwy	6.84	7.04	-	-	-	-
Critical Hdwy Stg 1	5.84	-	-	-	-	-
Critical Hdwy Stg 2	5.84	-	-	-	-	-
Follow-up Hdwy	3.52	3.37	-	-	-	-
Pot Cap-1 Maneuver	269	693	-	0	0	-
Stage 1	524	-	-	0	0	-
Stage 2	689	-	-	0	0	-
Platoon blocked, %			-			-
Mov Cap-1 Maneuver	269	693	-	-	-	-
Mov Cap-2 Maneuver	269	-	-	-	-	-
Stage 1	524	-	-	-	-	-
Stage 2	689	-	-	-	-	-
Approach	WB	NB	SB			
HCM Control Delay, s	21.8	0	0			
HCM LOS	C					
Minor Lane/Major Mvmt	NBTWBLn1		SBT			
Capacity (veh/h)	- 394		-			
HCM Lane V/C Ratio	- 0.463		-			
HCM Control Delay (s)	- 21.8		-			
HCM Lane LOS	- C		-			
HCM 95th %tile Q(veh)	- 2.4		-			

Intersection						
Int Delay, s/veh	1.5					
Movement	WBL	WBR	NBT	NBR	SBL	SBT
Lane Configurations						
Traffic Vol, veh/h	18	56	638	31	107	789
Future Vol, veh/h	18	56	638	31	107	789
Conflicting Peds, #/hr	0	0	0	0	0	0
Sign Control	Stop	Stop	Free	Free	Free	Free
RT Channelized	-	None	-	None	-	None
Storage Length	0	-	-	-	190	-
Veh in Median Storage, #	0	-	0	-	-	0
Grade, %	0	-	0	-	-	0
Peak Hour Factor	95	95	95	95	95	95
Heavy Vehicles, %	2	2	2	3	2	2
Mvmt Flow	19	59	672	33	113	831
Major/Minor	Minor1	Major1	Major2			
Conflicting Flow All	1331	353	0	0	705	0
Stage 1	689	-	-	-	-	-
Stage 2	642	-	-	-	-	-
Critical Hdwy	6.84	6.94	-	-	4.14	-
Critical Hdwy Stg 1	5.84	-	-	-	-	-
Critical Hdwy Stg 2	5.84	-	-	-	-	-
Follow-up Hdwy	3.52	3.32	-	-	2.22	-
Pot Cap-1 Maneuver	146	643	-	-	889	-
Stage 1	460	-	-	-	-	-
Stage 2	486	-	-	-	-	-
Platoon blocked, %			-	-		-
Mov Cap-1 Maneuver	127	643	-	-	889	-
Mov Cap-2 Maneuver	127	-	-	-	-	-
Stage 1	460	-	-	-	-	-
Stage 2	424	-	-	-	-	-
Approach	WB	NB	SB			
HCM Control Delay, s	19.7	0	1.2			
HCM LOS	C					
Minor Lane/Major Mvmt	NBT	NBRWBLn1	SBL	SBT		
Capacity (veh/h)	-	-	323	889	-	
HCM Lane V/C Ratio	-	-	0.241	0.127	-	
HCM Control Delay (s)	-	-	19.7	9.6	-	
HCM Lane LOS	-	-	C	A	-	
HCM 95th %tile Q(veh)	-	-	0.9	0.4	-	

HCM 6th TWSC
3: S Lee's Summit Rd & School Exit

Summit Living Town Homes TIS
Existing PM Peak

Intersection						
Int Delay, s/veh	1.6					
Movement	WBL	WBR	NBT	NBR	SBL	SBT
Lane Configurations	YY		↑↑			↑↑
Traffic Vol, veh/h	53	47	680	0	0	853
Future Vol, veh/h	53	47	680	0	0	853
Conflicting Peds, #/hr	0	0	0	0	0	0
Sign Control	Stop	Stop	Free	Free	Free	Free
RT Channelized	-	None	-	None	-	None
Storage Length	0	-	-	-	-	-
Veh in Median Storage, #	0	-	0	-	-	0
Grade, %	0	-	0	-	-	0
Peak Hour Factor	94	94	94	94	94	94
Heavy Vehicles, %	4	6	2	2	2	2
Mvmt Flow	56	50	723	0	0	907
Major/Minor	Minor1	Major1	Major2			
Conflicting Flow All	1177	362	0	-	-	-
Stage 1	723	-	-	-	-	-
Stage 2	454	-	-	-	-	-
Critical Hdwy	6.88	7.02	-	-	-	-
Critical Hdwy Stg 1	5.88	-	-	-	-	-
Critical Hdwy Stg 2	5.88	-	-	-	-	-
Follow-up Hdwy	3.54	3.36	-	-	-	-
Pot Cap-1 Maneuver	181	623	-	0	0	-
Stage 1	436	-	-	0	0	-
Stage 2	601	-	-	0	0	-
Platoon blocked, %			-			-
Mov Cap-1 Maneuver	181	623	-	-	-	-
Mov Cap-2 Maneuver	181	-	-	-	-	-
Stage 1	436	-	-	-	-	-
Stage 2	601	-	-	-	-	-
Approach	WB	NB	SB			
HCM Control Delay, s	26.5	0	0			
HCM LOS	D					
Minor Lane/Major Mvmt	NBTWBLn1		SBT			
Capacity (veh/h)	- 272		-			
HCM Lane V/C Ratio	- 0.391		-			
HCM Control Delay (s)	- 26.5		-			
HCM Lane LOS	- D		-			
HCM 95th %tile Q(veh)	- 1.8		-			

Intersection						
Int Delay, s/veh	1.5					
Movement	WBL	WBR	NBT	NBR	SBL	SBT
Lane Configurations						
Traffic Vol, veh/h	20	69	461	14	38	492
Future Vol, veh/h	20	69	461	14	38	492
Conflicting Peds, #/hr	0	0	0	0	0	0
Sign Control	Stop	Stop	Free	Free	Free	Free
RT Channelized	-	None	-	None	-	None
Storage Length	0	-	-	-	190	-
Veh in Median Storage, #	0	-	0	-	-	0
Grade, %	0	-	0	-	-	0
Peak Hour Factor	80	80	80	80	80	80
Heavy Vehicles, %	2	2	2	2	3	2
Mvmt Flow	25	86	576	18	48	615
Major/Minor	Minor1	Major1		Major2		
Conflicting Flow All	989	297	0	0	594	0
Stage 1	585	-	-	-	-	-
Stage 2	404	-	-	-	-	-
Critical Hdwy	6.84	6.94	-	-	4.16	-
Critical Hdwy Stg 1	5.84	-	-	-	-	-
Critical Hdwy Stg 2	5.84	-	-	-	-	-
Follow-up Hdwy	3.52	3.32	-	-	2.23	-
Pot Cap-1 Maneuver	244	699	-	-	971	-
Stage 1	520	-	-	-	-	-
Stage 2	643	-	-	-	-	-
Platoon blocked, %			-	-		-
Mov Cap-1 Maneuver	232	699	-	-	971	-
Mov Cap-2 Maneuver	232	-	-	-	-	-
Stage 1	520	-	-	-	-	-
Stage 2	611	-	-	-	-	-
Approach	WB	NB		SB		
HCM Control Delay, s	14.7	0		0.6		
HCM LOS	B					
Minor Lane/Major Mvmt	NBT	NBRWBLn1		SBL	SBT	
Capacity (veh/h)	-	- 481		971	-	
HCM Lane V/C Ratio	-	- 0.231		0.049	-	
HCM Control Delay (s)	-	- 14.7		8.9	-	
HCM Lane LOS	-	- B		A	-	
HCM 95th %tile Q(veh)	-	- 0.9		0.2	-	

HCM 6th TWSC
2: S Lee's Summit Rd & Site Drive/School Entrance

Summit Living Town Homes TIS
Existing + Site AM Peak

Intersection												
Int Delay, s/veh	1.4											
Movement	EBL	EBT	EBR	WBL	WBT	WBR	NBL	NBT	NBR	SBL	SBT	SBR
Lane Configurations		↕						↕↕			↕↕	
Traffic Vol, veh/h	23	0	7	0	0	0	4	428	98	51	523	11
Future Vol, veh/h	23	0	7	0	0	0	4	428	98	51	523	11
Conflicting Peds, #/hr	0	0	0	0	0	0	0	0	0	0	0	0
Sign Control	Stop	Stop	Stop	Stop	Stop	Stop	Free	Free	Free	Free	Free	Free
RT Channelized	-	-	None	-	-	None	-	-	None	-	-	None
Storage Length	-	-	-	-	-	-	-	-	-	-	-	-
Veh in Median Storage, #	-	0	-	-	0	-	-	0	-	-	0	-
Grade, %	-	0	-	-	0	-	-	0	-	-	0	-
Peak Hour Factor	76	76	76	76	76	76	76	76	76	76	76	76
Heavy Vehicles, %	2	2	2	2	2	2	2	2	2	4	2	2
Mvmt Flow	30	0	9	0	0	0	5	563	129	67	688	14
Major/Minor	Minor2						Major1		Major2			
Conflicting Flow All	1121	1531	351				702	0	0	692	0	0
Stage 1	829	829	-				-	-	-	-	-	-
Stage 2	292	702	-				-	-	-	-	-	-
Critical Hdwy	6.84	6.54	6.94				4.14	-	-	4.18	-	-
Critical Hdwy Stg 1	5.84	5.54	-				-	-	-	-	-	-
Critical Hdwy Stg 2	5.84	5.54	-				-	-	-	-	-	-
Follow-up Hdwy	3.52	4.02	3.32				2.22	-	-	2.24	-	-
Pot Cap-1 Maneuver	200	116	645				891	-	-	886	-	-
Stage 1	389	383	-				-	-	-	-	-	-
Stage 2	732	439	-				-	-	-	-	-	-
Platoon blocked, %							-	-	-	-	-	-
Mov Cap-1 Maneuver	174	0	645				891	-	-	886	-	-
Mov Cap-2 Maneuver	174	0	-				-	-	-	-	-	-
Stage 1	385	0	-				-	-	-	-	-	-
Stage 2	641	0	-				-	-	-	-	-	-
Approach	EB						NB		SB			
HCM Control Delay, s	26.1						0.1		1.3			
HCM LOS	D											
Minor Lane/Major Mvmt	NBL	NBT	NBR	EBLn1	SBL	SBT	SBR					
Capacity (veh/h)	891	-	-	210	886	-	-					
HCM Lane V/C Ratio	0.006	-	-	0.188	0.076	-	-					
HCM Control Delay (s)	9.1	0	-	26.1	9.4	0.5	-					
HCM Lane LOS	A	A	-	D	A	A	-					
HCM 95th %tile Q(veh)	0	-	-	0.7	0.2	-	-					

Intersection						
Int Delay, s/veh	2.8					
Movement	WBL	WBR	NBT	NBR	SBL	SBT
Lane Configurations						
Traffic Vol, veh/h	65	70	451	0	0	520
Future Vol, veh/h	65	70	451	0	0	520
Conflicting Peds, #/hr	0	0	0	0	0	0
Sign Control	Stop	Stop	Free	Free	Free	Free
RT Channelized	-	None	-	None	-	None
Storage Length	0	-	-	-	-	-
Veh in Median Storage, #	0	-	0	-	-	0
Grade, %	0	-	0	-	-	0
Peak Hour Factor	74	74	74	74	74	74
Heavy Vehicles, %	2	7	2	2	2	3
Mvmt Flow	88	95	609	0	0	703

Major/Minor	Minor1	Major1	Major2
Conflicting Flow All	961	305	0
Stage 1	609	-	-
Stage 2	352	-	-
Critical Hdwy	6.84	7.04	-
Critical Hdwy Stg 1	5.84	-	-
Critical Hdwy Stg 2	5.84	-	-
Follow-up Hdwy	3.52	3.37	-
Pot Cap-1 Maneuver	254	676	0
Stage 1	505	-	0
Stage 2	683	-	0
Platoon blocked, %		-	-
Mov Cap-1 Maneuver	254	676	-
Mov Cap-2 Maneuver	254	-	-
Stage 1	505	-	-
Stage 2	683	-	-

Approach	WB	NB	SB
HCM Control Delay, s	23.3	0	0
HCM LOS	C		

Minor Lane/Major Mvmt	NBTWBLn1	SBT
Capacity (veh/h)	- 376	-
HCM Lane V/C Ratio	- 0.485	-
HCM Control Delay (s)	- 23.3	-
HCM Lane LOS	- C	-
HCM 95th %tile Q(veh)	- 2.6	-

Intersection						
Int Delay, s/veh	1.5					
Movement	WBL	WBR	NBT	NBR	SBL	SBT
Lane Configurations						
Traffic Vol, veh/h	18	56	646	31	107	794
Future Vol, veh/h	18	56	646	31	107	794
Conflicting Peds, #/hr	0	0	0	0	0	0
Sign Control	Stop	Stop	Free	Free	Free	Free
RT Channelized	-	None	-	None	-	None
Storage Length	0	-	-	-	190	-
Veh in Median Storage, #	0	-	0	-	-	0
Grade, %	0	-	0	-	-	0
Peak Hour Factor	95	95	95	95	95	95
Heavy Vehicles, %	2	2	2	3	2	2
Mvmt Flow	19	59	680	33	113	836
Major/Minor	Minor1	Major1		Major2		
Conflicting Flow All	1341	357	0	0	713	0
Stage 1	697	-	-	-	-	-
Stage 2	644	-	-	-	-	-
Critical Hdwy	6.84	6.94	-	-	4.14	-
Critical Hdwy Stg 1	5.84	-	-	-	-	-
Critical Hdwy Stg 2	5.84	-	-	-	-	-
Follow-up Hdwy	3.52	3.32	-	-	2.22	-
Pot Cap-1 Maneuver	144	639	-	-	883	-
Stage 1	455	-	-	-	-	-
Stage 2	485	-	-	-	-	-
Platoon blocked, %			-	-		-
Mov Cap-1 Maneuver	126	639	-	-	883	-
Mov Cap-2 Maneuver	126	-	-	-	-	-
Stage 1	455	-	-	-	-	-
Stage 2	423	-	-	-	-	-
Approach	WB	NB		SB		
HCM Control Delay, s	19.8	0		1.1		
HCM LOS	C					
Minor Lane/Major Mvmt	NBT	NBR	WBLn1	SBL	SBT	
Capacity (veh/h)	-	-	321	883	-	
HCM Lane V/C Ratio	-	-	0.243	0.128	-	
HCM Control Delay (s)	-	-	19.8	9.7	-	
HCM Lane LOS	-	-	C	A	-	
HCM 95th %tile Q(veh)	-	-	0.9	0.4	-	

HCM 6th TWSC
2: S Lee's Summit Rd & Site Drive/School Entrance

Summit Living Town Homes TIS
Existing + Site PM Peak

Intersection												
Int Delay, s/veh	0.5											
Movement	EBL	EBT	EBR	WBL	WBT	WBR	NBL	NBT	NBR	SBL	SBT	SBR
Lane Configurations		↕						↕↕			↕↕	
Traffic Vol, veh/h	15	0	5	0	0	0	8	680	14	10	896	24
Future Vol, veh/h	15	0	5	0	0	0	8	680	14	10	896	24
Conflicting Peds, #/hr	0	0	0	0	0	0	0	0	0	0	0	0
Sign Control	Stop	Stop	Stop	Stop	Stop	Stop	Free	Free	Free	Free	Free	Free
RT Channelized	-	-	None	-	-	None	-	-	None	-	-	None
Storage Length	-	-	-	-	-	-	-	-	-	-	-	-
Veh in Median Storage, #	-	0	-	-	0	-	-	0	-	-	0	-
Grade, %	-	0	-	-	0	-	-	0	-	-	0	-
Peak Hour Factor	97	97	97	97	97	97	97	97	97	97	97	97
Heavy Vehicles, %	2	2	2	2	2	2	2	2	2	2	2	2
Mvmt Flow	15	0	5	0	0	0	8	701	14	10	924	25
Major/Minor	Minor2						Major1		Major2			
Conflicting Flow All	1324	1688	475				949	0	0	715	0	0
Stage 1	957	957	-				-	-	-	-	-	-
Stage 2	367	731	-				-	-	-	-	-	-
Critical Hdwy	6.84	6.54	6.94				4.14	-	-	4.14	-	-
Critical Hdwy Stg 1	5.84	5.54	-				-	-	-	-	-	-
Critical Hdwy Stg 2	5.84	5.54	-				-	-	-	-	-	-
Follow-up Hdwy	3.52	4.02	3.32				2.22	-	-	2.22	-	-
Pot Cap-1 Maneuver	147	93	536				719	-	-	881	-	-
Stage 1	333	334	-				-	-	-	-	-	-
Stage 2	671	425	-				-	-	-	-	-	-
Platoon blocked, %							-	-		-	-	
Mov Cap-1 Maneuver	141	0	536				719	-	-	881	-	-
Mov Cap-2 Maneuver	141	0	-				-	-	-	-	-	-
Stage 1	327	0	-				-	-	-	-	-	-
Stage 2	655	0	-				-	-	-	-	-	-
Approach	EB						NB		SB			
HCM Control Delay, s	28.6						0.2		0.2			
HCM LOS	D											
Minor Lane/Major Mvmt	NBL	NBT	NBR	EBLn1	SBL	SBT	SBR					
Capacity (veh/h)	719	-	-	173	881	-	-					
HCM Lane V/C Ratio	0.011	-	-	0.119	0.012	-	-					
HCM Control Delay (s)	10.1	0.1	-	28.6	9.1	0.1	-					
HCM Lane LOS	B	A	-	D	A	A	-					
HCM 95th %tile Q(veh)	0	-	-	0.4	0	-	-					

Intersection						
Int Delay, s/veh	1.7					
Movement	WBL	WBR	NBT	NBR	SBL	SBT
Lane Configurations	YY		↑↑			↑↑
Traffic Vol, veh/h	53	47	695	0	0	877
Future Vol, veh/h	53	47	695	0	0	877
Conflicting Peds, #/hr	0	0	0	0	0	0
Sign Control	Stop	Stop	Free	Free	Free	Free
RT Channelized	-	None	-	None	-	None
Storage Length	0	-	-	-	-	-
Veh in Median Storage, #	0	-	0	-	-	0
Grade, %	0	-	0	-	-	0
Peak Hour Factor	94	94	94	94	94	94
Heavy Vehicles, %	4	6	2	2	2	2
Mvmt Flow	56	50	739	0	0	933
Major/Minor	Minor1	Major1	Major2			
Conflicting Flow All	1206	370	0	-	-	-
Stage 1	739	-	-	-	-	-
Stage 2	467	-	-	-	-	-
Critical Hdwy	6.88	7.02	-	-	-	-
Critical Hdwy Stg 1	5.88	-	-	-	-	-
Critical Hdwy Stg 2	5.88	-	-	-	-	-
Follow-up Hdwy	3.54	3.36	-	-	-	-
Pot Cap-1 Maneuver	173	616	-	0	0	-
Stage 1	428	-	-	0	0	-
Stage 2	591	-	-	0	0	-
Platoon blocked, %			-			-
Mov Cap-1 Maneuver	173	616	-	-	-	-
Mov Cap-2 Maneuver	173	-	-	-	-	-
Stage 1	428	-	-	-	-	-
Stage 2	591	-	-	-	-	-
Approach	WB	NB	SB			
HCM Control Delay, s	28	0	0			
HCM LOS	D					
Minor Lane/Major Mvmt	NBTWBLn1		SBT			
Capacity (veh/h)	- 261		-			
HCM Lane V/C Ratio	- 0.408		-			
HCM Control Delay (s)	- 28		-			
HCM Lane LOS	- D		-			
HCM 95th %tile Q(veh)	- 1.9		-			

Turn-Lane Warrants

940.9.6 Left Turn Lane Guidelines for Four-Lane Roadways

LEE'S SUMMIT RD & SITE DRIVE - NB LT

SCENARIO	LT VOL	OPP VOL
EX+SITE AM (1)	4	534
EX+SITE PM (2)	8	920

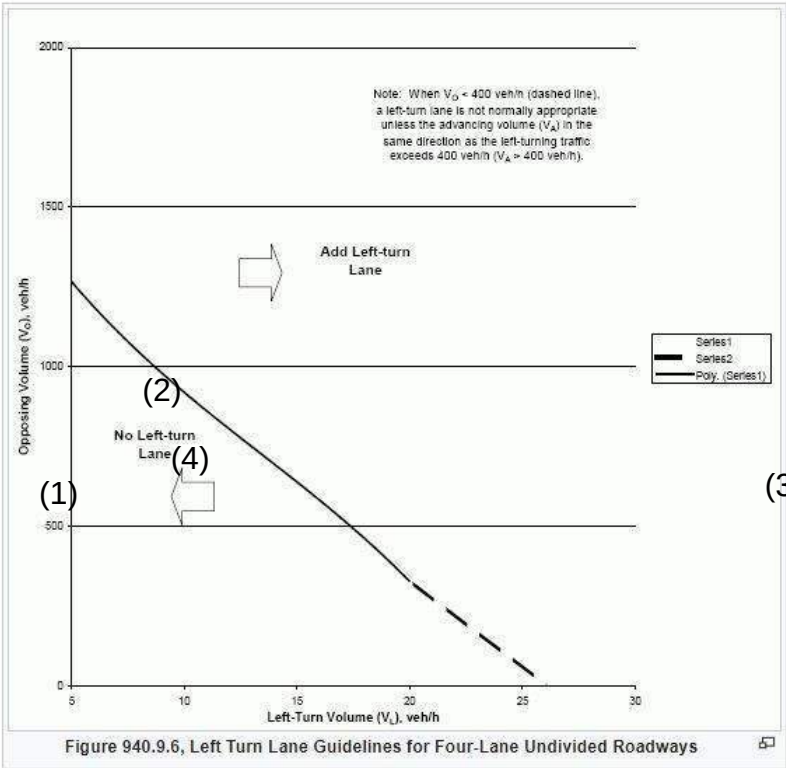
LEE'S SUMMIT RD & SCHOOL ENT - SB LT

SCENARIO	LT VOL	OPP VOL
EX AM (3)	51	526
EX PM (4)	10	694
EX+SITE AM (3)	51	526
EX+SITE PM (4)	10	694

The following data are required:

- 1. Opposing Volume (veh/hr) - VO - The opposing volume is to include only the right-turn and through movements in the opposite direction of the left turning vehicle.
- 2. Left-Turn Volume - VL

If the opposing and left-turn volume combination intersects above or to the right of the trend line, a left-turn lane is appropriate.



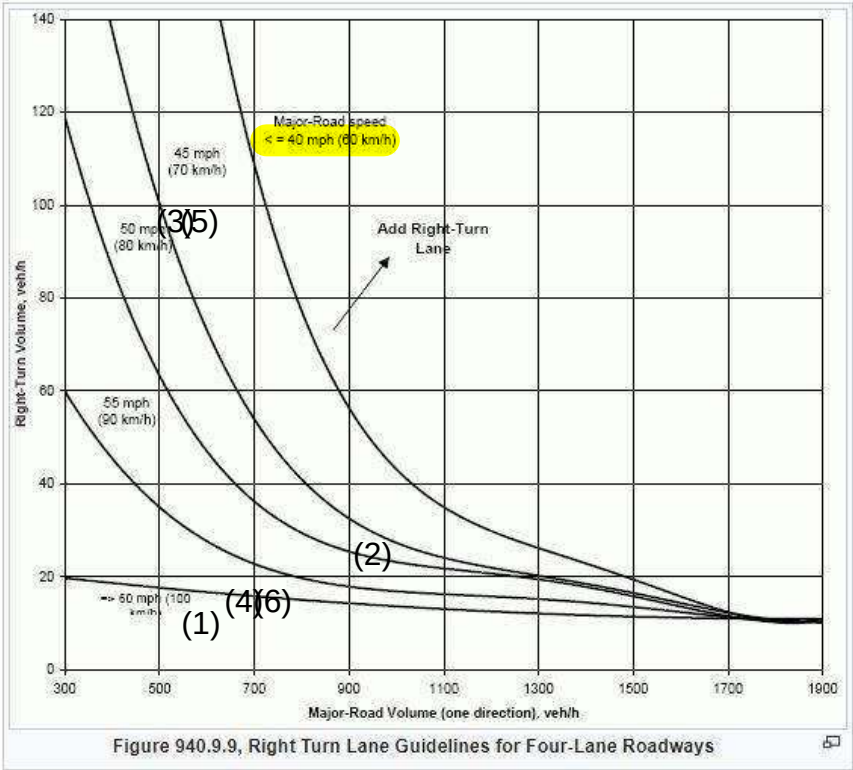
940.9.9 Right Turn Lane Guidelines for Four-Lane Roadways

LEE'S SUMMIT RD & SITE DR - SB RT

SCENARIO	MAJ VOL	RT VOL
EX+SITE AM (1)	585	11
EX+SITE PM (2)	930	24

LEE'S SUMMIT RD & SCHOOL ENT- NB RT

SCENARIO	MAJ VOL	RT VOL
EX AM (3)	526	98
EX PM (4)	694	14
EX+SITE AM (5)	530	98
EX+SITE PM (6)	702	14



The following data are required:

1. Advancing Volume (veh/hr) - The advancing volume is to include the right-turn, left-turn and through movements in the same direction as the right turning vehicle.
2. Right Turning Volume (veh/hr) - The right turning volume is the number of advancing vehicles turning right.
3. Operating Speed (mph) - The greatest of anticipated operating speed, measured 85th percentile speed or posted speed.

Note: Right turn lane not warranted for right turn volume less than 10 vph. However, criteria other than volume, e.g. crash experience, may be used to justify a right turn lane.

If the combination of major road approach volume and right-turn volume intersects above or to the right of the speed trend line corresponding the major road operating speed, then a right-turn lane is appropriate.

Legend

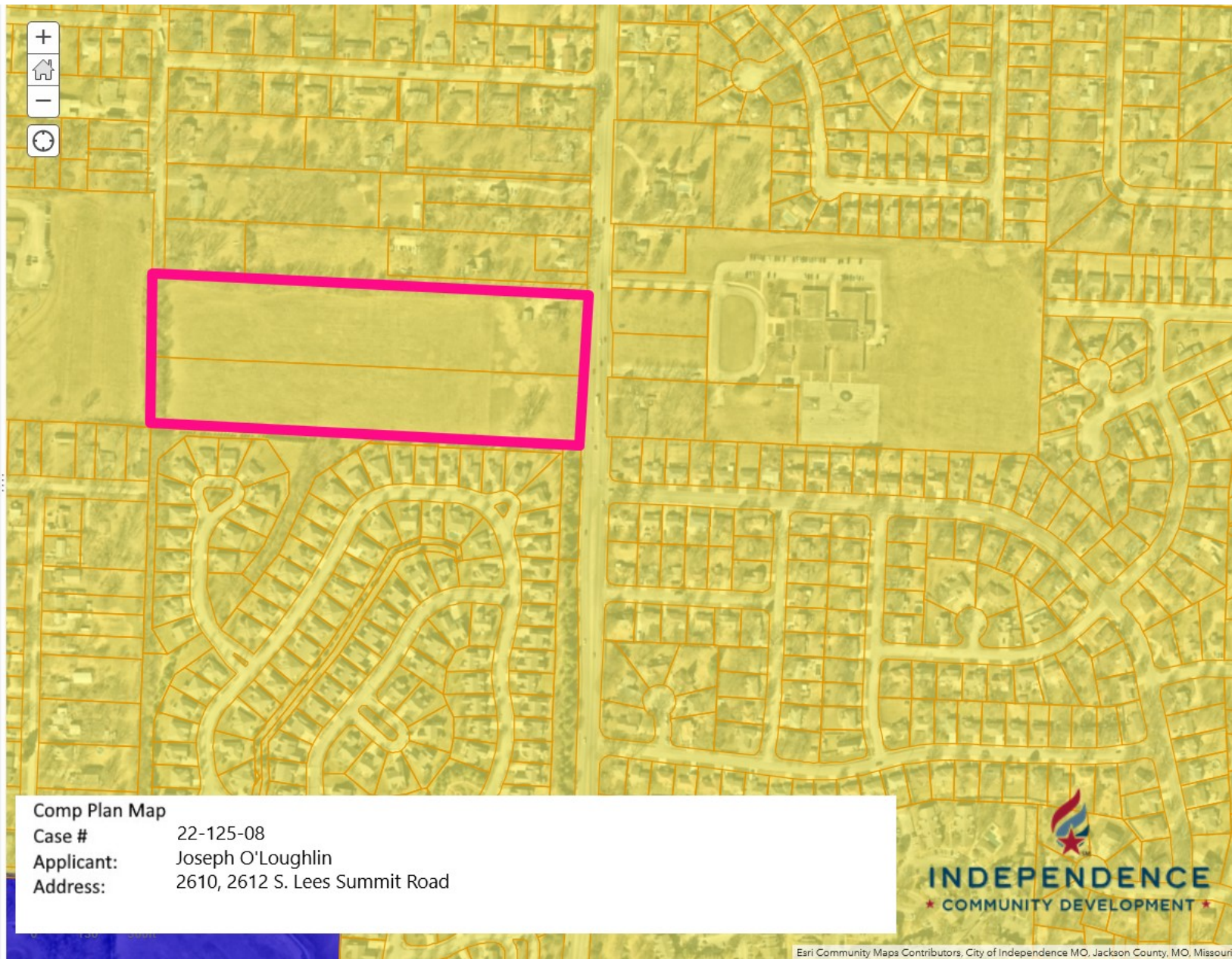
Parcels



Proposed Land Use (Comp Plan)

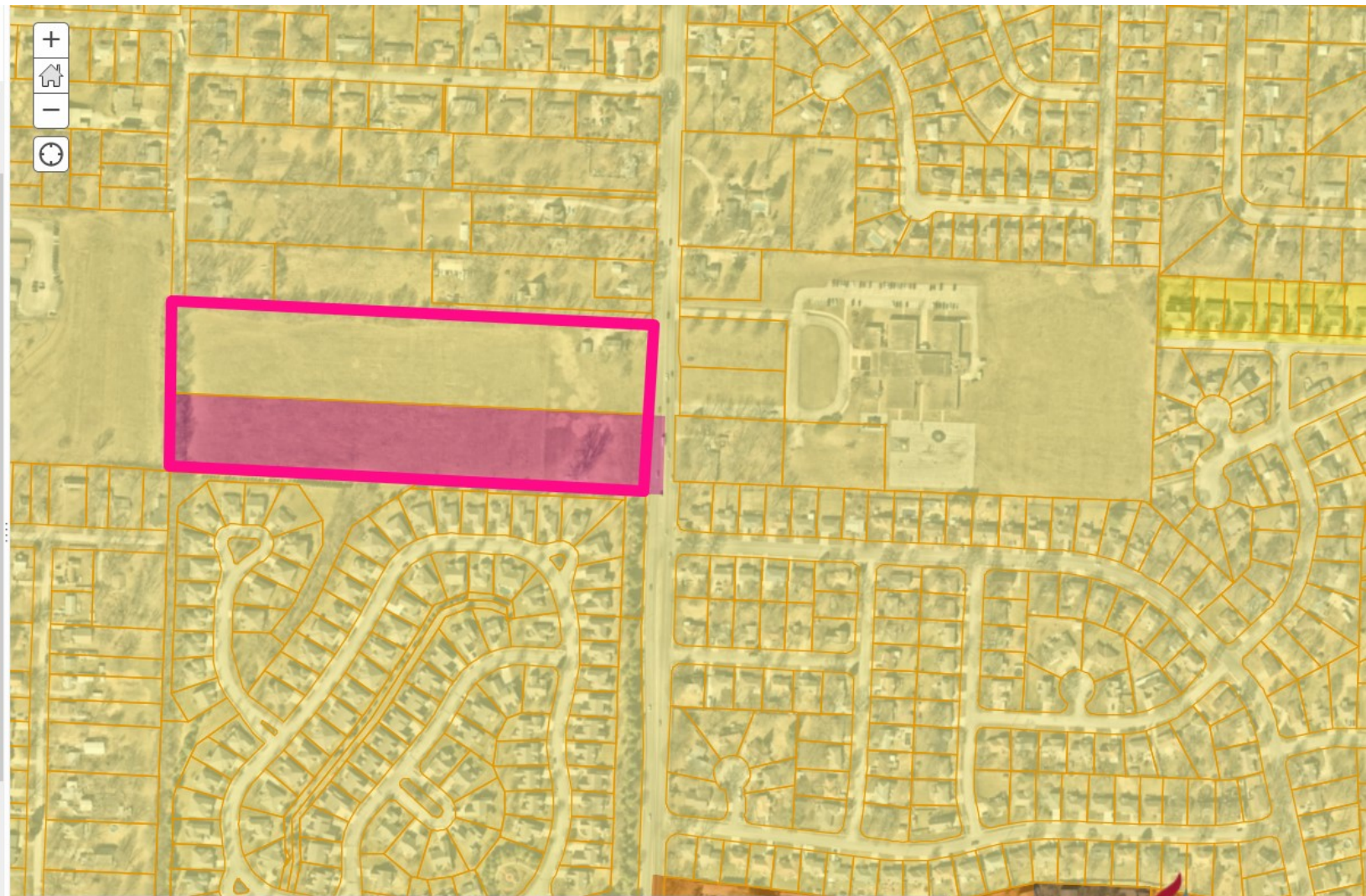
- Residential Neighborhoods
- Residential Urban Neighborhoods
- Mixed Use
- Neighborhood Commercial
- Community Commercial
- Regional Commercial
- Office
- Business Park
- Industrial
- Civic / Public
- Community Attractions & Tourism
- Parks
- Agricultural
- Invalid Rule

Municipal Boundaries 2022



Legend
Zoning

- ARTS
- Business Park
- Business Park/PUD
- Light Commercial
- Commercial
- Commercial/Historic Landmark
- Commercial/PUD
- Commercial/Special Character
- Warehouseing
- Drumm Farm District
- Industrial
- Industrial/Historic Landmark
- Industrial Park
- Office
- Office/Planned Unit Development
- Single Family Residential Estate
- Two Family Residential
- Two Family Residential Historic Landmark
- Two Family Residential/PUD
- Moderate Density Residential/PUD
- Single Family Residential Large Lot
- Single Family Res Large Lot/PUD
- High Density Residential/PUD
- Single Family Residential Low Density
- Single Family Residential Low Density/PUD
- Single Family Residential
- Single Family Residential/Historic



Zoning Map
Case # 22-125-08
Applicant: Joseph O'Loughlin
Address: 2610, 2612 S. Lees Summit Road



MINUTES
INDEPENDENCE CITY PLANNING COMMISSION
July 12, 2022

MEMBERS PRESENT

Bill Preston, Vice-Chair
Virginia Ferguson
Heather Wiley
Paul Michell
Bryce Young*
Butch Nesbitt

STAFF PRESENT

Rick Arroyo – Assistant Director
Stuart Borders – Senior Planner
Brian Harker – Planner
Joe Lauber – Assistant City Attorney

A meeting of the Independence City Planning Commission was held at 6:00 p.m. on July 12, 2022, in the Independence City Hall Council Chambers, 111 E. Maple Ave. The meeting was called to order.

CONSENT AGENDA

1. Planning Commission Minutes – June 28, 2022

Motion

Commissioner Wiley made a motion to approve the Consent Agenda. Commissioner Nesbitt seconded the motion. The motion passed with five affirmative votes.

*Commissioner Young entered the meeting at 6:07 p.m.

CASE TO BE CONTINUED

Staff requested the following cases be continued to the July 26, 2022, Planning Commission meeting:

Case 22-200-08 – Rezoning – Midwest Custom Automotive Group - 9304 E. US 40 Highway

Motion

Commissioner Wiley made a motion to continue Case 22-200-08 – Rezoning – Midwest Custom Automotive Group - 9304 E. US 40 Highway to the July 26, 2022, Planning Commission meeting. Commissioner Ferguson seconded the motion. The motion passed with six affirmative votes.

PUBLIC HEARINGS

Continued Case 22-100-05 – Rezoning – 8712 E. Winner Rd

Staff Presentation

Brian Harker provided a review of the case. Mr. Arroyo stated staff met with the Assistant City Attorneys and provided information to the Commission on the legality of placing conditions on a rezoning. He stated while conditions could be placed on a rezoning application, there are challenges that if the applicant does not meet those conditions, staff would be compelled to begin a staff-initiated rezoning to zone it back to the original zoning. This however may create legal

pitfalls if the property is no longer owned by the original applicant. Mr. Arroyo noted staff does not have a way to track conditions on a rezoning.

Mr. Arroyo stated the best guidance the City has for determining the future zoning is the 2018 Image Independence Comprehensive Plan. This plan also references the 24 Highway Corridor Study and noted this plan does provide a vision for Independence through 2040. He stated these plans were a culmination of months of community engagement from members of the public, local officials, steering committees and staff.

Mr. Arroyo reminded the Commission the rezoning application should be evaluated based on the appropriateness of the applicants requested rezoning to a C-3 and all the potential uses that a C-3 zoning would allow.

Mr. Arroyo stated as an alternative, the Commission could ask the applicant to consider working with staff to change this applicant to a request for a Rezoning/PUD (Preliminary Development Plan case). If approved, the property would remain zoned C-2, but the PUD could allow the C-3 use he is requesting. He noted staff would not change an additional fee if the applicant wanted to change the applicant request. Mr. Arroyo stated the applicant would be required to submit a surveyed site plan with approved engineering drawings necessary to meet all applicable City codes and permits for the business requested before this new case could be placed on a future Planning Commission agenda.

In response to Commissioner Young's question, Mr. Arroyo stated the applicant would be required to pay an engineer to development a Preliminary Development Plan. Mr. Arroyo noted if the current application was approved, the applicant would still be required to submit engineering plans, the only extra cost would be the added Preliminary Development Plan page.

Applicant Comments

Josph Saitta, 10606 N. Willow Avenue, Kansas City, stated he would like to work with staff to change the applicant to a Rezoning/PUD applicant.

Public Comments

No public comments.

Commissioner Comments

In response to Commissioner Michell's question, Assistant City Attorney Joe Lauber stated the Commission would motion to continue the case indefinitely, if they want the applicant to work with staff to change the type of application submitted.

Motion

Commissioner Wiley made a motion to postpone consideration of Case 22-100-05 – Rezoning – 8712 E. Winner Road indefinitely. Commissioner Michell seconded the motion. The motion passed with six affirmative votes.

Continued Case 22-100-06 – Rezoning – 13001 E. US 40 Highway

Staff Presentation

Stuart Borders presented the case. Mr. Borders presented the Commission with a vicinity map, noting the area and surrounding zoning. He presented the Commission with an aerial map indicating the project area and explained the surrounding land uses. Mr. Borders noted staff does not recommend approval of this case.

In response to Vice-Chair Preston's question, Mr. Arroyo stated this is very similar to the previous case. He said this could be considered in the same manner if the applicant and the Commission so wished.

Applicant Comments

Joe Bartels, 412 SW Eagles Ridge Drive, Blue Springs, stated he and other contractors need storage space. Mr. Bartels said he has had a lot of theft and would like to have this secure place for storage for himself and other contractors.

Mr. Bartels stated he would like the opportunity to work with staff to change his applicant to a Rezoning/PUD.

Mr. Arroyo noted if this application is changed to Rezoning/PUD case, staff would want to see a building instead of shipping containers. He said there could be substantial site improvements required as well.

Public Comments

No public comments.

Commissioner Comments

Commissioner Michell stated this rezoning as submitted would not be compatible with the surrounding area. He said he would like to see this postponed to give the applicant to work with staff on a Rezoning/PUD.

Commissioner Nesbitt stated he doesn't like the idea of shipping containers sitting outside. He noted there is a place in Liberty that he would like the applicant to visit to see how they handle outdoor storage. He stated it looks nice and wouldn't be an eyesore for neighbors.

Motion

Commissioner Nesbitt made a motion to postpone consideration of Case 22-100-06 – Rezoning – 13001 E. US 40 Highway indefinitely. Commissioner Michell seconded the motion. The motion passed with six affirmative votes.

Case 22-125-08 – Rezoning – 2610 and 2612 S. Lee's Summit Road

Staff Presentation

Brian Harker presented the case. Mr. Harker presented the Commission with a vicinity map, noting the area and surrounding zoning. He presented the Commission with an aerial map indicating the project area and explained the surrounding land uses. Mr. Harker outlined the following conditions:

- 1) For the Final Development Plan, create a denser landscaped buffer along the southern edge of the property. Create a Medium-Intensity landscape buffer per the landscaping section of the Unified Development Ordinance (UDO);
- 2) Provide a four-foot high berm along Lee's Summit Road. Submit a cross-section elevation with the Final Development Plan;
- 3) All sidewalks provided must be 5-foot wide to meet ADA requirements;
- 4) Provide parking lot parameter trees and shrubs, and shrubs around the buildings (the exact number of plantings worked out with staff for the Final Development Plan);
- 5) The Final Development Plan should provide an elevation of a entry sign/feature;
- 6) Stripe a left-turn lane at the entrance to the proposed development;

- 7) The Masonry façades on the front elevations of the buildings must be carried for at least two feet onto the adjacent side elevations and across all right-of-way facing façades;
- 8) On the Final Development Plan, label the new public right-of-way, “E. 26th Terrace Court S.” The units will be addressed on the Final Development Plan as well;
- 9) Prior to the issuance of any building permits, a replat of the property shall be approved.

Applicant Comments

Bill Moore, attorney with Rouse Frets White Goss Gentile Rhodes, 4510 Belview Ave, Kansas City, stated he represents the applicants. Mr. Moore stated this is a unique project between a church and a private developer. His applicants would like to provide housing options to senior citizens. Mr. Moore stated he does have a couple of question for staff. The first question is the request for medium density landscaping in addition to the fence or in lieu of the fence. The second question is pertaining to the width of the sidewalks requested by staff.

Joseph O’Loughlin, 3601 S. Marshall Drive, stated he has a background in aging services and property development. He said this development would create housing for independent living for senior citizens. The units would be wheelchair accessible and create an important community for those residents. Mr. O’Loughlin provided an overview of the floorplan and noted all of the units will have two bedroom and two bathrooms. There will be units with and without garages.

Bryan Rahn, High Point Design Studio, 1000 NW High Point Drive, Lee’s Summit, stated this project meets a need of the community. Mr. Rahn reviewed the plans and noted they took rising construction costs into consideration on this plan.

Mr. O’Loughlin reviewed the conditions outlined by staff and stated they are okay with the conditions. He stated they held a neighborhood meeting on April 14, 2022, to talk about this project with surrounding property owners. He said they incorporated some changes into their plans after talking with neighbors. Mr. O’Loughlin reviewed some of the numbers from the Traffic Impact Study.

Brandon Watkiss, Englewood Assembly of God Church, 717 SW 40th Street, Blue Springs, stated he is the pastor of the church. He said the church originally wished to put a school and/or a new church on this property. Since it is not a viable option currently, they seek to work with Mr. O’Loughlin to create this development. Mr. Watkiss stated they believe this meets a housing need for the City of Independence.

In response to Mr. Moore’s questions, Mr. Harker stated the fence is rod-iron and the medium density landscaping would create a better buffer. In response to the sidewalk width question, Mr. Arroyo stated the ADA requirement for a sidewalk is 5-feet to allow two wheelchairs side by side.

Public Comments

Jim Wallen, 4710 Mayview Terrace Court, Blue Springs, stated he wishes this project would have been completed several years ago. He said when he and his wife needed somewhere to go after having major surgery, they had issues finding a good place to go. Mr. Wallen stated the places he could find were out of their price range.

JC Ganote, 2804 NW Nutall Court, Lee’s Summit, stated he agrees that this is a good project. He said something has to happen with the property, whether it’s a commercial use as it’s zoned now, or housing as proposed. He believes this type of housing is needed in Independence.

Gigi Yates, 16303 E. Ellison Way, stated she's recently been homeless. She stated she believes housing like this is needed in Independence and is in favor of this application.

At Vice-Chair Preston's request, Mr. O'Loughlin spoke about the results of the neighborhood meetings. Mr. O'Loughlin stated they met with the Drumm Farm Homeowner Association who stated they would like to see the property remain vacant; however, they understood that it couldn't remain that way forever. He said they were okay with the plans he submitted. In April, they held a meeting at the Midwest Genealogy Library. Several residents were concerned about their property values declining. Mr. O'Loughlin stated neighbors requested more buffering, which was added to the plans. He noted the homes will have a variety of gables so it will look like a nice neighborhood.

Curt George, 2701 Breckenridge Drive, questioned if the cottonwood tree behind his residence would be cut down.

John Olivarez, 2525 S. Lee's Summit Road, stated he believes this type of development is needed for the city, but does not believe this is a good location. He said surrounding residents have a lot of issues already. Mr. Olivarez stated they have a lot of traffic from schools and from I-70. He would like to see single family houses at this location. Mr. Olivarez said the duplexes in the area are unsightly. He noted emergency vehicles fly down Lee's Summit Road, and he noted he would like to see ambulances use 291 instead. Mr. Olivarez stated he never got a notification about the neighborhood meeting.

Kent Maune, 2507 S. Lee's Summit Road, stated he also did not get notification of the meetings. He said his main concern is traffic in the area and doesn't believe the traffic study is correct. Mr. Maune described several traffic issues he's seen in the area and said a traffic light should be required if this development goes in.

George Kapke, 15800 E. 27th Street, stated he attended a neighborhood meeting and stated it was not as described by Mr. Loughlin. He said neighbors brought up a lot of concerns about this project. Mr. Kapke said this proposal is too dense in this single-family residential area. He stated the neighboring properties will see a decline in property values. Mr. Kapke stated he is concerned about the lack of buffering from the south side of this development and the north side of Drumm Farm. He expressed concern about the traffic and parking availability for the development. Mr. Kapke said the City cannot guarantee that this will be used for only senior citizens. He said as soon as there is a vacancy, the developer will take the first available tenant, regardless of age. Mr. Kapke said there is not room for the denser landscaping.

James Psaras, 2713 S. Woodbury Drive, stated he is not in favor of this project due to the density and traffic concerns. He said he's also concerned about the water runoff from this project.

Ted Sikora, 2816 S. Woodbury Drive, stated the development plan shows a dog park and community house along Lee's Summit Road. He questioned the berm location and if there would still be room for the dog park.

Steve Weller, 15804 E. 27th Street, stated he is concerned that the City can't guarantee this will remain housing for only senior citizens. He stated he believed all of the units should have garages, if the developer is concerned about the safety of the seniors. Mr. Weller said when he purchased the property he was told the vacant lot would be a school or church. He stated he would not have purchased the property if he'd know multi-unit housing could go in the lot. Mr. Weller stated he believes Independence has enough senior housing. He noted at the

neighborhood meeting he felt the applicant was being threatening, stating that if this development isn't approved, worse things could go in the current zoning. He said they were threatened with baseball fields and shipping containers.

John Darst, 2741 S. Breckenridge, stated he agrees with those comments made by those in opposition of this project. He said he is concerned about two large parking lots planned.

Pam Nickerson, 2420 S. Lee's Summit Road, stated she agrees with those comments made by those in opposition of this project. She asked if the Independence School District is okay with this project being right across the street from an elementary school. Ms. Nickerson expressed concern about the proposed sidewalks. She asked if the church would retain ownership of the property and questioned if the church could use it for homeless or less fortunate citizens.

Patricia Moore, 2705 S. Haden Court, stated she believes this could be a good development, but does not believe this is the right place for it. Ms. Moore expressed concerns over traffic and discussed the number of accidents she and her neighbors see. She stated she's also worried about large trees being planted right under power lines.

Mr. Moore stated the Traffic Impact Study was done using the city parameters and was reviewed by the City's traffic engineer. He noted the additional striping was at the City's suggestion. He stated the location was the drive was selected in consultation with City staff.

In response to Commissioner Nesbitt's question, Mr. Moore stated the drive would like up with the entrance of the Glendale Elementary School. Mr. Moore noted there would be one entrance and one exit, like Drumm Farm Villas. He stated there is an emergency exit drive for emergency vehicles.

Mr. Moore stated this development can be restricted for senior housing and there are certain requirements that have to be met. He said if the requirements aren't met, it would be a violation of the Fair Housing Law. He described the process to put age restrictions in place, including creating restrictive covenants that will bind the property to those regulations. He noted removing covenants would not be an easy process.

In response to the questions about landscaping, Mr. Moore noted it will take some time for medium density landscaping to grow.

At 8:50 p.m. Vice-Chair Preston called for a 10-minute break. The meeting was called back to order at 9:00 p.m.

Mr. O'Loughlin stated if you look at similar housing developments, they do not negatively affect surrounding homes. He noted the trees would start out as small trees and would be large, beautiful trees in several years. Mr. O'Loughlin stated the church would remain a property owner and they would work together to accomplish this development. He noted it would be owned by an LLC and he and the church would be the owners. Mr. O'Loughlin stated this would be a maintenance free development, where grass and other maintenance would be provided, including changing light bulbs for residents.

In response to Commissioner Nesbitt's question, Mr. O'Loughlin stated this type of housing is in demand and showed as under served in the City's recent Housing Study. He clarified this will be classified as independent living. The current projected rent would be \$1,250- for those units without a garage and \$1,400 for garage units. He noted living space is just under 1,000 square

feet. Mr. O'Loughlin stated there will be room for trees in the back yards, even though there is only 25-feet. He noted the front of the units will have large front porches for residents to enjoy.

In response to Commissioner Nesbitt's question, Mr. Rahn stated the development is designed so vehicles will not use the sidewalks for parking. He said the garage width is approximately 12-feet and noted typical parking is 9-feet wide. Mr. Rahn stated the City has parking requirements and the two parking lots would provide 36 spots for residents and visitors to use.

Mr. O'Loughlin confirmed all units will have 2 bedrooms and 2 bathrooms.

In response to Commission Michell's question, Mr. Lauber explained restrictive covenants and noted it would not be up to the City to enforce those covenants. Mr. Harker noted these units would only be on one, possibly two parcels.

In response to Commissioner Ferguson's question, Mr. O'Loughlin confirmed there would not be steps anywhere in the development, including the sidewalks. He noted there would be gentle slopes and benches throughout. Mr. Arroyo said PROWAG (Public Right-of-way Accessibility Guidelines) outlines the slope requirements to be ADA accessible. Mr. Arroyo noted typically the developer will grade the property to ensure it can conform with those standards. Mr. Arroyo confirmed the proposed streets would be City streets.

Commissioner Comments

Commissioner Nesbitt expressed concern that we will require large trees under power lines that will eventually require the City to trim. Commissioner Nesbitt questioned why a streetlight would not be required. Mr. Arroyo stated Professional Traffic Operations Engineers (PTOE) use national guidelines when determining if a streetlight is needed. He noted lights usually require thousands of vehicles or a site distance issue.

Vice-Chair Preston asked if parking would be allowed on the street. Mr. Moore stated as final development plan is configured, that issue would be addressed. He said it may be a neighborhood driven issue rather than a City restriction. Mr. Moore stated they don't anticipate a need for on-street parking.

In response to Commissioner Young's question, Mr. O'Loughlin stated if this project doesn't get approval, they will look at possibly building a nursing home, or a 3-story building with commercial in the basement and apartments above. He stated he believes those uses would be allowed with its current zoning. Mr. O'Loughlin said they started this project because they felt it would better fit the surrounding neighborhood.

Commissioner Nesbitt stated he believes this development to too dense and too close to surrounding properties. He said he also believes the Traffic Impact Study is wrong and a light should be required.

In response to Vice-Chair Preston's questions, Mr. Arroyo outlined the Traffic Impact Study (TIS) process. He stated the applicant hires a licensed PTOE and they look at the total number of units and area to determine the number of possible am and pm peak vehicles. There are national standards that PTOEs use for this determination. He noted they look at the need for streetlights and turn lanes. They also look at the capacity needs of those turn lanes, if needed. After the licensed PTOE prepares the TIS for the applicant, the City's licensed PTOE looks at the report to determine its validity. In response to Vice-Chair Preston's question, Mr. Arroyo stated the City's traffic engineer had no cause to question the integrity of the submitted TIS.

Commissioner Preston stated he believes this is one of the better housing developments he's looked at. He stated he agrees this won't stay as a vacant lot forever and believes the developer did due diligence with City staff and neighbors to bring it to this point. He said he wishes it could remain vacant but believes this would be a good use for the property.

Commissioner Wiley noted this case will still go to the City Council for a final vote.

Motion

Commissioner Wiley made a motion to approve Case 22-125-08 – Rezoning – 2610 and 2612 S. Lee's Summit Road, with conditions as outlined by staff. Commissioner Michell seconded the motion. The motion failed to receive a majority vote, with three affirmative and three opposing votes.

ADJOURNMENT

The meeting was adjourned at 9:45 p.m.

Property Address	Property Owner	Owner Address	City	State	ZIP Code
1511 S KINGS HWY	INDEPENDENCE SCHOOL DISTRICT	201 N FOREST AVE	INDEPENDENCE	MO	64050
1425 S WOODBURY ST	CACERES DE VELASCO DOLLY	7321 SW 26TH CT	TOPEKA	KS	66614
2619 S LEES SUMMIT RD	THE SCHOOL DISTRICT OF CITY OF INDEPENDENCE	201 N FOREST AVE	INDEPENDENCE	MO	64050-2513
2602 S LEES SUMMIT RD	HARRIS MARK JAMES	2602 LEES SUMMIT RD	INDEPENDENCE	MO	64055
2605 S LEES SUMMIT RD	OLIVAREZ JOHN G & JOANNE M-TRUSTEES	2605 S LEES SUMMIT RD	INDEPENDENCE	MO	64055
1146 E GUDGELL AVE	LEGACY BNB LLC	11505 E 162ND DR	BRIGHTON	CO	80602
NO ADDRESS ASSIGNED BY CITY	COPELAND MICHAEL & LEE	2520 LEES SUMMIT RD	INDEPENDENCE	MO	64055
16000 E COGAN DR	RODGERS JOHN D & KATHRYN M	16000 E COGAN DR	INDEPENDENCE	MO	64055
16004 E COGAN DR	BHAVNANI REANNE & SIRISH	16004 E COGAN DR	INDEPENDENCE	MO	64055
2606 S LEES SUMMIT RD	CARTER HELEN J & JAMES L TRUSTEES	2606 S LEES SUMMIT RD	INDEPENDENCE	MO	64055
2611 S LEES SUMMIT RD	INDEPENDENCE SCHOOL DISTRICT	201 N FOREST AVE	INDEPENDENCE	MO	64050
2625 S LEES SUMMIT RD	MEDLIN REBECCA L	2625 LEES SUMMIT RD	INDEPENDENCE	MO	64055
1421 S WOODBURY ST	SCHULTZ DAVID & BRENDA	1421 WOODBURY ST	INDEPENDENCE	MO	64055
15813 E 27TH ST	MULLIKIN FERN L (CARY) - TRUSTEE	15813 E 27TH ST S	INDEPENDENCE	MO	64055
CA RESIDENTIAL	DRUMM FARM VILLAS HOMES ASSOC INC	11500 N AMBASSADOR DR STE 360	KANSAS CITY	MO	64153
2704 S HADEN CT	EADE DANIEL E & PATRICIA J	2704 S HADEN ST	INDEPENDENCE	MO	64055
15812 E 27TH ST	MCKINNEY ADRUTH E-TRUSTEE	15812 E 27TH ST S	INDEPENDENCE	MO	64055
2705 S HADEN CT	MOORE PATRICIA A	2705 S HADEN CT	INDEPENDENCE	MO	64055
15804 E 27TH ST	WELLER STEPHEN & DIANE	15804 E 27TH ST S	INDEPENDENCE	MO	64055-2382
1144 E GUDGELL AVE	RELIHAN PHILLIP F & LAURIE E	18605 E 25TH TERR CT S	INDEPENDENCE	MO	64057
15809 E 27TH ST	FORD ROBERT D & ESTRELLA L	15809 E 27TH ST S	INDEPENDENCE	MO	64055
15816 E 27TH ST	JUSSEAUME JACOB T	15816 E 27TH ST S	INDEPENDENCE	MO	64055
2705 S BRECKENRIDGE DR	SPRADLING ROBERT W & TONI M	2705 S BRECKENRIDGE DR	INDEPENDENCE	MO	64055
2709 S HADEN CT	FERGUSON JASON & FERGUSON PAMELA	2709 S HADEN CT	INDEPENDENCE	MO	64055
2701 S BRECKENRIDGE DR	GEORGE CURTIS A & CAROL A	2701 S BRECKENRIDGE DR	INDEPENDENCE	MO	64055
2704 S WOODBURY DR	BACHMAN MARY K	2704 S WOODBURY DR	INDEPENDENCE	MO	64055
15820 E 27TH ST	MISER GENE R	15820 E 27TH ST	INDEPENDENCE	MO	64055
15805 E 27TH ST	GREGOVICH SHEILA L-TRUSTEE	15805 E 27TH ST S	INDEPENDENCE	MO	64055
15800 E 27TH ST	KAPKE GEORGE E & BETH S	15800 E 27TH ST S	INDEPENDENCE	MO	64055
15808 E 27TH ST	COLTER CHERYL	15808 E 27TH ST S	INDEPENDENCE	MO	64055
2708 S HADEN CT	MONGEON SUSAN K TRUSTEE HER/HIS SUCCESSORS TRUST UNDER MONGEON SUSAN K TRUST DATED 4/5/21	2708 S HADEN CT	INDEPENDENCE	MO	64055
2700 S WOODBURY DR	HAWKSLEY JAMIE ALLISON	2700 S WOODBURY DR	INDEPENDENCE	MO	64055
2709 S BRECKENRIDGE DR	JUSSEAUME ROBERT E & JENNIFER E	2709 S BRECKENRIDGE DR	INDEPENDENCE	MO	64055
2701 S HADEN CT	TULLIS KENNETH E & SHIRLEY A	2701 S HADEN CT	INDEPENDENCE	MO	64055
2708 S WOODBURY DR	GUILFOYLE DAVID T & BONNIE J	2708 S WOODBURY DR	INDEPENDENCE	MO	64055
1140 E GUDGELL AVE	RELIHAN PHILIP F JR & LAURIE E	18605 E 25TH TER CT S	INDEPENDENCE	MO	64057
2700 S HADEN CT	VAN DINE WAYNE R & MARY ANN E-TRUSTEES	2700 S HADEN CT	INDEPENDENCE	MO	64055
2608 S LEES SUMMIT RD	CARTER JAMES L-TRUSTEE	2608 S LEES SUMMIT RD	INDEPENDENCE	MO	64055

Property Owner Notification Affidavit

STATE OF MISSOURI

COUNTY OF JACKSON

Case No. 22-125-08

I, Miranda Rice, of lawful age being first duly sworn upon oath, state:

That I am the (agent, owner, attorney) for the property for which the application was filed and did, not later than fifteen (15) days prior to the date of the public hearing scheduled before the Planning Commission, mail notices to all persons owning property within 185 feet of the subject property. **The list of property owners to whom notice has been mailed is attached.**

These notices were mailed on the 15th day of January, 2026.

Miranda Rice

Signature of Agent, Owner or Attorney

Subscribed and sworn to before me this 15 day of January, 2026.

Jodi R Baker

Notary Public

JODI R BAKER
Notary Public - Notary Seal
State of Missouri
Commissioned for Jackson County
My Commission Expires: March 06, 2028
Commission Number: 24757914

March 6, 2028

Commission Expiration Date

Property Owner Notification Letter

City of Independence, Missouri

Date: 01-15-2026

Case No.: 22-125-08

Dear Property Owner:

This letter is to notify you that an application previously heard by the Planning Commission and had first reading at the City Council will have its New Information Only Public Hearing and second reading. The City Council will only hear new information that was not presented at the Planning Commission's public hearing, if such facts were not reasonably available at the time of the Planning Commission hearing.

Proposed Case Type: Rezoning/PUD

Proposed project description: Summit Living townhomes meets a significant need for aging-friendly homes. They are maintenance-provided, age-restricted, market rate, and include picnic areas and a dog park.

Applicant: Englewood Assembly of God Church and O'Loughlin Development LLC

Location of Property: 2610, 2612 S. Lee's Summit Road, Independence, MO

City Council Meeting Date: February 4, 2026 at 6:00 p.m.

Location of public hearings: City Council Chambers, City Hall
111 E Maple Ave, Independence, Missouri, 64050

You may file a protest petition with the Community Development Department. For more information or to get copies of a petition, please contact Planning staff at 816-325-7421.

City of Independence
Development Services Division
Community Development

For more information, contact the Community Development Department at 816-325-7421.

BILL NO. 22-075
ORDINANCE NO. 19788

AN ORDINANCE APPROVING A REZONING FROM DISTRICT C-1 (NEIGHBORHOOD COMMERCIAL) AND DISTRICT R-6 (SINGLE-FAMILY RESIDENTIAL) TO DISTRICT R-18/PUD (MODERATE-DENSITY RESIDENTIAL/PLANNED UNIT DEVELOPMENT) AND APPROVING A PRELIMINARY DEVELOPMENT PLAN FOR THE PROPERTIES AT 2610 and 2612 S. LEE’S SUMMIT ROAD, IN INDEPENDENCE, MISSOURI.

WHEREAS, the application submitted by the City of Independence requesting approval of a rezoning from District C-1 (Neighborhood Commercial) and District R-6 (Single-Family Residential) to District R-18/PUD (Moderate-Density Residential/Planned Unit Development) and a preliminary development plan at 2610 and 2612 S. Lee’s Summit Road was referred to the Planning Commission as required by the Unified Development Ordinance; and,

WHEREAS, the Unified Development Ordinance provides for the approval of a rezoning and preliminary development plan by the City following public hearings by the Planning Commission and City Council; and,

WHEREAS, after due public notice in the manner prescribed by law, the Planning Commission held a public hearing for the consideration of the request on July 12, 2022, and rendered a report to the City Council with its vote to recommend approval of this application failing by a vote of 3-3; and,

WHEREAS, after due public notice in the manner prescribed by law, the City Council held a public hearing on August 15, 2022, and rendered a decision to approve the rezoning and preliminary development plan for the said property; and,

WHEREAS, in accordance with the Unified Development Ordinance, it was determined that the rezoning and preliminary development plan was consistent with the review criteria in Section 14-701-02 and 14-703-05 respectively; and,

WHEREAS, no legal protests were signed, acknowledged, and presented for the application.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. That the following legally described tracts of real estate are hereby rezoned from District C-1 (Neighborhood Commercial) and District R-6 (Single Family Residential) to District R-18/PUD (Moderate-Density Residential/Planned Unit Development) and shall be subject to the regulations of said district:

Section 12, Township 49, Range 32; North 7 1/3-acres of the South 13 1/3-acres of the West ½-acre of the Southeast ¼-acre (Except a part in the Lee’s Summit Road right-of-way aka the Kiger Road right-of-way)

Section 12, Township 49, Range 32; South 6-acres of the West 1/2 -acre of the Southeast ¼-acre (Except a part in the Lee’s Summit Road right-of-way aka the Kiger Road right-of-way)

SECTION 2. That the Preliminary Development Plan, in the form of photographs of the site, is attached hereto and is incorporated by reference as if fully set out herein, is hereby approved with the

following conditions:

1. For the Final Development Plan, create a denser landscaped buffer along the southern edge of the property. Create a Medium-Intensity landscape buffer per the landscaping section of the Unified Development Ordinance (UDO);
2. Provide a four-foot high berm along Lee’s Summit Road. Submit a cross-section elevation with the Final Development Plan;
3. All sidewalks provided must be 5-foot wide to meet ADA requirements;
4. Provide parking lot parameter trees and shrubs, and shrubs around the buildings (the exact number of plantings worked out with staff for the Final Development Plan);
5. The Final Development Plan should provide an elevation of a entry sign/feature;
6. Stripe a left-turn lane at the entrance to the proposed development;
7. The Masonry façades on the front elevations of the buildings must be carried for at least two feet onto the adjacent side elevations and across all right-of-way facing façades;
8. On the Final Development Plan, label the new public right-of-way, “E. 26th Terrace Court S.” The units will be addressed on the Final Development Plan as well;
9. Prior to the issuance of any building permits, a replat of the property shall be approved.
10. The subject property shall be developed, used, and maintained exclusively as age-restricted “Housing for Older Persons” in compliance with the federal Fair Housing Act, the Housing for Older Persons Act of 1995 (HOPA), as amended, and applicable Missouri law. Deed restrictions ensuring compliance with HOPA shall be recorded concurrently with the Final Plat for the Planned Unit Development (PUD). Such restrictions shall limit occupancy to persons fifty-five (55) years of age or older, consistent with 42 U.S.C. Section 3607(b) and all applicable federal and state regulations. (Condition added by City Council on February 4, 2026.)

SECTION 3. Nonseverability. All provisions of this ordinance are so essentially, and inseparable connected with, and so dependent upon, each other that no such provision would be enacted without all others. If a court of competent jurisdiction enters a final judgement on the merits that is not subject to appeal and that declares any provision or part of this ordinance void, unconstitutional, or unenforceable, then this ordinance, in its collective entirety, is invalid and shall have no legal effect as of the date of such judgement.

SECTION 4. Scrivener’s Errors. Typographical errors and other matters of a similar nature that do not affect the intent of this ordinance, as determined by the City Clerk and City Counselor, may be corrected with the endorsement of the City Manager without the need to come before City Council.

SECTION 5. That failure to comply with all the provisions contained in this ordinance shall constitute violations of both this ordinance and Chapter 14, the Unified Development Ordinance, of the Code of the City of Independence, Missouri.

PASSED THIS 16th DAY OF Feb., 2026, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.



Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:


City Clerk

APPROVED AS TO FORM AND LEGALITY:


City Counselor

REVIEWED BY:


Interim City Manager



City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

26-017 **1R** An ordinance adopting amendments to the fiscal year 2025-2026 budget, which was approved by Ordinance No. 19682 **1R Read**

Recommendations:

Council approval is recommended.

Background:

This ordinance will increase appropriations in the amount of \$50,945.90 in the 2025-26 Operating Budgets of various departments and funds for budget changes that have occurred during the current fiscal year that have been requested by operating departments. A section containing a transfer of funds from one capital project to another in the Power and Light Capital Fund (021) is included, because capital projects in this fund are appropriated by project and, therefore, documentation of transfers is needed.

Emergency Justification:**Fiscal Impact:**

Increased appropriations due to increased revenues will result in a \$0 net impact. Transfer of appropriations within a fund will also result in a net zero impact. Appropriations from unassigned fund balance will result in a impact of \$30,000 for the Proposition PD Sales Tax Fund. A breakdown of the budgetary impact by fund and department is listed below:

Department	Fund	Expense	Revenue	Net Budgetary Impact
Police	015	\$6,113.50	(\$6,113.50)	\$0.00
Police	067	\$30,000	-	\$30,000.00
Police	002	\$14,832.40	(\$14,832.40)	\$0.00
Power and Light	021	-	-	\$0.00 - this is a transfer of funds from one capital project to another. It does not increase or decrease total appropriations.
Police	052	\$5,092,810.89	(\$5,092,810.89)	\$0.00
Finance	054	\$29,187,004.55	(\$29,187,004.55)	\$0.00

Finance	019	\$601,974.30	(3,381,542.71)	Excess revenues will establish a debt service reserve and pay an additional debt service payment in the next fiscal year.
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Council Action:

Department / Contact	Finance /
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REVIEWERS

Melissa Cabrera
Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. Appropriations Background Q2 FY25-26
2. Appropriations Ordinance Q2 FY25-26

City of Independence, Missouri
Supplemental Appropriation Ordinance
Fiscal Year 2025-26

Section 1:

Fund: Grants Fund

Department: Police

Source: Increased Revenues – Grants

Description:

The Independence Police Department was awarded funding from the Missouri Department of Transportation. This funding provides support for the purchase of reflective sashes to be used during Pedestrian Safety Enforcement efforts. Appropriations for the total amount of this grant, totaling \$1,113.50, are requested.

0154550-5309-HMV

015-3219-HMV

The Independence Police Department was awarded funding from the Missouri Highways and Transportation Commission. This funding provides support for the purchase of winter motorcycle gear to be used for winter operations enforcement. Appropriations for the total amount of this grant, totaling \$5,000.00, are requested.

0154550-5309-MODOT

015-3250-MODOT

Section 2:

Fund: Proposition PD Sales Tax Fund

Department: Police

Source: Fund Balance

Description: Increased appropriations in the amount of \$30,000 for the purpose of additional professional development and leadership training.

0674567-5214

Section 3:

Fund: General Fund

Department: Police

Source: Forfeiture Funds

Description: Increased appropriations in the amount of \$14,832.40 in the General Fund for purchase of rifle suppressors.

0024514-5313 TREAS

002-3398 TREAS

Section 4:

Fund: Independence Power and Light Capital Fund

Department: Independence Power and Light

Source: Transfers

Description: Transfer of appropriations in the amount of \$3,172,700 for the creation of a new capital improvement project for J-2 Substation Inspection and Repair (CIP 202602-C) from an existing CIP #202504-C Blue Valley Chimney Demolition.

202504-C

202602-C

Section 5:

Fund: Police Improvements Fund

Department: Police Department

Source: Revenue Bonds

Description: Increased appropriations in the Police Improvement Fund in the amount of \$5,092,810.89 for building improvements for renovation of the former Independence Utilities Center.

0527052-5401

Section 6:

Fund: GO Improvements Fund

Department: Finance

Source: GO Bond Issuance

Description: Increased appropriation in the GO Improvement Fund in the amount of \$29,187,004.55 for transportation projects. This amount is for the entire bond issuance, premiums and interest received to-date. Individual projects will continue to be brought forward to Council for approval as purchase order and contract approvals. Additional interest earned will be added to amounts available for projects.

054-3411

054-3502-PAR

054-3502-PREM

0546554-5227

0547054-5406

Section 7:

Fund: General Debt and Interest Fund

Department: Finance

Source: Debt Service Property Tax Levy

Description: Increased appropriation in the General Debt and Interest Fund in the amount 601,974.30 for debt service for the GO debt service in the amount of \$547,773.48 and property tax collection fees to Jackson County in the amount of \$54,200.82. Revenues received in the amount of \$3,381,542.71 in excess of expenses will be restricted to the debt service reserve.

019-3011-GOBND

019-3411

0196519-5226-GOBND

0196519-5510-GOBND

0196519-5511-GOBND

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE ADOPTING AMENDMENTS TO THE FISCAL YEAR 2025-2026 BUDGET, WHICH WAS APPROVED BY ORDINANCE NO. 19682.

WHEREAS, the adopted Operating and Capital budgets for the 2025-26 fiscal year were approved by the City Council by Ordinance No. 19682; and,

WHEREAS, since that time some circumstances have arisen that necessitate changes to the appropriations established in the adopted budget; and,

WHEREAS, these changes are listed in detail in terms of background, purpose, and funding source in the attached agenda item cover sheet;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. Increased revenues in the amount of \$6113.50 from the Missouri Highways and Transportation Commission and the Missouri Department of Transportation in the Grants Fund (No. 015) and increased appropriations in the amount of \$6113.50 for the Independence Police Department's grants account in the Grants Fund (No. 015).

SECTION 2. Increased appropriations in the amount of \$30,000 in the Prop PD Sales Tax Fund (No. 067) from the Unassigned Fund Balance for professional development and training for the Police Department in excess of budget.

SECTION 3. Increased revenues in the amount of \$14,832.40 from Police Forfeiture revenues for the purchase of equipment in the General Fund (No. 002) and increased appropriations in the amount of \$14,832.40 in the Police Department accounts in the General Fund (No. 002).

SECTION 4. Transfer of appropriations in the amount of \$3,172,700 for the creation of a new capital improvement project for J-2 Substation Inspection and Repair (CIP 202602-C) from an existing CIP #202504-C Blue Valley Chimney Demolition in the Power and Light Fund – Capital (No.021).

SECTION 5. Increased revenues in the amount of \$5,092,810.89 from the issuance of public safety revenue bonds in the Police Improvements Fund (No. 052) and increased appropriations in the amount of \$5,092,810.89 in the Police Improvements Fund (No. 052).

SECTION 6. Increased revenues in the amount of \$29,187,004.55 from the issuance of general obligation bonds for transportation projects in the GO Improvements Fund (No. 054) and increased appropriations in the amount of \$29,187,004.55 in the GO Improvements Fund (No. 054).

SECTION 7. Increased revenues in the amount of \$3,381,542.71 from a debt service property tax levy for a general obligation debt issuance for transportation projects in the General Debt and Interest Fund (No. 019) and increased appropriations in the amount of \$601,974.30 in the General Debt and Interest Fund (No. 019) for debt service payments.

PASSED THIS _____ DAY OF _____, 2026, BY THE CITY COUNCIL OF
THE CITY OF INDEPENDENCE, MISSOURI.

ATTEST:

City Clerk

APPROVED - FORM AND LEGALITY:

City Counselor

REVIEWED BY:

City Manager

Presiding Officer of the City Council
of the City of Independence, Missouri

I hereby certify that there is a balance,
otherwise unencumbered, to the credit of
the appropriation to which the foregoing
expenditure is to be charged, and a cash
balance, otherwise unencumbered, in the
treasury, to the credit of the fund from
which payment is to be made, sufficient
to meet the obligation hereby incurred.

Source is: As Indicated Above

Director of Finance and Administration
City of Independence, Missouri

City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

26-018 **1R** An ordinance approving a Rezoning from District I-1 (Industrial) and District C-2 (General Commercial) to District R-30/PUD (High Density Residential/Planned Unit Development) and approving a Preliminary Development Plan for the property located at 315, 317 and 319 S. Osage Street. **1R Read**

Recommendations:

Commissioner Nesbitt made a motion to recommend **APPROVAL** of this rezoning request, for property located at 315, 317 and 319 S. Osage Street, with the following conditions included with the Preliminary Development Plan:

1. This preliminary development plan shall include the uses listed in the R-30/PUD zoning district and the already existing uses on this property specifically, office, sign shop, workshop, vocational instruction, auto garage and associated parking lot.
2. The minor subdivision shall be recorded prior to the issuance of any building permit.
3. The cross-hatched area for wheel-chair-access to the van-accessible parking space must be 9 feet wide. The parking lot must be restriped and resigned with proper labeling and signage for fines.

A second to the motion was made by Commissioner Torres. The Independence Planning Commission voted as follows:

Commissioner Nesbitt – Yes

Commissioner Ferguson – Yes

Commissioner Ashbaugh – Yes

Commissioner O'Neill – Yes

Commissioner Torres – Yes

Commissioner Young – Yes

Commissioner Wiley – Yes

The motion passed 7-0 and such this application is forwarded to the City Council for its consideration.

Background:

A request by Adam Sheffield to rezone the property from C-2 (General Commercial) and I-1 (Industrial) to R-30/PUD (High Density Residential/Planned Unit Development) and to approve a Preliminary Development Plan

Current Zonings:	C-2 (General Commercial) and I-1 (Industrial)	Proposed Zoning:	R-30/PUD (High Density Residential/Planned Unit Development)
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Current and Continued Use: duplex, triplex, parking lot, church, sign shop, apartments and workshop/auto garage

Zoning History 1965 – 1980: M-1 (Light Industrial)...315 & 317 S. Osage Street

M-2 (Heavy Industrial)...319 S. Osage Street

1980 - 2001: M-1 (industrial)...315, 317 & 319 S. Osage Street

2001 – 2009: M-1 (Industrial)...315, part 317 & 319 S. Osage Street

C-2 (General Commercial)...part 317 S. Osage Street

2009 - Present: I-1 (Industrial)...315, part 317 & 319 S. Osage Street

C-2 (General Commercial)...part 317 S. Osage Street

Property History:

Adam Sheffield purchased the properties located at 315, 317 and 319 approximately twenty years ago. Prior to this, 317 in particular, was used by an electrical supplier and a laundry mat. Further, the residences were already in use.

Mr. Sheffield purchased the site to advance his concept of “property therapy” (mentoring people how to take care of things spiritually, do crafts and learn vocations and life skills). This ministry partnered with the Spirit Life Church. The ministry, in addition to teaching life skills, would host social events and encourage church fellowship. It also involved teaching music and preparing pre-recorded radio programs. In short, its mission was to advance public awareness and engage in advocacy for “property therapy.”

Proposal:

Adam Sheffield requests a change in zoning, to permit replatting, to eliminate setback requirements that prevent him from building a roof for a patio serving the existing structure at 317 and part of 315 S. Osage Street. The lot containing this proposed roof (at 315 S. Osage Street) is zoned I-1 (Industrial). The building it connects to is L-shaped and sits on both lots. The property at 317 S. Osage Street is zoned I-1 (Industrial) and C-2 (General Commercial).

Replatting 315, 317 and 319 into one property would result in two zonings on one lot, something not permitted by the Unified Development District (UDO). Rezoning to R-30/PUD (High Density Residential/Planned Unit Development) would firstly, create one zoning for the entire lot and secondly, make the residential uses on the lot (and the limited nonresidential uses) conforming.

Physical Characteristics of Property:

The properties are an eclectic mix of structures and surfaces. The northern two lots both contain pre-World War II residential structures. A driveway passes on the north side of the northern house opening up to a broad parking surface in the rear and containing a garage. The lot to the south, contains a house that at some point had a two-story commercial and residential addition added to the rear. At the southernmost of the three lots, 319 S. Osage Street, is a paved parking lot.

Characteristics of the Area:

The area is a mix of residential, commercial and industrial uses. Across the street are three pre-World War II residential structures. The northern one is a duplex and the other three are single-family homes. One residence lies to the north, but otherwise office uses lie beyond. A

single-family home lies immediately south of the parking lot. To the east lies a nonconforming storage/parking lot, also owned by the applicant, and a commercial building.

ANALYSIS:

Consistency with *Independence for All*, Strategic Plan:

An objective of the Independence for All Strategic Plan is to 'improve housing affordability.' Although this application does not result in the construction of new housing units, it does request to preserve the units currently on the tracts.

Comprehensive Plan Tools and Policies for the Current Designation:

This site, along with all the properties in the vicinity, is designated for 'Mixed Use' by the City's Comprehensive Plan. The related, 'Tool and Policy,' would be to, "Encourage locating housing near existing and developing centers of economic activity."

Sub-Area Plans:

The property is located in the 'Downtown Redevelopment Area,' plan area, but not in the 'Reshaping the Square,' plan area.

Zoning:

As noted previously, this site has had industrial zoning since at least 1965 and commercial zoning since 2001. Permitted C-2 (General Commercial) uses include retail, office, restaurants, banks, business and personal improvement services, hotels, construction services, daycare centers, nursing homes, government facilities, churches, employment agencies, funeral and interment services, schools, colleges and universities, veterinary and animal boarding services, sports and entertainment facilities, medical services, repair services and crop agriculture. Permitted I-1 (Industrial) uses include utilities and services, construction services, offices, gasoline/fuel sales, heavy equipment sales/service, manufacturing, warehousing, warehousing, and recycling services. The proposed R-30/PUD (High Density Residential/Planned Unit Development) zoning classification would allow for two-family and multiple-family dwellings and various other uses (schools, churches, government facilities, cemeteries, home-based daycare, agriculture and others with conditions).

Parking and Driving Surface:

The existing legal nonconforming, driving and parking surfaces are not being expanded or changed. There is a driveway that passes on the north side of the northern house opening up to a broad parking surface at the rear of the property that also contains a garage.

The parking lot on the south lot contains 16 parking spaces. The cross-hatched area for the wheelchair access to the van-accessible parking space should be 9 feet wide. The parking lot will need to be re-striped and re-signed with proper labeling and fine.

Proposed Patio Cover:

The existing elevations and building footprints are not being expanded or changed. The applicant is proposing to cover a patio abutting the property line between 317 and 319 S. Osage Street. It will be sited in the crux of the L-shaped commercial building that is located on both Lots at 317 and 319 S. Osage Street.

Historic and Archeological Sites:

There are no apparent historical or archeological issues with this property.

Public Utilities:

Water, sanitary sewer, and electrical services are connected to structures on this property.

Floodplain/Stream Buffer:

This property is not in a federally identified flood zone or city designated Stream Buffer zone.

Landscaping/Screening:

With no new construction, except for the proposed roof for the patio, no new landscaping or buffering will be required.

CIP Investments:

The city does not have any additional capital improvement projects planned near this area.

Recommendations and decisions for the proposed planned unit development rezoning and its accompanying preliminary development plan must be based on consideration of the criteria listed in Section 14-703-05-H:

1. The consistency with the Comprehensive Plan.

The City's Comprehensive Plan envisions, "Mixed Uses," uses in this area.

2. The consistency with the PUD standards of Section 14-902, including the statement of purpose.

This type of application is not expressly addressed in this section as it is not a new development.

3. The nature and extent of Common Open Space in the PUD.

What little open space area indicated by this application is not "common space," but just front lawn area.

4. The reliability of the proposals for maintenance and conservation of Common Open Space.

There is no real "common space" provided with this application; the applicant owns the entire property.

5. The adequacy or inadequacy of the amount and function of Common Open Space in terms of the densities and dwelling types proposed in the plan.

There is no real "common space" space provided with this application.

6. The extent to which the proposed use will adversely affect the capacity of safety portions of the street network or present parking problems in the vicinity of the property. Whether adequate provision for public services, provides adequate control

over vehicular traffic, and furthers the amenities of light and air, recreation, and visual enjoyment.

The existing structures create no adverse effect to traffic or the street network in the vicinity of the project. No changes to the existing site layout is proposed. This rezoning is a mechanism to resolve the nonconforming issue but isn't planning for land development.

7. The extent to which the proposed use will have a substantially adverse effect on adjacent property and the development or conservation of the neighborhood area.

Since this property has existed for many years, if rezoned, it is not expected that adverse impacts would occur to neighboring properties.

8. Whether potential adverse impacts have been mitigated to the maximum practical extent.

The intent of the nonconforming section of the UDO is to place reasonable limits on nonconformities that have the potential to adversely affect surrounding properties and to promote maintenance, reuse and rehabilitation of existing buildings.

9. Whether the Preliminary Development Plan represents such a unique development proposal that it could not have accomplished through use of (non-PUD) conventional zoning regulations.

The existing situation requires rezoning because I-1 and C-2 zonings are for industrial and commercial uses only and R-30/PUD zoning permits multiple unit residential uses as well as a limited number of non-residential uses. This rezoning is a mechanism to resolve the nonconforming issue.

10. The sufficiency of the terms and conditions proposed to protect the interest of the public and the residents of the PUD in the case of a plan that proposes development over a period of years.

This property would continue to be under the same ownership.

Draft Planning Commission minutes are attached to this Council agenda item.

Emergency Justification:

Fiscal Impact:

Council Action:

REVIEWERS

Tom Scannell
Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. Draft Ordinance 26-125-01
2. Staff Report 26-125-01
3. Narrative
4. Application_Redacted
5. Notification Letter
6. Notification Area Map
7. Notification Addresses
8. Affidavit
9. Zoning PUD
10. Drawing 1
11. Drawing 2
12. Comp Plan Map
13. Zoning Map
14. Planning Commission Meeting Minutes 01-13-26

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE APPROVING A REZONING FROM DISTRICT I-1 (INDUSTRIAL) AND DISTRICT C-2 (GENERAL COMMERCIAL) TO DISTRICT R-30/PUD (HIGH DENSITY RESIDENTIAL/PLANNED UNIT DEVELOPMENT) AND APPROVING A PRELIMINARY DEVELOPMENT PLAN FOR THE PROPERTY LOCATED AT 315, 317 AND 319 S. OSAGE STREET.

WHEREAS, the application submitted by Adam Sheffield, requesting approval of a rezoning from District I-1 (Industrial) and District C-2 (General Commercial) to District R-30/PUD (High Density Residential/Planned Unit Development) and a preliminary development plan for property located at 315, 317 and 319 S. Osage Street was referred to the Planning Commission as required by the Unified Development Ordinance; and,

WHEREAS, the Unified Development Ordinance provides for the approval of a rezoning and preliminary development plan following public hearings by the Planning Commission and City Council; and,

WHEREAS, after due public notice in the manner prescribed by law, the Planning Commission held public hearings for the consideration of the request on January 13, 2026, and rendered a report to the City Council with its vote to recommend approval of this application passed by a vote of 7-0; and,

WHEREAS, in accordance with the Unified Development Ordinance, it was determined that the rezoning and preliminary development plan was consistent with the review criteria in Sections 14-701-02 and 14-703-05 respectively; and,

WHEREAS, no legal protests were signed, acknowledged, and presented for the application; and,

WHEREAS, after due public notice in the manner prescribed by law, the City Council held a public hearing and rendered a decision to approve the rezoning PUD and preliminary development plan of the said property.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. That the following legally described tracts of real estate are hereby rezoned from District I-1 (Industrial) and District C-2 (General Commercial) to District R-30/PUD (High Density Residential/Planned Unit Development) and shall be subject to the regulations of said district:

INDEPENDENCE OLD TOWN N 45' OF S 82.5' OF W 1/2 LOT 128; INDEPENDENCE OLD TOWN PT LOT 128 DAF: BEG PT 210' S OF NW COR TH S 40' TH E 165' TH N 40' TH W TO POB; INDEPENDENCE OLD TOWN N 42.5' OF S 1/2 OF W 1/2 LOT 128

SECTION 2. That the Preliminary Development Plan is attached hereto and is incorporated by reference as if fully set out herein, is hereby approved with the following conditions:

1. This preliminary development plan shall include the uses listed in the R-30/PUD zoning district and the already existing uses on this property specifically, office, sign shop, workshop, vocational instruction, auto garage and associated parking lot.
2. The minor subdivision shall be recorded prior to the issuance of any building permit.
3. The cross-hatched area for wheel-chair-access to the van-accessible parking space must be 9 feet wide. The parking lot must be restriped and resigned with proper labeling and signage for fines.

SECTION 3. Nonseverability. All provisions of this ordinance are so essentially, and inseparably connected with, and so dependent upon, each other that no such provision would be enacted without all others. If a court of competent jurisdiction enters a final judgement on the merits that are not subject to appeal and that declares any provision or part of this ordinance void, unconstitutional, or unenforceable, then this ordinance, in its collective entirety, is invalid and shall have no legal effect as of the date of such judgement.

SECTION 4. Scrivener's Errors. Typographical errors and other matters of a similar nature that do not affect the intent of this ordinance, as determined by the City Clerk and City Counselor, may be corrected with the endorsement of the City Manager without the need to come before the City Council.

SECTION 5. That failure to comply with all the provisions contained in this ordinance shall constitute violations of both this ordinance and Chapter 14, the Unified Development Ordinance, of the Code of the City of Independence, Missouri.

PASSED THIS _____ DAY OF _____, 2026, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED AS TO FORM AND LEGALITY:

City Counselor

REVIEWED BY:

Interim City Manager

MEETING DATE: January 13, 2026

STAFF: Brian L. Harker, Planner

PROJECT NAME: Adam Sheffield Rezoning

CASE NUMBER/REQUEST: Case 26-125-01 – Rezoning/PUD – 315, 317 and 319 S. Osage Street - A request to rezone property from I-1 (Industrial) and C-2 (General Commercial) to R-30/PUD (High Density Residential/Planned Unit Development) and approving a preliminary development plan.

APPLICANT/OWNER: Adam Sheffield

PROPERTY ADDRESS: 315, 317 and 319 S. Osage Street

IIISURROUNDING ZONING/LAND USE:

North: C-2 (General Commercial)...single-family home

South: I-1 (Industrial)...single-family home

East: I-1 (Industrial)...nonconforming parking and storage lot

West: R-12 (Two-Family Residential)...duplex and single-family home

PUBLIC NOTICE:

- Letters to adjoining property owners – December 27, 2025
- Public Notice published in the Independence Examiner – December 27, 2025
- Signs posted on property – December 26, 2025

FURTHER ACTION:

Following action by the Planning Commission, this rezoning request is scheduled for first reading by the City Council on February 16, 2026 and the public hearing/second reading on March 2, 2026.

RECOMMENDATION

Staff recommends **APPROVAL** of this Rezoning/Preliminary Development Plan request.

1. This preliminary development plan shall include the uses listed in the R-30/PUD zoning district and the already existing uses on this property specifically, office, sign shop, workshop, vocational instruction, auto garage and associated parking lot.
2. The minor subdivision shall be recorded prior to the issuance of any building permit.
3. The cross-hatched area for wheel-chair-access to the van-accessible parking space must be 9 feet wide. The parking lot must be restriped and resigned with proper labeling and signage for fines.

PROJECT DESCRIPTION & BACKGROUND INFORMATION

PROJECT REQUEST: – A request by Adam Sheffield to rezone the property from C-2 (General Commercial) and I-1 (Industrial) to R-30/PUD (High Density Residential/Planned Unit Development) and to approve a Preliminary Development Plan.

Current Zonings:	C-2 (General Commercial) and I-1 (Industrial)	Proposed Zoning:	R-30/PUD (High Residential/Planned Unit Development)
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Current and Continued Use: duplex, triplex, parking lot, church, sign shop, apartments and workshop/auto garage

Zoning History

1965 – 1980: M-1 (Light Industrial)...315 & 317 S. Osage Street
M-2 (Heavy Industrial)...319 S. Osage Street

1980 - 2001: M-1 (industrial)...315, 317 & 319 S. Osage Street

2001 – 2009: M-1 (Industrial)...315, part 317 & 319 S. Osage Street
C-2 (General Commercial)...part 317 S. Osage Street

2009 - Present: I-1 (Industrial)...315, part 317 & 319 S. Osage Street
C-2 (General Commercial)...part 317 S. Osage Street

Property History:

Adam Sheffield purchased the properties located at 315, 317 and 319 S Osage approximately twenty years ago. Prior to this, 317 S Osage in particular, was used by an electrical supplier and a laundry mat. Further, the residences were already in use.

Mr. Sheffield purchased the site to advance his concept of “property therapy” (mentoring people how to take care of things spiritually, do crafts and learn vocations and life skills). This ministry partnered with the Spirit Life Church. The ministry, in addition to teaching life skills, would host social events and encourage church fellowship. It also involved teaching music and preparing pre-recorded radio programs. In short, its mission was to advance public awareness and engage in advocacy for “property therapy.”

Proposal:

Adam Sheffield requests a change in zoning to permit replatting to eliminate setback requirements that prevent him from building a roof for a patio serving the existing structure at 317 and part of 315 S. Osage Street. The lot containing this proposed roof (at 315 S. Osage Street) is zoned I-1 (Industrial). The building it connects to is L-shaped and sets on both lots. The property at 317 S. Osage Street is zoned I-1 (Industrial) and C-2 (General Commercial).

Replatting 315, 317, and 319 S. Osage into a single property would result in two separate zoning classifications on one lot. Rezoning the property to R-30/PUD (High-Density Residential/Planned Unit Development) would accomplish two objectives:

1. Establish a single zoning designation for the entire lot.
2. Ensure that the residential uses (and limited nonresidential uses) on the property are conforming.

Physical Characteristics of Property:

The properties are an eclectic mix of structures and surfaces. The northern two lots both contain pre-World War II residential structures. A driveway passes on the north side of the northern house opening up to a broad parking surface in the rear and containing a garage. The lot to the south, contains a house that at some point had a two-story commercial and residential addition added to the rear. The southernmost of the three lots, 319 S. Osage Street, has a paved parking surface.

Characteristics of the Area:

The area is a mix of residential, commercial and industrial uses. Across the street lie three pre-World War II residential structures. The Northern use is a duplex and the other three are single-family homes. One residence lies to the north, but otherwise office uses lie beyond. A single-family home lies immediately south of the parking lot. To the east lies a nonconforming storage/parking lot, also owned by the applicant, and a commercial building.

ANALYSIS**Consistency with *Independence for All*, Strategic Plan:**

One objective of the Independence for All Strategic Plan is to ‘improve housing affordability.’ Although this application does not result in the construction of new housing units, it does request to preserve the units currently on the tracts.

Comprehensive Plan Tools and Policies for the Current Designation:

This site, along with all the properties in the vicinity, is designated for ‘Mixed Use’ by the City’s Comprehensive Plan. The related, ‘Tool and Policy,’ would be to, “Encourage locating housing near existing and developing centers of economic activity”.

Sub-Area Plans:

The property is located in the, ‘Downtown Redevelopment Area,’ plan area; but not in the ‘Reshaping the Square Plan,’ area.

Zoning:

As noted previously, this site has had industrial zoning since at least 1965 and commercial zoning since 2001. Permitted C-2 (General Commercial) uses include retail, office, restaurants, banks, business and personal improvement services, hotels, construction services, daycare centers, nursing homes, government facilities, churches, employment agencies, funeral and interment services, schools, colleges and universities, veterinary and animal boarding services, sports and entertainment facilities, medical services, repair services and crop agriculture. Permitted I-1 (Industrial) uses include utilities and services, construction services, offices, gasoline/fuel sales, heavy equipment sales/service, manufacturing, warehousing, warehousing, and recycling services. The proposed R-30/PUD (High Density Residential/Planned Unit Development) zoning classification would allow for two-family and multiple-family dwellings and various other uses (schools, churches, government facilities, cemeteries, home-based daycare, agriculture and others with conditions).

Parking and Driving Surface:

The existing legal nonconforming, driving and parking surfaces are not being expanded or changed. There is a driveway that passes on the north side of the northern house opening up to a broad parking surface at the rear of the property that also contains a garage.

The parking lot on the south lot contains 16 parking spaces. The cross-hatched area for the wheel-chair-access to the van-accessible parking space should be 9 feet wide. The parking lot will need to be restriped and resigned with proper labeling and signage for fines.

Proposed Patio Cover:

The existing elevations and building footprints are not being expanded or changed. The applicant is proposing to cover a patio abutting the property line between 317 and 319 S. Osage Street. It will be sited in the crux of the L-shaped commercial building that sits on both lots located at 317 and 319 S. Osage Street.

Historic and Archeological Sites:

There are no apparent historic or archeological issues with this property.

Public Utilities:

Water, sanitary sewer, and electrical services are connected to structures on this property.

Floodplain/Stream Buffer:

This property is not in a federally identified flood zone or city designated Stream Buffer zone.

Landscaping/Screening:

With no new construction, except for the proposed roof for the patio, no new landscaping or buffering will be required.

CIP Investments:

The city does not have any additional capital improvements projects planned near this area.

REVIEW CRITERIA

Recommendations and decisions for proposed planned unit development rezoning and its accompanying preliminary development plan must be based on consideration of the criteria listed in Section 14-703-05-H:

1. **The consistency with the Comprehensive Plan.**
The City's Comprehensive Plan envisions, "Mixed Uses," uses in this area.
2. **The consistency with the PUD standards of Section 14-902, including the statement of purpose.**
This type of application is not expressly addressed in this section as it is not a new development.
3. **The nature and extent of Common Open Space in the PUD.**
What little open space area indicated by this application is not, "common space," but just front lawn area.
4. **The reliability of the proposals for maintenance and conservation of Common Open Space.**
There is no real, "common space," provided with this application, the applicant owns the entire property.
5. **The adequacy or inadequacy of the amount and function of Common Open Space in terms of the densities and dwelling types proposed in the plan.**
There is no real, "common space," space provided with this application.
6. **The extent to which the proposed use will adversely affect the capacity of safety portions of the street network or present parking problems in the vicinity of the property. Whether adequate provision for public services, provides adequate control over vehicular traffic, and furthers the amenities of light and air, recreation, and visual enjoyment.**
The existing structures create no adverse effect to traffic or the street network in the vicinity of the project. No changes to the existing site layout is proposed. This rezoning is a mechanism to resolve the nonconforming issue but isn't planning for land development.

7. **The extent to which the proposed use will have a substantially adverse effect on adjacent property and the development or conservation of the neighborhood area.**
Since this property has existed for many years, if rezoned, it is not expected that adverse impacts would occur to neighboring properties.
8. **Whether potential adverse impacts have been mitigated to the maximum practical extent.**
The intent of the nonconforming section of the UDO is to place reasonable limits on nonconformities that have the potential to adversely affect surrounding properties and to promote maintenance, reuse and rehabilitation of existing buildings.
9. **Whether the Preliminary Development Plan represents such a unique development proposal that it could not have accomplished through use of (non-PUD) conventional zoning regulations.**
The existing situation requires rezoning because I-1 and C-2 zonings are for industrial and commercial uses only and R-30/PUD zoning permits multiple unit residential uses as well as a limited number of non-residential uses. This rezoning is a mechanism to resolve the nonconforming issue.
10. **The sufficiency of the terms and conditions proposed to protect the interest of the public and the residents of the PUD in the case of a plan that proposes development over a period of years.**
This property would continue to be under the same ownership.

EXHIBITS

1. Narrative
2. Application
3. Notification letter
4. Notification map
5. Mailing list
6. Mailing affidavit
7. Zoning/PUD Site Plan
8. Drawing 1
9. Drawing 2
10. Comprehensive Plan map
11. Zoning map

Why we need to change the zoning:

- Plans were approved to put a roof over portions of the existing patio except for zoning
- The lot containing this proposed roof is zoned I-1. The building it connects to is L-shaped and covers 2 lots with different zoning, I-1 & C-2.
- Connecting the new structure to the I-1 portion of the building to the east which is connected to the C-2 portion to the south, is legal non-conforming and therefore not problematic, but the UDO will not allow the addition to also connect to the C-2 portion of the existing building to the south with the existing zoning.
- Rick Arroyo suggested we create an R-30 PUD for the 2 lots, 315 & 317. Everything physical will remain unchanged including existing buildings, setbacks, utilities.
- The BOA can handle any other issues, except zoning.



Planning and Zoning Application Form

Community Development
111 E. Maple Avenue
Independence, MO 64050
(816) 325-7421
cdplanning@indepmo.org

Application Type (check all that apply)

Land Use	Land Subdivision	Site Development	Use Permit	Other
☐ Rezoning ☒ PUD Rezoning	☐ Preliminary Plat ☐ Final Plat ☐ Minor Subdivision	☐ Final Site Plan ☐ Preliminary Dev Plan ☐ Final Dev Plan (PUD)	☐ Special Use ☐ Homebased Business ☐ Short-Term Rental	☐ Admin. Adjustment ☐ Variance ☐ Street Name Change ☐ Special Sign Permit

Project Information and Location

Project Name: Covered Patio
Project Address/Location: 315 S. Osage, Independence, MO 64050

Sq. Ft. of Building	Acreage	Number of Lots/Tracts	Stream Buffer (Yes or No)
<u>T-1 & C-2</u>	<u>R-30 PUD</u>		
Existing Zoning	Proposed Zoning	Existing Land Use	Proposed Land Use

Basic Application Requirements (See the Planning & Zoning Application Guide for additional requirements)

☐ Completed & Signed Application Form	☐ One 24" x 36" set of plans for Land Sub. & Site Dev.
☐ Application Fee	☐ One PDF copy of a plat map or site plan
☐ Cover Letter Describing Details of Project	☐ Legal Description of the property in question

Contact Information

Applicant	Owner
<u>Adam Sheffield</u>	<u>Adam Sheffield</u>
Name	Name
Company	Company

Architect/Engineer/Surveyor/Other:	Architect/Engineer/Surveyor/Other:
<u>Roy Brown, Architect & Associates</u>	
Name	Name
Company	Company
Address	
Phone	
Email	

The applicant hereby agrees that the information provided above is accurate.

<u>Adam Sheffield</u>	<u>11/26/25</u>		
Applicant's Signature	Date	Owner's Signature	Date

Property Owner Notification Letter

City of Independence, Missouri

Date: 12/26/25

Case No. 26-125-01

Dear Property Owner:

This letter is to notify you that an application has been submitted for consideration by the Planning Commission and City Council. A full public hearing will be held by the Planning Commission and the City Council will consider new information on the dates and times below.

Proposed Case Type (Check One):

- ☐ Rezoning ☒ Rezoning/PUD ☐ Special Use Permit
☐ Preliminary Development Plan

Proposed project description: Rezone PUD from I-1

and C-2 to R-30/PUD

Applicant: Adam Sheffield

Location of Property: 315, 317, 319 S. Osage, Independence, MO.

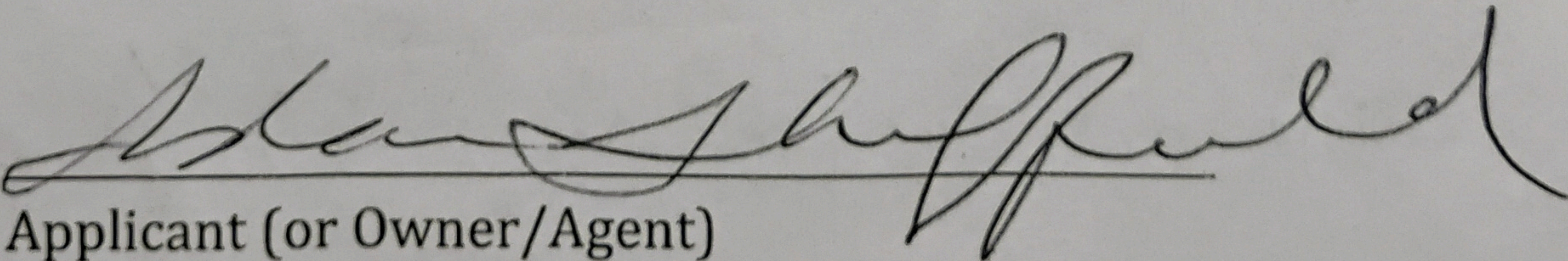
Planning Commission Meeting Date: January 13, 2026, at 6:00 p.m.

City Council Meeting Date: March 2, 2026, at 6:00 p.m.

Location of public hearings: City Council Chambers, City Hall
111 E Maple Ave, Independence, Missouri, 64050

All interested persons are invited to attend and will have an opportunity to be heard at the full public hearing (Planning Commission).

REZONINGS ONLY: You may file a protest petition with the Community Development Department. For more information or to get copies of a petition, please contact Planning staff at 816-325-7421.

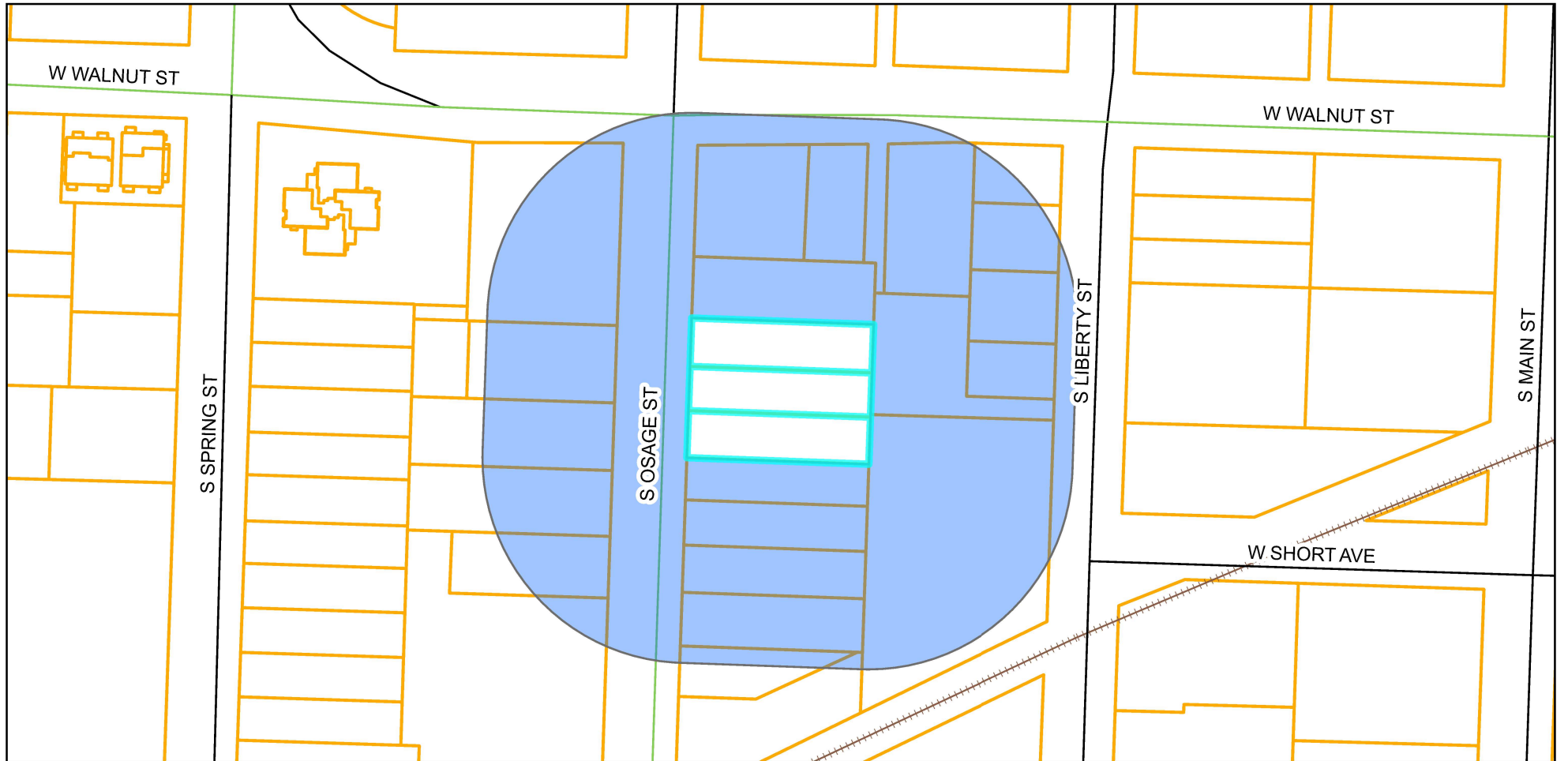

Applicant (or Owner/Agent)

For more information, contact the Community Development Department at 816-325-7421.

Notification Area Map

315 S Osage St

Case #26-125-01



Legend

-  Notification Area
-  Parcels

0 125 250 500 US Feet

Prepared For: Planning Commission
Meeting Date: January 13, 2026



Property Address	Property Owner	Owner Address	City	State	ZIP Code
233 W WALNUT ST	PHILLIPS MCELIGOTT EWAN & HALL	233 W WALNUT ST	INDEPENDENCE	MO	64050
300 S LIBERTY ST	EJC OFFICE BLDG LC	300 S LIBERTY ST	INDEPENDENCE	MO	64050
303 W WALNUT ST	JACKSON COUNTY MISSOURI	415 E 12 TH ST	KANSAS CITY	MO	64106
304 S LIBERTY ST APT 1	SB EQUITY MANAGEMENT LLC	304 S LIBERTY ST APT 1	INDEPENDENCE	MO	64050
308 S LIBERTY ST	ABEL ADRIENNE	2641 ELM ST	DENVER	CO	80207
311 S OSAGE ST	A1 ZION REALTY LLC	PO BOX 317	INDEPENDENCE	MO	64051
311 W KANSAS AVE	THREE TRAILS LAW BUILDING	233 W WALNUT ST	INDEPENDENCE	MO	64050
312 S LIBERTY ST	VILLATORO ANDREA	1300 WINDSOR ST	INDEPENDENCE	MO	64055
315 S OSAGE ST	SHEFFIELD ADAM	519 S OSAGE ST	INDEPENDENCE	MO	64050
316 S OSAGE ST	GHS INVESTMENT GROUP M3 SERIES LLC	288 E LIVE OAK AVE STE A	#123 ARCADIA	CA	91006
318 S LIBERTY ST	SKYCO LLC	PO BOX 317	INDEPENDENCE	MO	64051
318 S OSAGE ST	DAVIDSON JASON BRIAN	318 S OSAGE ST	INDEPENDENCE	MO	64050
319 S OSAGE ST	SHEFFIELD ADAM	519 S OSAGE ST	S OSAGE INDEPENDENCE	MO	64050
324 S OSAGE ST	YOUNG JAMES C & PATRICIA A	15700 E 2ND ST S	INDEPENDENCE	MO	64050
325 S OSAGE ST	SHEFFIELD ADAM	519 S OSAGE ST	S OSAGE INDEPENDENCE	MO	64050
404 S OSAGE ST	TAPIA HILARY	404 S OSAGE ST	INDEPENDENCE	MO	64050
405 S OSAGE ST	BURNWORTH ANTHONY D & MICHELE L - TRS	1873 SW 1225TH RD	GARDEN CITY	MO	64747
420 S OSAGE ST	TURKEY CREEK PROPERTIES LLC	300 N BRENT ST	SUGAR CREEK	MO	64054

Property Owner Notification Affidavit

STATE OF MISSOURI

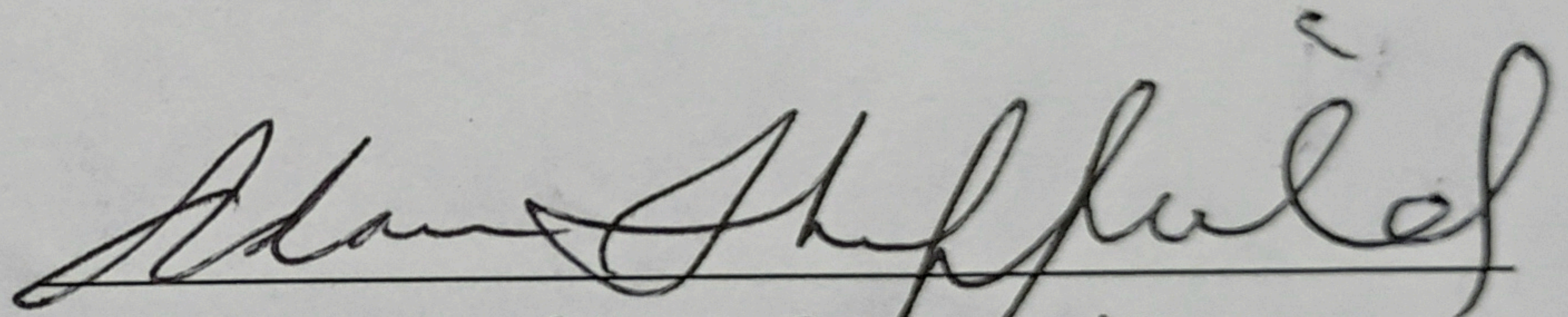
COUNTY OF JACKSON

Case No. 26-125-01

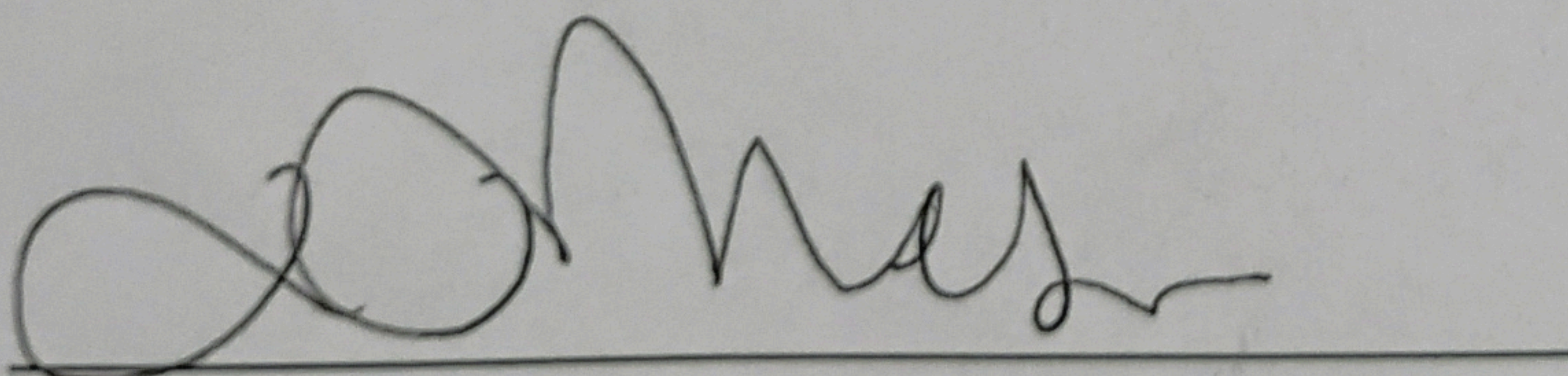
I, Adam Sheffield, of lawful age being first duly sworn upon oath, state:

That I am the (agent, owner, attorney) for the property for which the application was filed and did, not later than fifteen (15) days prior to the date of the public hearing scheduled before the Planning Commission, mail notices to all persons owning property within 185 feet of the subject property. **The list of property owners to whom notice has been mailed is attached.**

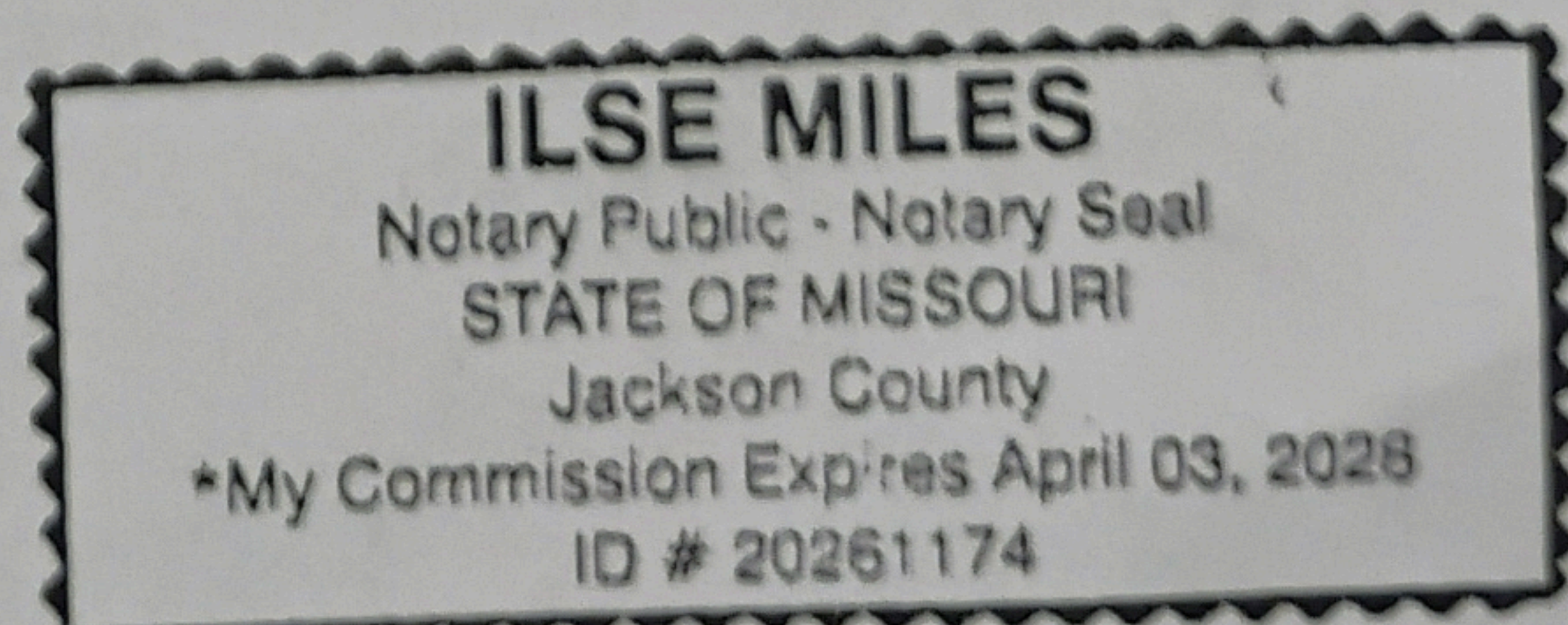
These notices were mailed on the 27 day of December, 2025.


Signature of Agent, Owner or Attorney

Subscribed and sworn to before me this 27 day of December, 2025.

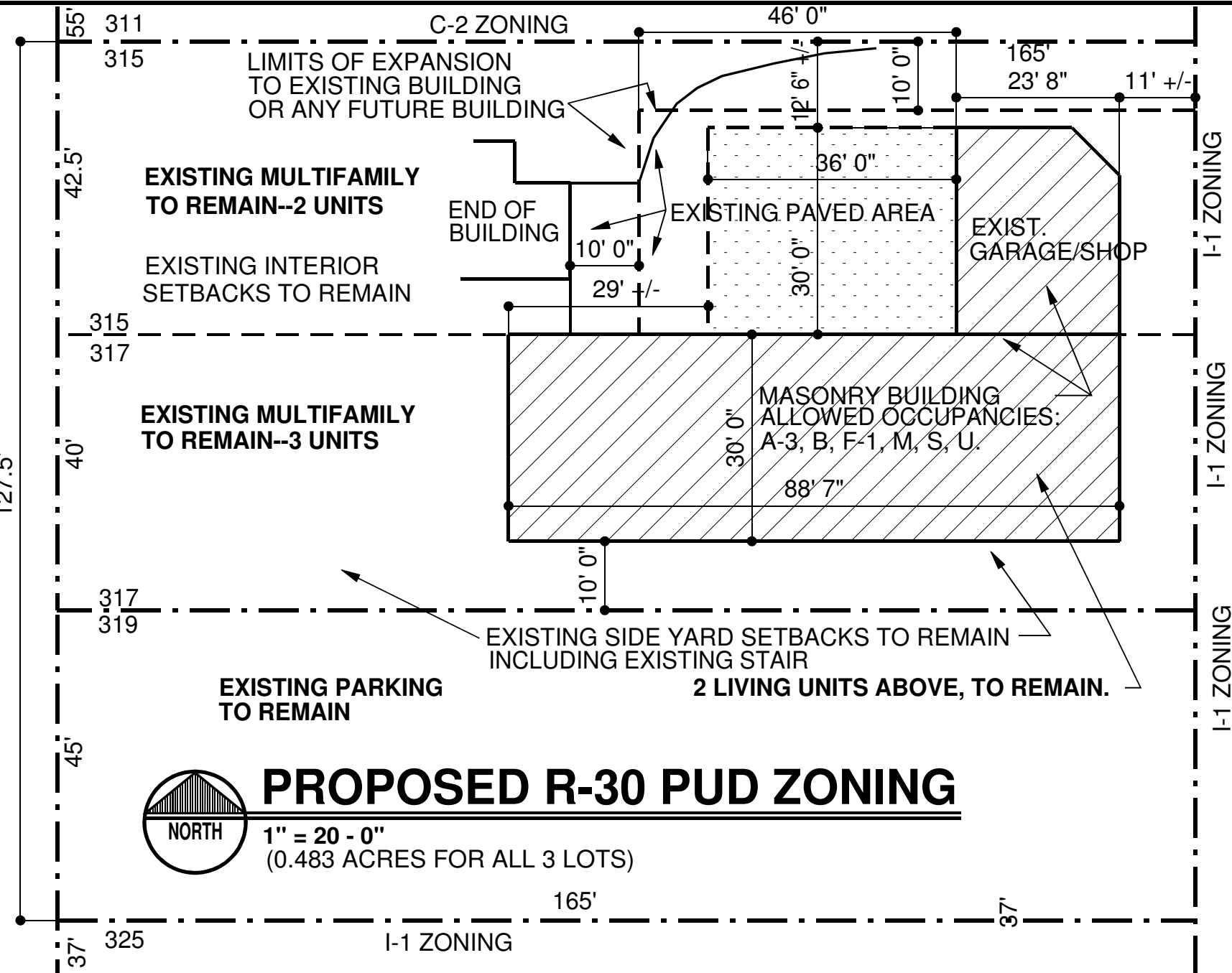

Notary Public

April, 03 2028
Commission Expiration Date



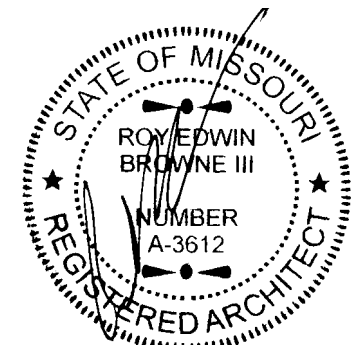
S. OSAGE

127.5'



Why we need to change the zoning:

1. Plans were approved to put a roof over portions of the existing patio except for zoning.
2. The lot containing this proposed roof is zoned I-1. The building it connects to is L-shaped and covers 2 lots with different zoning, I-1 & C-2.
3. Connecting the new structure to the I-1 portion of the building to the east, which is connected to the C-2 portion to the south, is legal non-conforming and therefore not problematic, but the UDO will not allow the addition to also connect to the C-2 portion of the existing building to the south with the existing zoning.
4. Connecting to the C-2 portion creates setback problems which could be handled by the BOA, but the BOA is not able to modify zoning.
5. Rick Arroyo suggested we create an R-30 PUD for the 2 lots, 315 & 317. Then Staff wanted to add 319. Everything physical will remain unchanged, including the existing buildings, drives & parking, setbacks, utilities, etc.



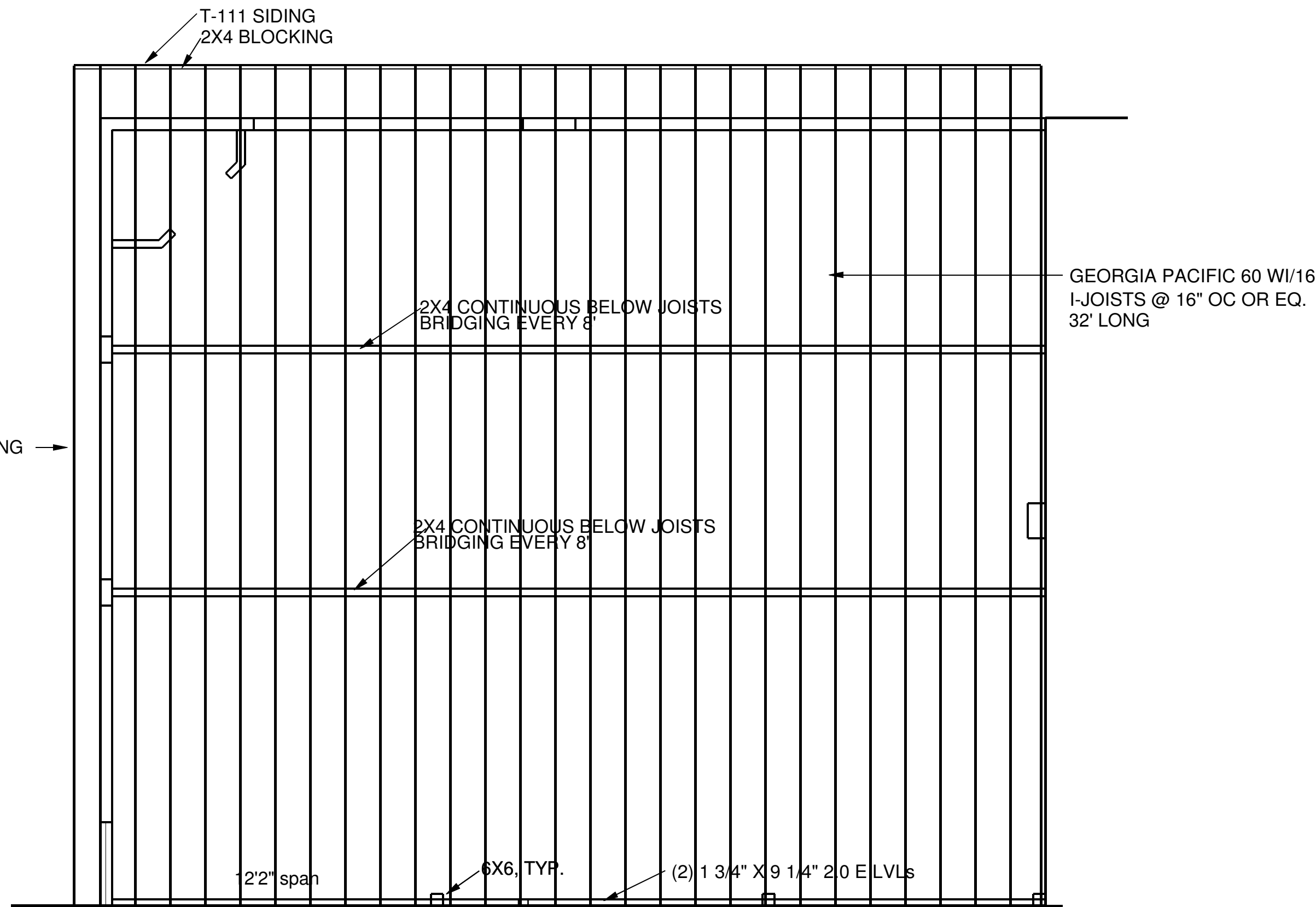
THE ARCHITECTS
ARCHITECTURE, PLANNING, ENGINEERING
ROY E. BROWNE, ARCHITECT & ASSOCIATES
24 OAK HILL CLUSTER/INDEPENDENCE, MO/64057

11/24/25
12/5/25
12/15/25

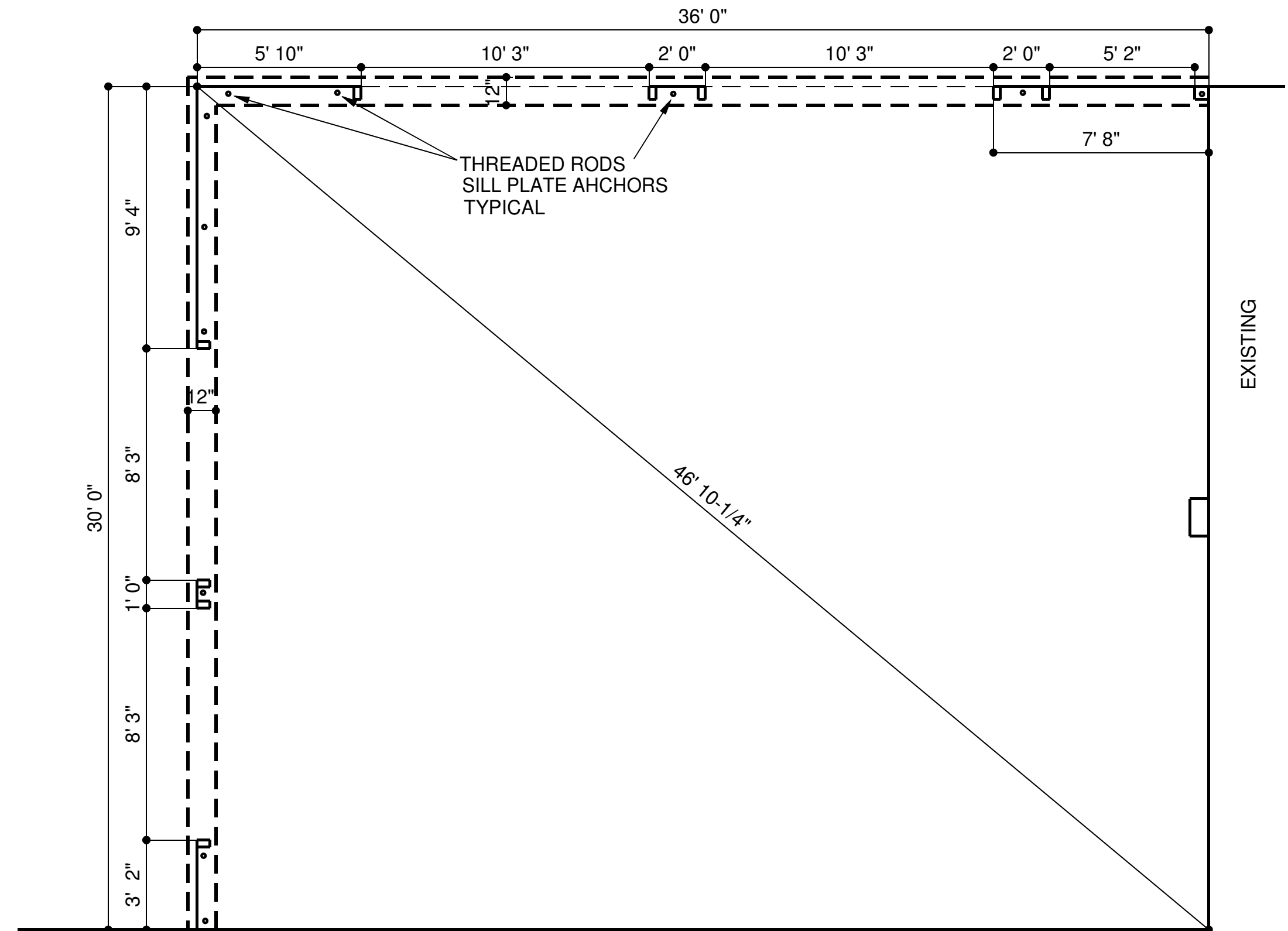
PRINT LEDGER SIZE (11X17)

A PROPOSED ZONING CHANGE FOR:
AMERICAN HERITAGE CTR.
315-319 S OSAGE
INDEPENDENCE, MO

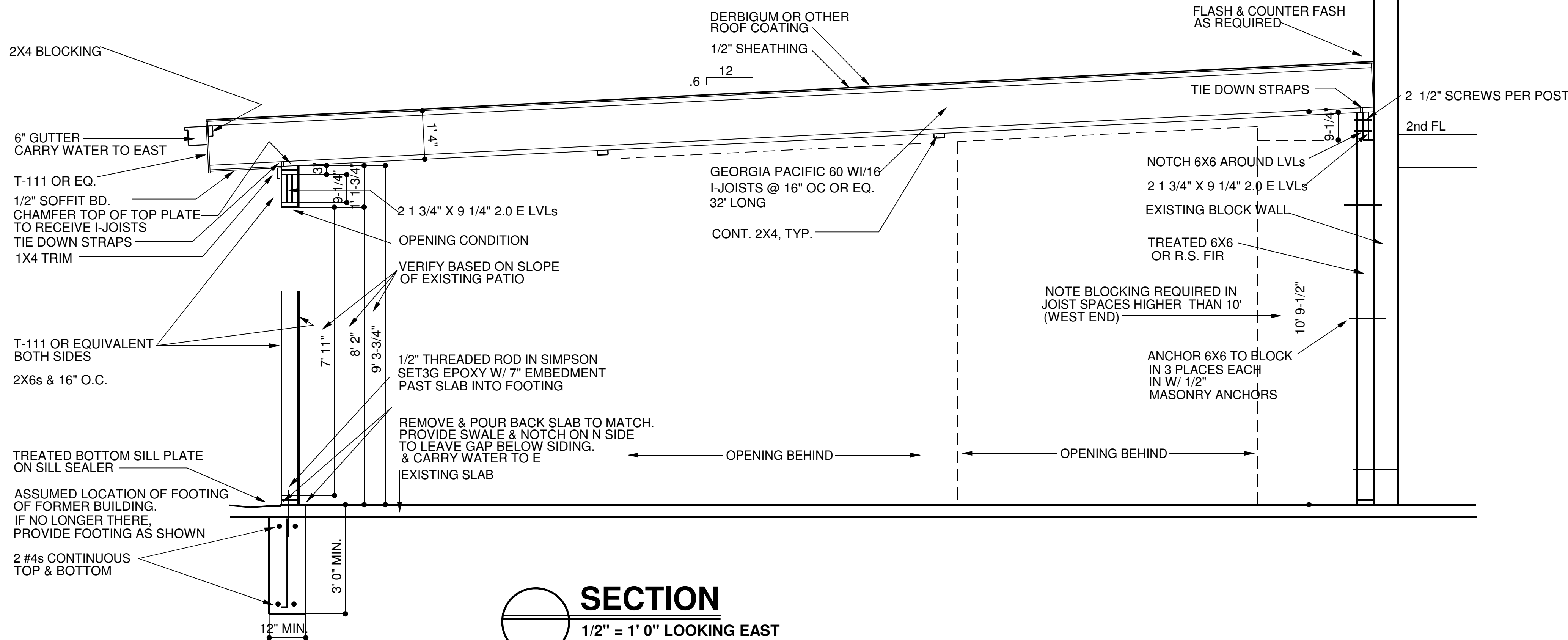
2



ROOF PLAN
1/4" = 1' 0"



FOUNDATION PLAN
1/4" = 1' 0"



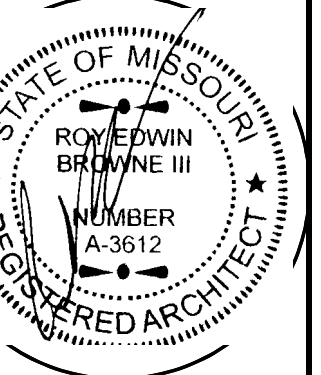
SECTION
1/2" = 1' 0" LOOKING EAST

CONCRETE NOTES

1. ALL FOOTINGS SHALL BEAR ON SOIL CAPABLE OF SUPPORTING 2,000 PSF WITHOUT UNDUE SETTLEMENT OR HEAVE.
2. THE BOTTOM OF ALL FOOTINGS SHALL BE A MINIMUM OF THREE FEET BELOW FINISHED GRADE.
3. ALL CONCRETE USED IN THE FOOTING TO BE 2500 PSI & SHALL HAVE A MINIMUM ULTIMATE COMPRESSIVE STRENGTH OF 2500 PSI AT 28 DAYS & SHALL MEET MCIB DESIGNATION 529-1-4.
4. ALL CONCRETE USED FOR SLABS SHALL BE AIR-ENTRAINED & HAVE A MINIMUM ULTIMATE COMPRESSIVE STRENGTH OF 4,000 PSI AT 28 DAYS & SHALL MEET MCIB DESIGNATION A618-1-4.
5. ALL REINFORCING SHALL BE GRADE 40. REINFORCING SHALL BE CONTINUOUS AND LAPPED PER ACI318.
6. ALL MESH SHALL MEET ASTM A185. LAP A MINIMUM OF SIX INCHES.
7. ALL GROUT SHALL BE NON-SHRINK GROUT.
8. NO ALUMINUM SHALL BE PLACED IN CONCRETE.
9. ALL REBAR TO BE GRADE 40 OR BETTER.
10. FROST FTGS TO BE 12" WIDE & A MIN. OF 36" BELOW FIN. GRADE

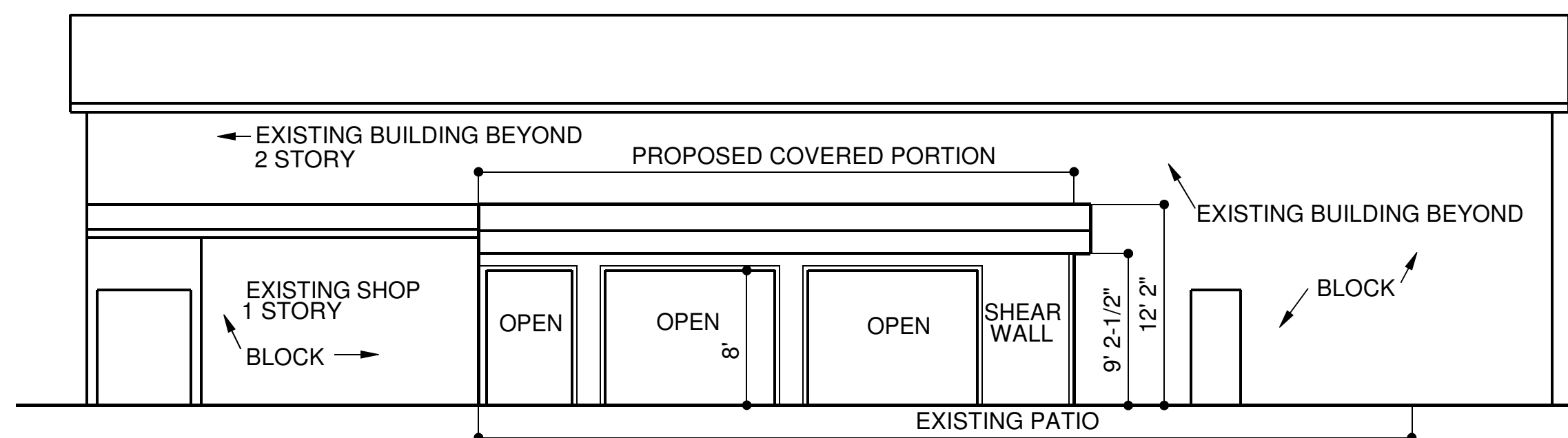
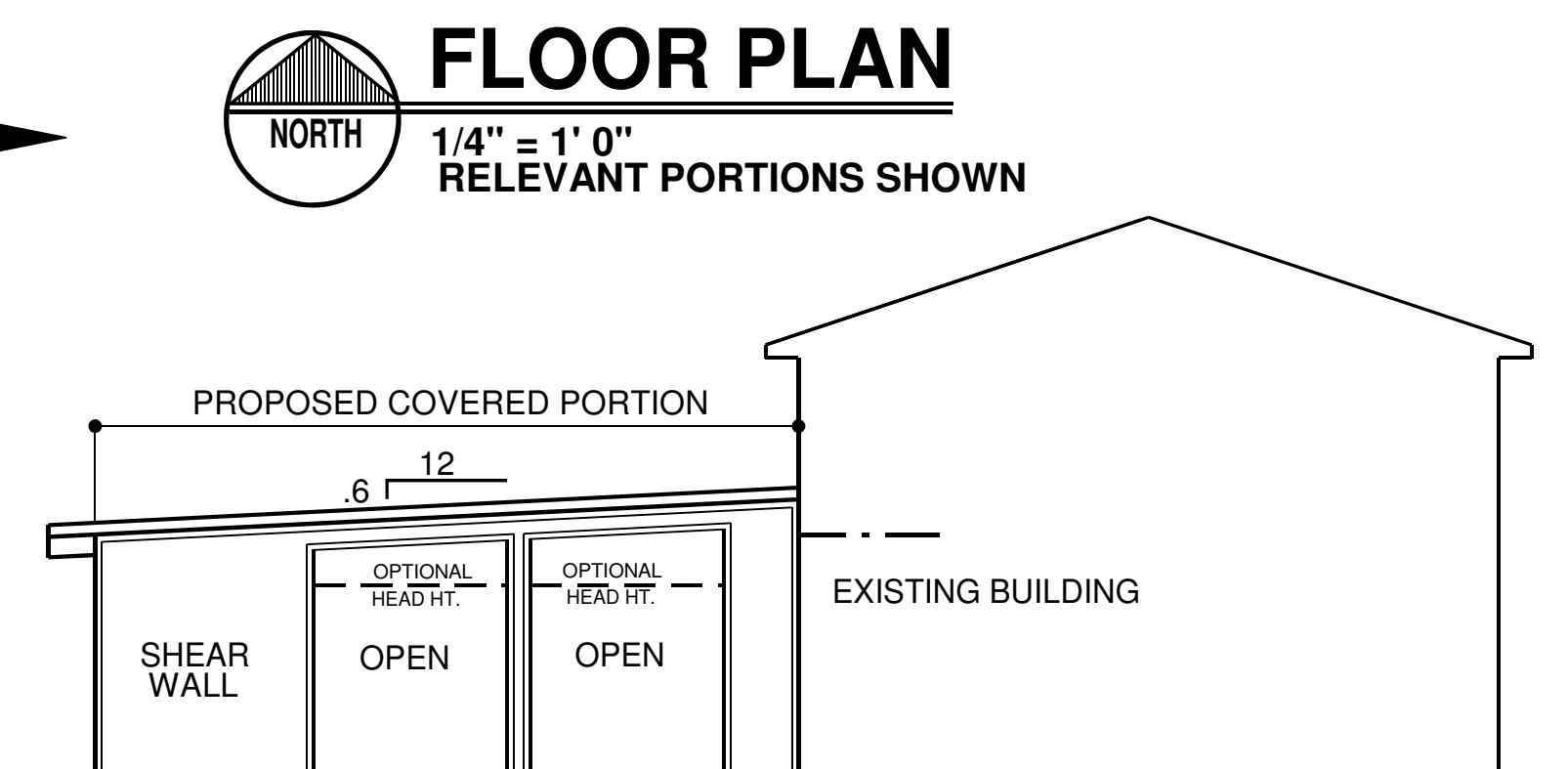
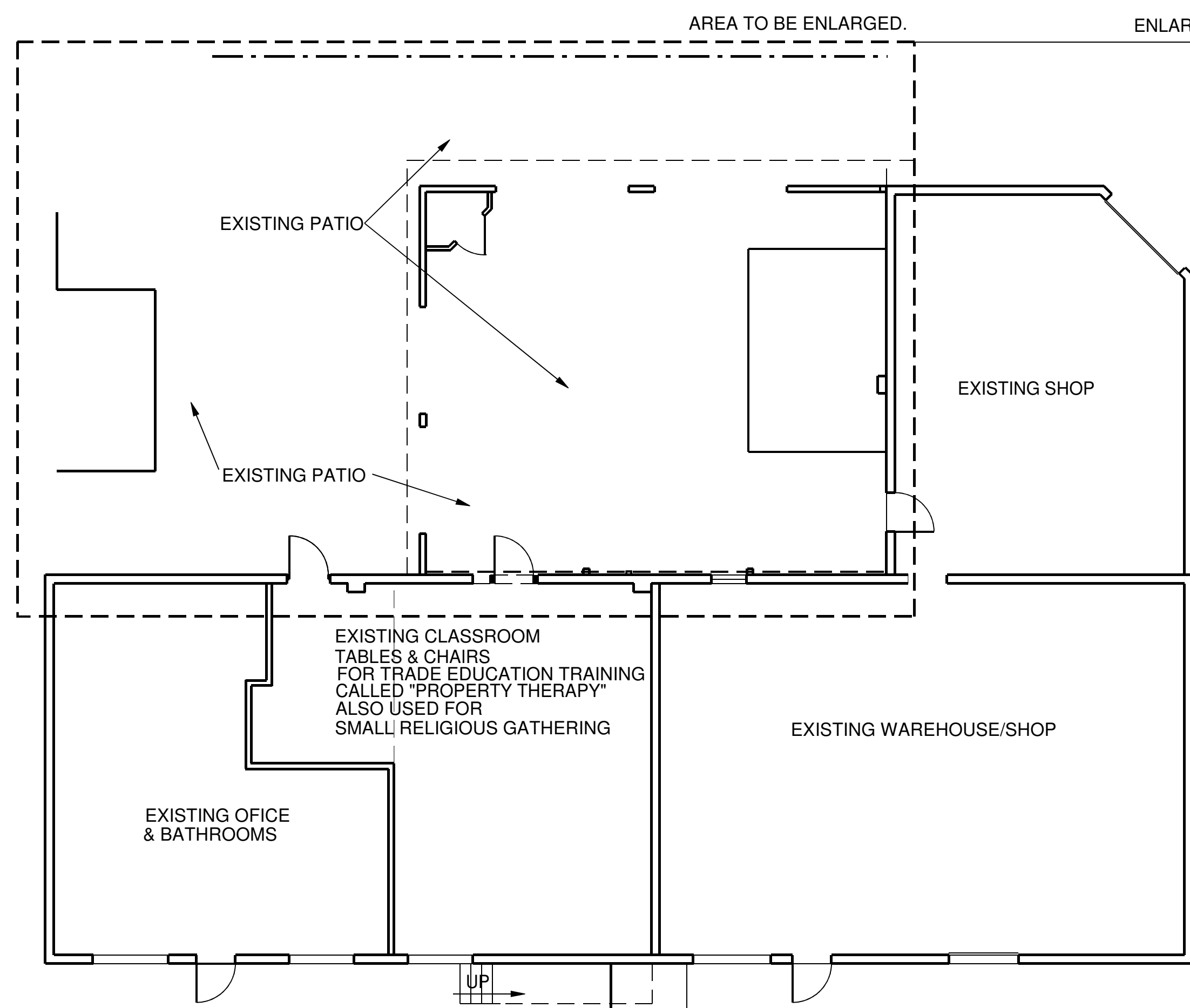
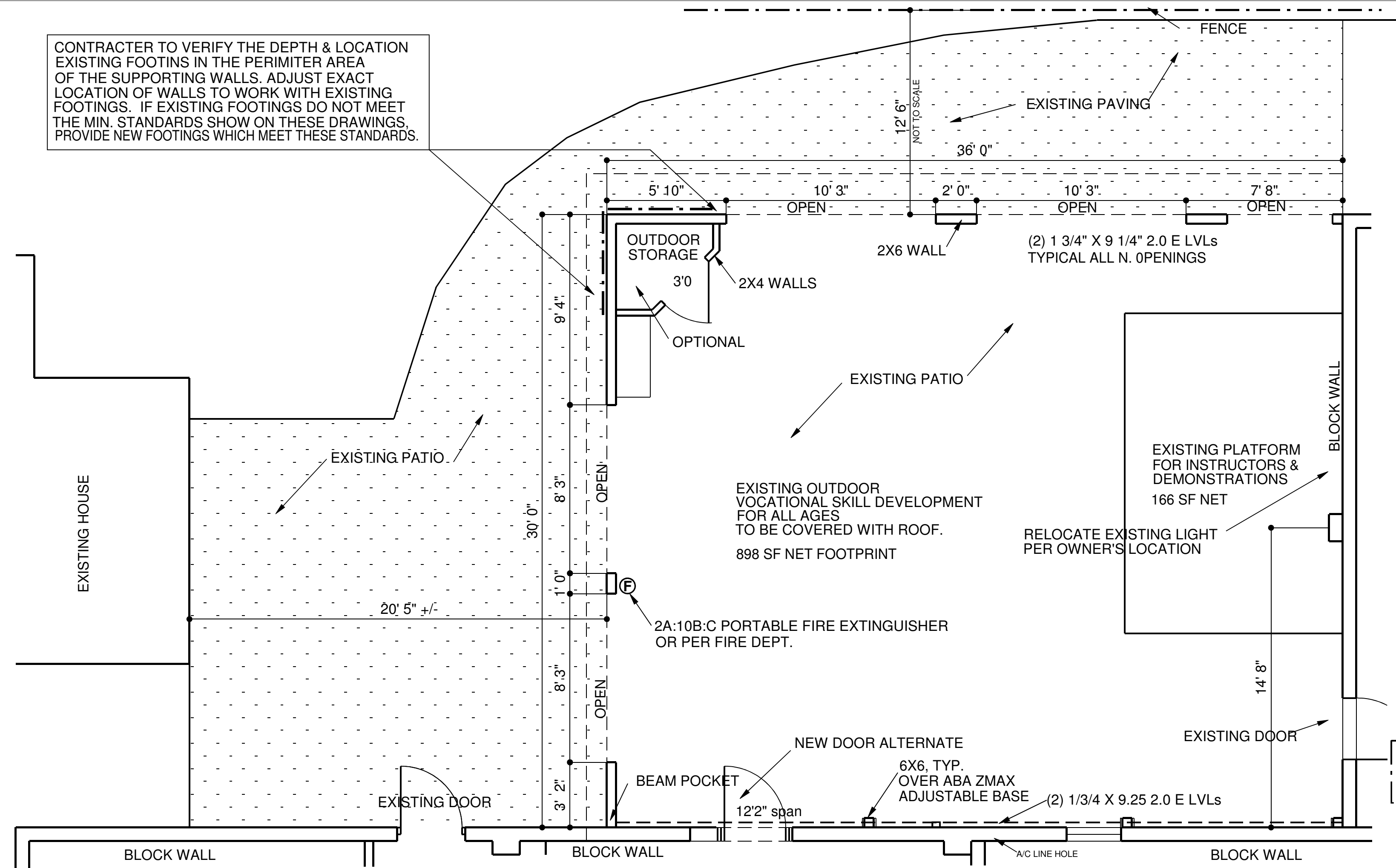
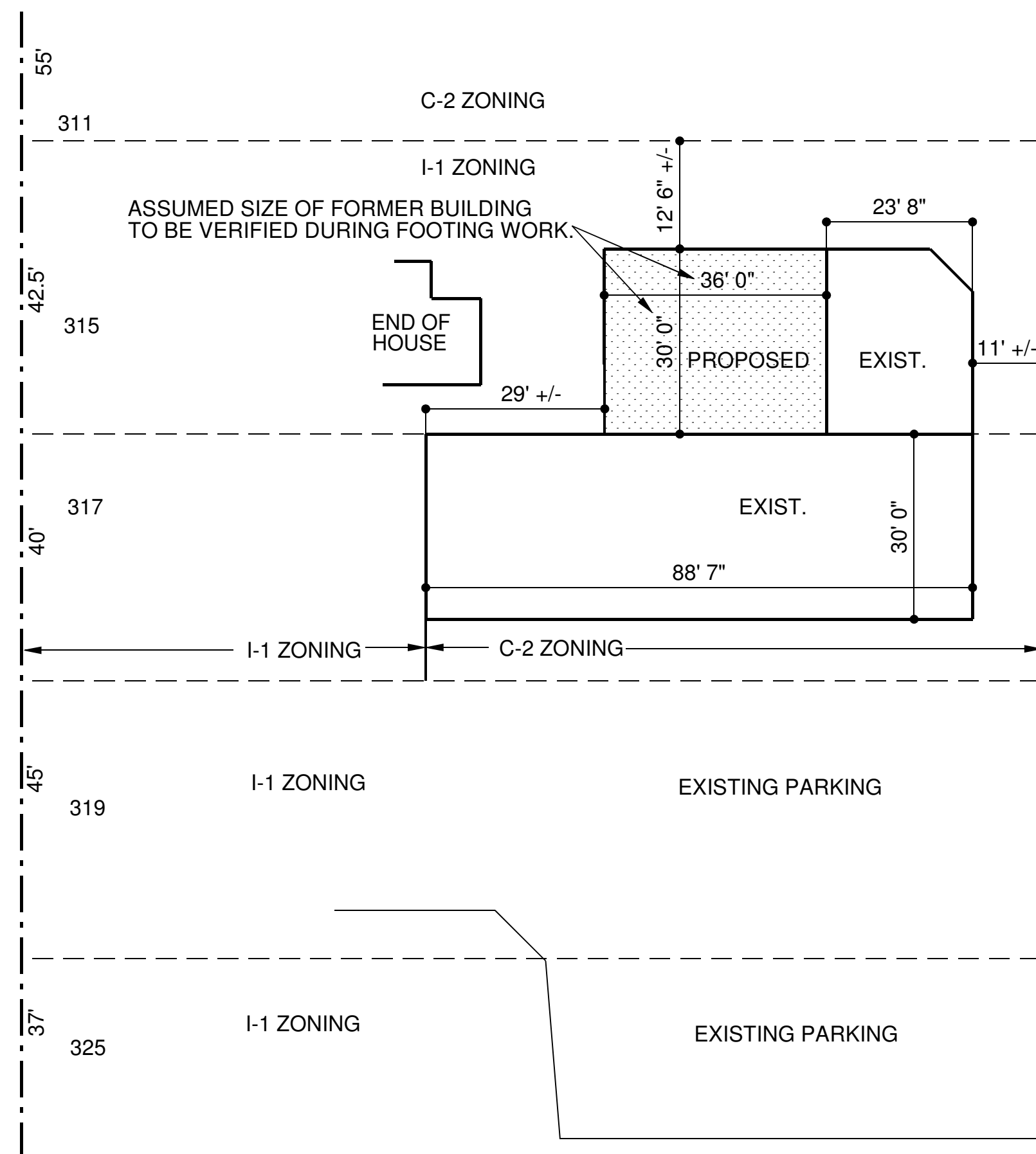
Sch	Pr 5/27/25
Rev	
Rev	
Rev	8/28/25
D/P	9/2/25
Rev	

A COVERING FOR AN EXISTING PATIO FOR:
HERITAGE CENTER
315-319 SOUTH OSAGE
INDEPENDENCE, MO



THE ARCHITECTS
ARCHITECTURE, PLANNING, ENGINEERING
ROY E. BROWNE, ARCHITECT & ASSOCIATES
24 OAK HILL CLUSTER/INDEPENDENCE, MO/64057

A-2



PROJECT SCOPE

TO ADD A ROOF OVER AN EXISTING CONCRETE PATIO WHICH IS BEING USED FOR TRAINING & VOCATIONAL SKILL DEVELOPMENT IN A RELIGIOUS CONTEXT OR SETTING. THE FOOTPRINT OF THE STRUCTURE SUPPORTING THE ROOF ONCE CONTAINED A BUILDING. THE OWNER OR CONTRACTOR MUST VERIFY THE EXISTING FOOTINGS. NEW FOOTINGS ARE SHOWN IN CASE THE OLD FOOTINGS ARE NOT IN PLACE OR ARE NOT ADEQUATE TO SUPPORT THE NEW ROOF STRUCTURE.

ZONING

1. CONTRACTOR TO FOLLOW ALL APPLICABLE CODES & STANDARDS. CONTRACTOR TO CHECK ALL DIMENSIONS & CONDITIONS AND REPORT ANY DISCREPANCIES TO ARCHITECT BEFORE PROCEEDING.
2. THESE DRAWINGS ARE PRIMARILY FOR PERMIT & REQUIRE USE BY LICENSED & EXPERIENCED CONTRACTORS.
3. CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL REQUIRED PERMITS, PAYING ALL FEES AND OTHERWISE COMPLYING WITH ALL APPLICABLE REGULATIONS GOVERNING THE PROJECT.
4. CONTRACTOR TO VERIFY ALL SITE CONDITIONS.
CONTRACTOR TO FIELD VERIFY EXACT LOCATION OF EXISTING UTILITY LINES PRIOR TO COMMENCING EXTERIOR WORK.
5. CONTRACTOR SHALL ADHERE TO ALL LOCAL, STATE, COUNTY AND FEDERAL CODES REGARDING CONSTRUCTION OF THESE PLANS.
6. PLANS ARE DESIGNED AND ADDITION SHALL BE CONSTRUCTED IN ACCORDANCE TO THE 2024 INTERNATIONAL BUILDING CODE & THE 2024 INTERNATIONAL FIRE CODE. THE 2023 NATIONAL ELECTRICAL CODE MUST BE FOLLOWED IF LIGHTS OR OUTLETS ARE ADDED.

LUMBER NOTES

LUMBER TO BE #2 DOUGLAS FIR/LARCH, EXCEPT AS NOTED.
GRADE MARK SHALL COMPLY WITH DOC PS 20

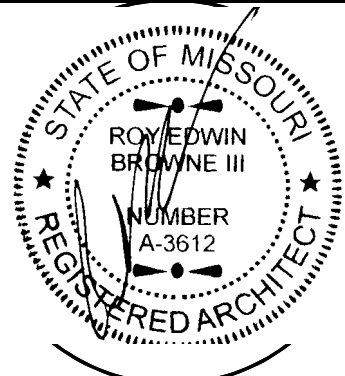
PARKING

THERE WILL BE NO INCREASE IN IMPERVIOUS SUFACE AREA.
THE ENTIRE AREA TO BE COVERED IS A CONCRETE SLAB.

CODE ANALYSIS

Sch
Pr 5/27/25
Rev
Rev
Rev 8/28/25
D/P 9/2/25
Rev

HERITAGE CENTER
315-319 SOUTH OSAGE
INDEPENDENCE, MO



the ARCHITECTS
ARCHITECTURE, PLANNING, ENGINEERING
ROY E. BROWNE, ARCHITECT, & ASSOCIATES
224 OAK HILL CLUSTER/INDEPENDENCE, MO/64057

A-1

Comprehensive Plan

315 S Osage St

Case #26-125-01



Legend

 Parcels

Comprehensive
Plan

 Mixed Use

0 50 100 200 US Feet

Prepared For: Planning Commission
Meeting Date: January 13, 2026



Zoning Map

315 S Osage St

Case #26-125-01



Legend

 Parcels

Zoning District

 C-2

 I-1

 R-12

 R-30/PUD

 R-6

0 50 100 200 US Feet

Prepared For: Planning Commission
 Meeting Date: January 13, 2026





Planning Commission Minutes

January 13, 2026 6:00 PM

City Hall, 111 E. Maple Avenue (Ground Floor), Council Chambers

CALL TO ORDER

A meeting of the Planning Commission was held at 6:00 PM on 1/13/2026, in the 111 E Maple Avenue, Independence, MO 64050. The meeting was called to order.

ROLL CALL

Upon roll call, the following members were present - Laurie Dean Wiley, Eric Ashbaugh, Edward Nesbitt, Dan O'Neill, Virginia Ferguson, Jose Torres, Michael Young. Absent - .

CONSENT AGENDA

The Consent Agenda consists of routine items of business to be acted upon by the Planning Commission with little or no public discussion. The staff or committee recommendation for each item is included in the Planning Commission packet. Any item may be removed by a commissioner or staff member to become part of the regular agenda.

1. **Planning Commission Minutes – November 18, 2025**

Motion

Commissioner Edward Nesbitt made a motion to approve the Consent Agenda. Commissioner Michael Young seconded the motion. The motion was approved Yes 7, No 0, Abstained 0.

CASE TO BE CONTINUED - STAFF RECOMMENDS THIS CASE BE CONTINUED TO THE FEBRUARY 24, 2026 MEETING.

1. **Case 26-400-01 – Short-Term Rental – 12115 E. 47th Terrace S. – A request to**

operate a Short-Term Rental at the property.

Motion

Commissioner Edward Nesbitt made a motion to continue this case to February 24, 2026.

Commissioner Virginia Ferguson seconded the motion. The motion was approved Yes 7, No 0, Abstained 0.

OTHER BUSINESS

Motion

Commissioner Edward Nesbitt made a motion to move Case 25-400-15 before the Public Hearings. Commissioner Dan O'Neill seconded the motion. The motion was approved Yes 7, No 0, Abstained 0.

1. **Case 25-400-15 – Short-Term Rental – 14901 E. 40th Street S.** – A request to operate a Short-Term Rental at the property.

Staff Presentation

Gabe Glaser presented the case. Mr. Glaser presented the Commission with a vicinity map, noting the area and surrounding zoning. He presented the Commission with an aerial map indicating the project area and explained the surrounding land uses. Mr. Glaser reviewed the conditions of approval.

Applicant Comments

Hannah Mullins, 14901 E. 40th Street, stated she was speaking on behalf of herself and her husband, Timothy Mullins. Ms. Mullins said they have made a significant investment in the home and reviewed all applicable City rules and regulations prior to initially submitting an application to operate a short-term rental (STR). She stated they believe the property is well suited for use as an STR and noted the Planning Commission previously approved their application unanimously.

Ms. Mullins explained that a protest petition was submitted on the prior case, and when the matter was heard by City Council, neighbors later approached her stating they had been told the home would become a commercial “party house.” She emphasized that the City Council did not deny the application due to noncompliance with City regulations or due to safety concerns.

Commissioner Nesbitt asked whether the applicants currently reside in the home. Ms. Mullins stated that her family lives in the home and that during rental periods they would stay approximately five minutes away at her mother’s residence.

Public Comments

Renee Hughes, 14804 E. 40th Street S, stated the area is a family neighborhood and residents would like it to remain that way rather than allowing a short-term rental. She said the neighborhood already experiences parking congestion and expressed concern about intoxicated drivers on streets where many children live. Ms. Hughes also stated she has seen studies indicating property values may decrease when short-term rentals are introduced into an area.

Maureen Seskis, 15201 E. 41st Street, questioned the applicants' motivation for operating a short-term rental and stated she had been told it was because they could not afford their mortgage.

Jannette Miller, 14804 E. 40th Street, stated that those who signed the protest petition were not misled and read the language of the petition aloud. She said the petition cited concerns regarding parties and loud guests, parking issues, decreased property values, transient occupancy, and an increased potential for intoxicated drivers in the neighborhood. Ms. Miller stated she did not coerce anyone into signing the approximately 40 signatures submitted with the first application. She further stated that following the initial meeting, individuals who spoke in opposition were threatened by those in favor of the application.

Phobe Forbes, 14906 E. 41st Street, stated she agreed with the previous comments. She questioned the applicants' sincerity and said she does not believe they are acting as good neighbors. She expressed concern that the neighborhood would be turned into a commercial use and stated that fear has been created within the neighborhood. Ms. Forbes characterized the application as selfish and said it benefits only the applicants, not the neighborhood or the City. She reiterated that individuals who opposed the prior application were threatened and suggested that fewer people spoke in opposition due to fear.

In response to some of Ms. Forbes' comments, Mr. Glaser explained the required conditions for approval of a short-term rental and the factors staff considers when making a recommendation for approval or denial.

Anita Fuller, 14905 E. 40th Street S, stated the three-strike rule does not adequately protect neighbors and that one incident is too many. She said the applicants constructed a fence incorrectly and in violation of City code. She stated that instead of correcting the issue, uneven planks were installed that the applicant had intended to return. Ms. Fuller said the neighborhood is not a tourist destination and stated the application prioritizes the applicants' financial benefit over neighborhood concerns.

Ms. Mullins responded that the fence installation was intended to be a good-faith effort to be good neighbors. She stated letters were provided to neighbors prior to installation and that Ms. Fuller was asked which side of the fence she preferred. Ms. Mullins said the fence was installed as soon as possible and that staining has not yet occurred due to winter weather, with plans to complete it in the spring. She reiterated that the property would have 24-hour noise monitoring, guests would be screened to prevent party use, and all City requirements would be met.

Pam Ellis, 4002 S. Drumm Avenue, stated she shares a fence with the Mullins and spoke in favor of the application. Ms. Ellis acknowledged that issues are possible but stated they are not probable. She noted the applicants live in the home and would not want their personal residence damaged by parties. She stated this would be the first short-term rental in the neighborhood and that neighbors cannot assume outcomes based on experiences elsewhere. Ms. Ellis shared that she has stayed in short-term rentals and has had positive experiences and said she would welcome visitors to the neighborhood.

Harold Ellis, 4002 S. Drumm Avenue, stated Ms. Mullins has been a wonderful neighbor. He

said he would be more concerned about another long-term rental in the neighborhood than a short-term rental. He stated that property owners operating short-term rentals often maintain their homes well, which can increase property values. He also noted that with a maximum occupancy of six, he does not foresee party-related issues.

Shiela Holt, 14909 E. 40th Street, stated she lives two houses away from the Mullins and fully supports the application. She said the neighborhood does not experience traffic congestion and that parking is not an issue. Ms. Holt stated reports on property values are mixed and said she is not aware of any threats made toward those opposed. She asked the Commission to consider that many residents who received notification were comfortable with the proposal but did not realize they needed to attend the meeting to speak in favor.

Amy Weld, 14800 E. 40th Street, asked how guest screening would be conducted prior to rental. She stated that neighbors do not have control over who purchases property or occupies long-term rentals and similarly do not control short-term renters. Ms. Weld said the streets are not congested and stated that short-term rentals benefit not only the applicant but also the City through tax revenue.

Ms. Mullins added that Airbnb has strict no-party policies. She stated she plans to require identification that matches the form of payment, review renter ratings, and deny rentals when necessary. She reiterated that this is her personal home and that she does not want it damaged.

Commissioner Comments

In response to a question from Commissioner Nesbitt, Ms. Mullins stated they spoke with each neighbor about removing the existing chain-link fence prior to installing the privacy fence. Mr. Glaser stated staff could review the fence for compliance and notify Ms. Mullins if a violation exists. Ms. Mullins stated she would be willing to correct any violations identified.

In response to an additional question from Commissioner Nesbitt, Mr. Glaser explained that during the initial application, property owners within 185 feet submitted a protest petition, which required the application to be forwarded to City Council and approved by a supermajority vote. He stated the City Council vote was four in favor and four opposed, resulting in denial of the application.

Motion

Commissioner Ashbaugh made a motion to add a condition requiring the property to be in full compliance with Section 14-400-02 of the City Code related to fences, with the results to be reported back to the Planning Commission. Commissioner Edward Nesbitt seconded the motion. The motion was approved Yes 5, No 2, Abstained 0.

In response to Commissioner Young's question, Mr. Glaser reported that no valid protest petition had been filed for this application.

Commissioner Dan O'Neill made a motion to approve the case. Commissioner Michael Young seconded the motion. The motion was approved Yes 7, No 0, Abstained 0.

PUBLIC HEARINGS

1. **Case 26-100-01 – Rezoning – 724 and 726 N. Noland Road** - A request to rezone property from C-2 (General Commercial) to R-6 (Single-Family Residential).

Staff Presentation

Gabe Glaser presented the case. Mr. Glaser presented the Commission with a vicinity map, noting the area and surrounding zoning. He presented the Commission with an aerial map indicating the project area and explained the surrounding land uses. In response to Chairwoman Wiley's question, Mr. Glaser stated this is a corrective rezoning.

In response to Commissioner Nesbitt's question, Mr. Arroyo stated the street project is only in the design phase and the City wouldn't know if this property would be affected.

Applicant Comments

Matthew Brown, 2709 S. Maybrook, purchased this house while in the military and his intent is to fix up the property. Mr. Brown stated he was not aware of the CIP project planned.

Public Comments

No public comments.

Motion

Commissioner Eric Ashbaugh made a motion to approve the case. Commissioner Edward Nesbitt seconded the motion. The motion was approved Yes 7, No 0, Abstained 0.

2. **Case 26-125-01 – Rezoning/PUD – 315, 317 and 319 S. Osage Street** - A request to rezone property from I-1 (Industrial) and C-2 (General Commercial) to R-30/PUD (High Density Residential/Planned Unit Development) and approving a preliminary development plan.

Staff Presentation

Brian Harker presented the case. Mr. Harker presented the Commission with a vicinity map, noting the area and surrounding zoning. He presented the Commission with an aerial map indicating the project area and explained the surrounding land uses. Mr. Harker reviewed the conditions of approval.

In response to Commissioner Nesbitt's question, Mr. Harker said he believes 315 is a duplex.

Applicant Comments

Roy Browne, 40 Oak Hill Cluster, stated he is the architect for the project and believes this is a corrective rezoning. Mr. Brown stated 317 is the building, but part of that extends into 315 and they have different zonings. He noted they'd like to cover some of the outside space to allow outside activities.

Adam Sheffield, 319 S Osage, described his ministry with property therapy.

Public Comments

No public comments.

Motion

Commissioner Edward Nesbitt made a motion to approve the case. Commissioner Jose Torres seconded the motion. The motion was approved Yes 7, No 0, Abstained 0.

ROUNDTABLE - NEXT MEETING JANUARY 27, 2026

ADJOURNMENT

The meeting was adjourned at 7:50 p.m.

City of Independence

AGENDA ITEM COVER SHEET

Agenda Title:

26-019 **1R** An ordinance approving a plan for an Industrial Development Project; authorizing the City of Independence, Missouri to issue two series of Taxable Industrial Development Revenue Bonds in a combined principal amount not to exceed \$150,632,000,000; and authorizing and approving certain documents and actions in connection therewith. **1R Read**

Recommendations:

Council approval is recommended.

Background:

Nebius, Inc., a Delaware corporation (the “Company”), seeks approval of a Chapter 100 Plan and related bonds and documents with respect to a project consisting of the acquisition of approximately 398 acres of land in the City located at and surrounding 501 North Bly Road, the construction of a data center campus consisting of multiple buildings with a combined square footage of approximately 2,100,000 square feet, to be developed in stages over a three to five year period, and the installation of data servers, specialized mechanical, electrical and plumbing systems, HVAC systems, and data center support equipment sufficient to operate a data center of approximately 800 megawatts (the “Project”). The total cost of the Project is estimated to be \$150,632,000,000, including real and personal property investments and costs of issuance.

The real property tax is estimated to be abated at approximately 98% and the personal property tax will be abated at 90%, each over the period from 2026 through 2046.

The resulting payments in lieu of tax to the taxing jurisdictions are estimated at \$651,480,974 over the full term. The plan also provides sales tax exemption on construction materials.

The ordinance also authorizes the bond documents necessary to implement Chapter 100 tax abatement.

Emergency Justification:**Fiscal Impact:**

There is no annual appropriation required from the City related to the issuance of these bonds.

Council Action:

REVIEWERS

Tom Scannell
Melissa Cabrera
Jeremy Cover
Lisa Reynolds
Susanne Holland

ATTACHMENTS:

1. Ordinance (Plan and Bonds - Nebius Project)
2. Ordinance Exhibit A - Plan
3. Supporting Documents
4. Closing Docs (Data Center Equipment)
5. Closing Docs (Data Center Real Estate)
6. Lease (Data Center Equipment)
7. Lease (Data Center Real Estate)
8. Performance Agreement (Data Center Equipment)
9. Performance Agreement (Data Center Real Estate)

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE APPROVING A PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT; AUTHORIZING THE CITY OF INDEPENDENCE, MISSOURI TO ISSUE TWO SERIES OF TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS IN A COMBINED PRINCIPAL AMOUNT NOT TO EXCEED \$150,632,000,000; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

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

WHEREAS, Nebius, Inc., a Delaware corporation (“Nebius”) submitted an application for incentives to the City for a data center project (the “Nebius Project”), which consists of the acquisition of approximately 398 acres of land in the City located at and surrounding 501 North Bly Road, the construction of a data center campus consisting of multiple buildings with a combined square footage of approximately 2,100,000 square feet, to be developed in stages over a three to five year period, and the installation of data servers, specialized mechanical, electrical and plumbing systems, HVAC systems, and data center support equipment sufficient to operate a data center of approximately 800 megawatts; and

WHEREAS, the City, in accordance with Section 100.050 of the Act, prepared a plan for an industrial development project (the “Plan”), gave notice of the Plan by mail to the taxing jurisdictions in accordance with Section 100.059.1 of the Act, and held a public hearing regarding the Plan on February 16, 2026; and

WHEREAS, the City now desires to approve the Plan; and

WHEREAS, the City desires to provide real and personal property tax abatement for the Nebius Project through the issuance of two series of industrial development revenue bonds pursuant to the Act (the “Bonds”); and

WHEREAS, the City has and does hereby find and determine that it is desirable for the economic development of the City and within the public purposes of the Act that the City proceed with the issuance of the Bonds for the purpose described above; and

WHEREAS, the Bonds will be payable solely out of payments, revenues and receipts derived by the City from the lease of each component of the Nebius Project to Nebius and/or its designee(s) (the “Companies”), and from no other source; and

WHEREAS, Section 10.7 of the City Charter requires that all bonds sold by the City be sold at public sale upon sealed proposals after at least ten days’ notice in a newspaper of general circulation in the City; and

WHEREAS, a notice of sale was published in *The Examiner* inviting potential bond purchasers to submit bids for the Bonds and the City has received a single bid for the Bonds, which was delivered by Nebius; and

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

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1 – Promotion of Economic Development. The Council hereby finds and determines that the Nebius Project will promote the economic welfare and the development of the City, and the issuance of the Bonds by the City to pay the costs of the Nebius Project will be in furtherance of the public purposes set forth in the Act.

SECTION 2 – Approval of Plan. The Council hereby approves the Plan attached hereto as **Exhibit A** in accordance with Section 100.050 of the Act.

SECTION 3 – Authorization and Sale of the Bonds; Acceptance of Bid. The City is hereby authorized to issue and sell its Taxable Industrial Development Revenue Bonds (Nebius Project), in one or more series in an aggregate principal amount not to exceed \$150,632,000,000, for the purpose of providing funds to pay the costs of the Nebius Project. The Bonds shall be issued and secured pursuant to the herein authorized Trust Indentures and shall bear such date, shall mature at such time, shall be in such denominations, shall bear interest at such rate, shall be in such form, shall be subject to redemption, shall have such other terms and provisions, shall be issued, executed and delivered in such manner and shall be subject to such provisions, covenants and agreements as are specified in the Trust Indentures upon the execution thereof, and the signatures of the officers of the City executing the Trust Indentures shall constitute conclusive evidence of their approval and the City’s approval thereof. The City hereby accepts the bid received from Nebius for the sale of the Bonds. The sale of the Bonds to Nebius and/or its designee(s), as the winning bidder at the public sale, at the interest rate set forth in the winning bid and upon the terms set forth in the Trust Indentures is hereby approved.

SECTION 4 – Limited Obligations. The Bonds and the interest thereon shall be limited obligations of the City payable solely out of certain payments, revenues and receipts derived by the City from the herein authorized Lease Agreements, and such payments, revenues and receipts shall be pledged and assigned to the Trustee as security for the payment of the Bonds as provided in the Trust Indentures. The Bonds and the 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 5 – Approval and Authorization of Documents. The following documents (the “City Documents”) are hereby approved in substantially the forms presented to the Council at this meeting (copies of which documents shall be filed in the records of the City), and the City is hereby authorized to execute and deliver the City Documents with such changes therein as shall be approved by the officials of the City executing such documents, such officials’ signatures thereon being conclusive evidence of their approval thereof:

(a) Trust Indenture relating to each series of Bonds dated as of the date set forth therein (the “Trust Indentures”), between the City and the bond trustee named therein (the “Trustee”), pursuant to which the Bonds shall be issued and the City shall pledge and assign certain payments, revenues and receipts received pursuant to the Lease Agreements to the Trustee for the benefit and security of the owners of the Bonds upon the terms and conditions as set forth in the Trust Indentures;

(b) Lease Agreement relating to each series of Bonds dated as of the date set forth therein (the “Lease Agreements”), between the City and the Companies, under which the City will provide funds for the construction and improvement of the Nebius Project and lease the Nebius Project to the Companies pursuant to the terms and conditions in the Lease Agreements, in consideration of rental payments by the Companies which will be sufficient to pay the principal of, premium, if any, and interest on the Bonds;

(c) Bond Purchase Agreement relating to each series of Bonds dated as of the date set forth therein, between the City and the Companies, pursuant to which the Companies agree to purchase the Bonds; and

(d) Performance Agreement relating to each series of Bonds dated as of the date set forth therein (the “Performance Agreements”), between the City and the Companies, pursuant to which the City has granted each Company certain rights with respect to the abatement of ad valorem property taxes on the Nebius Project in consideration for such Company’s agreement to pay certain payments in lieu of taxes.

SECTION 6 – Execution of Documents. The Mayor or (Interim) City Manager of the City is hereby authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the City in the manner provided in the Trust Indentures. The Mayor or (Interim) City Manager of the City is hereby authorized and directed to execute the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the City. The City Clerk of the City is hereby authorized and directed to attest to and affix the seal of the City to the Bonds and the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

SECTION 7 – Further Authority. The Mayor, (Interim) City Manager, City Clerk and other officials, agents and employees of the City as required are hereby authorized and directed to take such further action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Bonds and the City Documents, including but not limited to the execution of any financing documents in accordance with the Leases.

SECTION 8 – Effective Date. This Ordinance shall take effect and be in full force as set forth in the City Charter.

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PASSED ON THIS _____ DAY OF _____, 2026, BY THE CITY COUNCIL
OF THE CITY OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council of the
City of Independence, Missouri

ATTEST:

City Clerk

APPROVED AS TO FORM AND LEGALITY:

City Counselor

REVIEWED BY:

Interim City Manager

EXHIBIT A

PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT

NOTICE TO TAXING JURISDICTIONS

PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT FOR THE NEBIUS PROJECT

On behalf of the City of Independence, Missouri (the “City”), please find enclosed a copy of a proposed plan for an industrial development project and cost benefit analysis (the “Plan”).

The City Council will consider an ordinance to approve the Plan during the City Council’s meeting on February 16, 2026, at 6:00 p.m. in the Council Chambers at City Hall, 111 E. Maple in Independence, Missouri.

The City invites you to submit written comments to the Council on the proposed Plan. All comments will be fairly and duly considered by the City. Comments will also be taken during a public hearing at the City Council meeting referred to above.

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

Dated: January 26, 2026

Independence City Hall
111 E Maple Ave
Independence, MO 64050

Taxing Jurisdictions -- Distribution List

Fort Osage School District Superintendent 25102 E. US Highway 24 Independence, MO 64056-4001	Independence School District Superintendent 201 N. Forest Ave Independence, MO 64050
Jackson County Board of Disabled Services 8511 Hillcrest Rd., Suite 300 Kansas City, MO 64138	Junior College District of Metropolitan Kansas City, Missouri (Metropolitan Community College) Chancellor 3200 Broadway Kansas City, MO 64111
Jackson County County Executive 415 E. 12th Street, 2nd Floor Kansas City, MO 64106	Mid-Continent Public Library Director 15616 E. Highway 24 Independence, MO 64050-2057
Jackson County Assessment Department Truman Courthouse 112 W. Lexington 1st Floor Independence, MO 64050	Jackson County Community Mental Health Executive Director 1627 Main Street, Suite 500 Kansas City, MO 64108
Jackson County Community Children's Services Fund Executive Director 2345 Grand Blvd., Suite 1450 Kansas City, MO 64108	City of Independence City Clerk 111 E Maple Ave Independence, MO 64050
Jackson County Collections Department Truman Courthouse 112 W. Lexington 1st Floor Independence, MO 64050	Missouri Department of Revenue County Tax Section State Blind Pension Fund 301 West High Street Jefferson City, MO 65102-0453
Missouri Department of Revenue County Tax Section Merchants/Manufacturers Replacement Tax Fund 301 West High Street Jefferson City, MO 65102-0453	Kansas City Zoological District Chair of the Board of Directors 6800 Zoo Drive Kansas City, MO 64132
Eastgate Commerce Center Community Improvement District Attn: Community Development Director 20201 E. Jackson Drive Independence, MO 64057	

BEFORE THE

CITY COUNCIL

OF THE

CITY OF INDEPENDENCE, MISSOURI

PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT

FOR THE

NEBIUS PROJECT

Sent to taxing jurisdictions: January 26, 2026

PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT FOR THE NEBIUS PROJECT

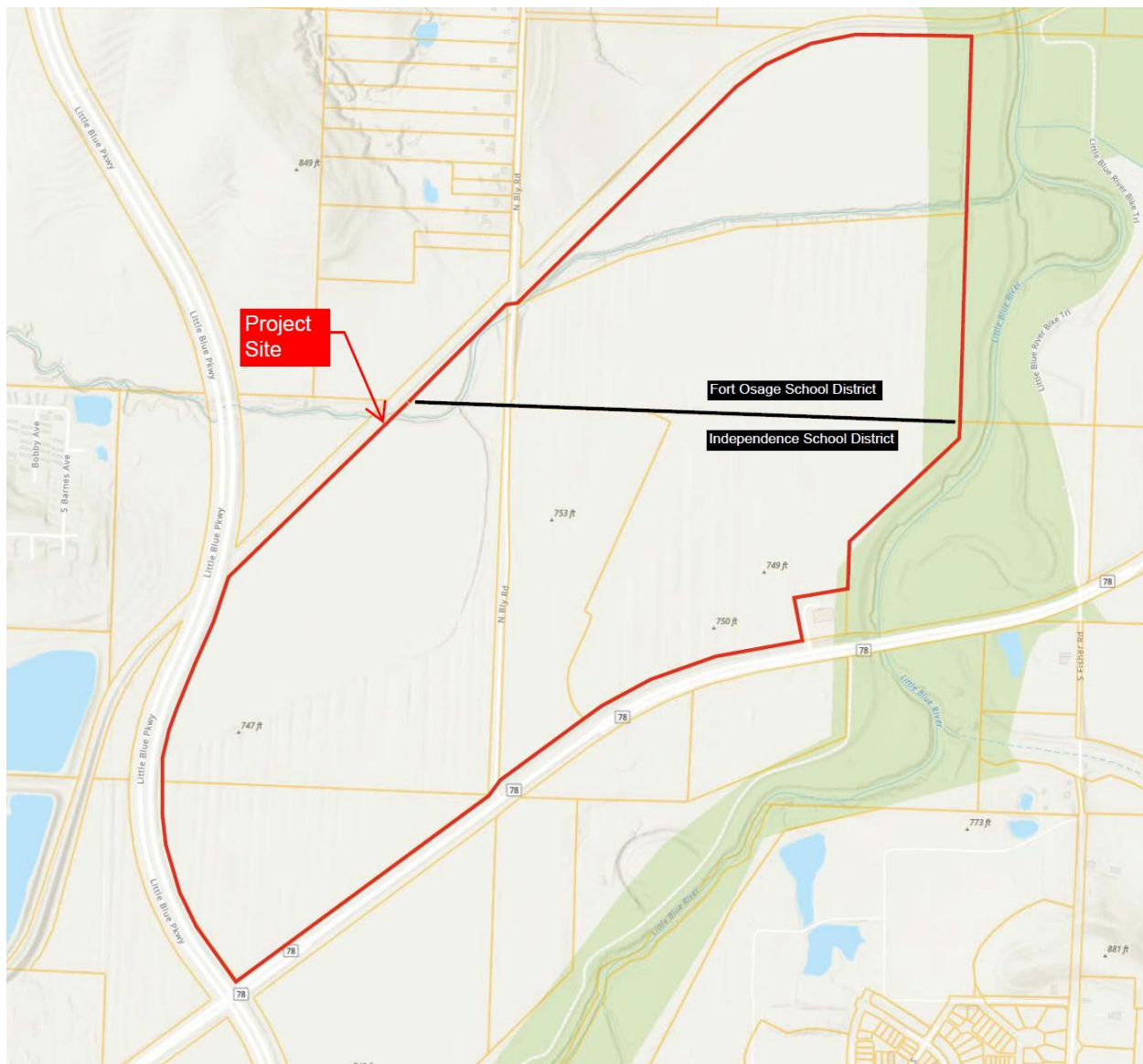
TO: CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI

The project described herein will be undertaken pursuant to the provisions of Sections 100.010 to 100.200 of the Revised Statutes of Missouri, as amended, and Article VI, Section 27(b) of the Missouri Constitution, as amended (collectively, the “Act”). The Act authorizes cities, counties, towns and villages to issue industrial development revenue bonds to finance the purchase, construction, extension, improvement and equipping of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities that provide interstate commerce, industrial plants and other commercial facilities. The operation of data center for a profit is a commercial undertaking.

Nebius, Inc., a Delaware corporation (together with its assignees or designees for purposes of implementation of this Plan, the “Company”) has proposed this Plan for an industrial development project as described herein to the City of Independence, Missouri (the “City”), for approval, to be carried out pursuant to the Act and in support of said application submits the following:

1. **Description of the Project.** The Company will acquire approximately 398 acres of land in the City located at and surrounding 501 North Bly Road, Independence, Missouri 64056 (the “Project Site”). The Company plans to construct upon the Project Site a data center campus consisting of multiple buildings with a combined square footage of approximately 2,100,000 square feet, to be developed in stages currently expected to occur over a three to five-year period (the “Project Improvements”). Additionally, the Company plans to install data servers, specialized mechanical, electrical and plumbing systems, HVAC systems, and data center support equipment (the “Project Equipment,” and collectively with the Project Site and the Project Improvements, the “Project”) sufficient to operate a data center of approximately 800 megawatts. The location of the Project Site is depicted in the map on the following page:

[remainder of page intentionally left blank]



2. **Estimate of the Cost of the Project.** The total cost of the Project is estimated to be \$6,608,000,000 for the acquisition of the Project Site and the costs of the Project Improvements and an additional estimated amount of \$144,000,000,000 for the costs of the Project Equipment.
3. **Source of Funds to be Expended for the Project.** The source of funds to be expended for the Project will be the proceeds of \$150,632,000,000 estimated aggregate principal amount of taxable industrial revenue bonds (the “Bonds”) to be issued in one or more series by the City for the Project and for costs of issuance of the Bonds.
4. **Statement of the Terms Upon Which the Project is to be Leased and Otherwise Disposed of by the City.** Title to the Project will be held by the City during the period of abatement. The Project will be leased (with an option to purchase) to the Company or affiliates or designees thereof under one or more leases (each a “Lessee”) during the

abatement period. The lease payments under the leases will be equal to the principal and interest on the applicable series of Bonds plus certain carrying costs. The Bonds will be payable solely from the revenues derived by the City from the leases or other disposition of the Project and the Bonds will not be an indebtedness or general obligation, debt or liability of the City.

5. **General Information Concerning the Company.** The Company is a Delaware corporation that is a leading full-stack AI infrastructure company, part of the Nebius Group publicly listed on the Nasdaq Stock Market. Nebius Group is a market leader in the AI sector in Europe, the Middle East, and the United States, and is seeking to further expand into the United States with a flagship facility.
6. **Bond Purchase Arrangements.** It is expected that the Company will purchase the Bonds in the principal amount of \$150,632,000,000.
7. **Affected Taxing Jurisdictions.** Both the Independence School District and the Fort Osage School District will be affected by the Project (their respective boundaries cross the Project Site as set out in the map above). Additionally, Jackson County, Missouri, the Junior College District of Metropolitan Kansas City, Missouri, and the City will be affected by the Project. No ambulance district board operating under chapter 190 or fire protection district board operating under chapter 321 is affected by the Project. Other taxing jurisdictions affected by the Project are set out in the Cost Benefit Analysis attached hereto.
8. **Equalized Assessed Valuation.** The most recent taxable equalized assessed valuation of the Project Site is \$30,119 (2025). The estimated total equalized assessed valuation after completion of the Project for real property to be included in the Project is \$311,009,016 and for personal property to be included in the Project is \$6,951,171,480 in peak years.
9. **Cost Benefit Analysis.** Attached hereto as **Exhibit A** is the Cost Benefit Analysis on each affected taxing jurisdiction. The 2025 tax levy rates were utilized for all jurisdictions.
10. **Payments in Lieu of Taxes.** Under this Plan, payments in lieu of tax (“PILOTs”) will be made as follows:

Real Property PILOTs:

In each year prior to commencement of construction and in the first year of construction, the Company will pay a PILOT for the Project Site and the Project Improvements equal to the taxes that would have been due on the Project Site were it not for implementation of this Plan. Starting with the first year after commencement of construction, a PILOT will be calculated based on the square footage of the constructed buildings multiplied by a per-square-foot PILOT set out below (provided that, during construction, such amount shall be pro-rated based on percentage of completion).

<u>Year</u>	<u>PILOT Per Square Foot</u>
Year 1	\$0.1442
Year 2	0.1442
Year 3	0.1442
Year 4	0.1442
Year 5	0.1442
Year 6	0.1442
Year 7	0.1442
Year 8	0.1442
Year 9	0.1442
Year 10	0.1442
Year 11	0.1442
Year 12	0.1442
Year 13	0.1854
Year 14	0.2369
Year 15	0.2987
Year 16	0.3914
Year 17	0.4944
Year 18	0.6386
Year 19	0.8137
Year 20	1.0403

Personal Property PILOTs:

For each item of Project Equipment, the Company will pay a PILOT in each year, starting with the year after such item of Project Equipment is installed at the Project Site and ending with the year in which such item of Project Equipment is replaced, in an amount calculated to equal to 10% of the taxes that would otherwise be due on such item of Project Equipment in that year.

The actual project implementation and abatement timing may vary from what is shown in the Cost Benefit Analysis attached hereto, but PILOTs will be imposed at the rates described above.

11. **Sales and Use Tax Exemption on Construction Materials.** Qualified building materials purchased for the construction of the Project are expected to be exempt from sales and use tax pursuant to the provisions of Section 144.062 of the Revised Statutes of Missouri and the underlying Bond documents upon delivery of a project exemption certificate by the City to the Company. For purposes of determining the impact of the sales and use tax exemptions for the qualified building materials on the affected taxing jurisdictions, it is assumed that the total amount of qualified building materials purchased will be \$3,840,000,000 and that the situs of sale for tax purposes will be the site to which the materials are delivered. Please note that any variance in these assumptions will alter the fiscal impact of the sales and use tax exemptions on the affected taxing jurisdictions.

Based on the assumptions set forth above, the fiscal impact on the affected taxing jurisdictions of the sales and use tax exemptions for qualified building materials is as follows:

	Tax Rate	Estimated Sales/Use Tax Revenues Subject to Exemption
State of Missouri	4.225%	\$162,240,000
Jackson County		
General	0.500	19,200,000
Drug Task Force	0.250	9,600,000
Sports Complex	0.375	14,400,000
Zoo District	0.125	4,800,000
City of Independence		
General Revenue	1.000	38,400,000
Capital Improvement - Police	0.125	4,800,000
Proposition PD – Police	0.250	9,600,000
Fire Protection	0.500	19,200,000
Streets	0.500	19,200,000
Parks	0.250	9,600,000
Storm water	0.250	9,600,000
Children’s Services	0.250	9,600,000
Total	8.60%	\$330,240,000

12. **Special Assessments.** The Project Site is located within the boundaries of the Eastgate Commerce Center Community Improvement District (the “CID”), which imposes a special assessment at the rate of five cents per square foot of occupiable constructed improvements within the CID. This plan shall not abate special assessments imposed on the Project Site, and payment of such special assessments shall be the responsibility of the Company.

* * *

EXHIBIT A

COST BENEFIT ANALYSIS

The Cost Benefit Analysis shows the estimated effect of the Project on taxing jurisdictions. The calendar years shown in the attached Cost Benefit Analysis are for demonstrative purposes only and Project implementation may change the calendar years affected. The Project Improvements will receive abatement for 20 years starting the year after commencement of construction of the initial building to be constructed. Each item of Project Equipment will receive abatement until it is replaced, on a rolling basis, during a total period not exceeding the duration of abatement for the Project Improvements. An estimate of the payments in lieu of taxes is included in the Cost Benefit Analysis. Allocations to taxing jurisdictions may change based on the final location of the improvements and equipment on the Project Site. Actual results will be affected by implementation timing and final investment amounts. Ownership of certain equipment located at the Project Site may be retained by a private-sector company, which will result in such equipment being taxable, potentially decreasing PILOTs shown in the Cost Benefit Analysis but increasing tax revenues to the taxing jurisdictions.

**City of Independence, Missouri
(Nebius Project)**

COST BENEFIT ANALYSIS



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This information is provided based on the factual information and assumptions provided to Gilmore & Bell, P.C. by a party to or a representative of a party to the proposed transaction. This information is intended to provide factual information only and is provided in conjunction with our legal representation. It is not intended as financial advice or a financial recommendation to any party. Gilmore & Bell, P.C. is not a financial advisor or a “municipal advisor” as defined in the Securities Exchange Act of 1934, as amended.

Project Assumptions

- ♦ Initial year taxes assessed (Project Site) 2025
- ♦ Assessed Value of Project Site in 2025 (Agricultural) \$ 30,119
- ♦ Assessed Value of Project Site in 2026 (Commercial) \$ 80,317
- ♦ Assessed Value of Land and Improvements in 2027 (Commercial) \$ 19,514,764
- ♦ Assessed Value of Land and Improvements in 2028 (Commercial) \$ 68,096,867
- ♦ Assessed Value of Land and Improvements in 2029 (Commercial) \$ 116,680,607
- ♦ Assessed Value of Land and Improvements in 2030 (Commercial) \$ 311,009,016
- ♦ Biennial growth rate of appraised value of real property 2.0%
- ♦ Annual investments of personal property

2027	\$ 4,000,000,000	2037	\$ 4,000,000,000
2028	\$ 10,666,666,666	2038	\$ 10,666,666,666
2029	\$ 10,666,666,667	2039	\$ 10,666,666,667
2030	\$ 10,666,666,667	2040	\$ 10,666,666,667
2032	\$ 4,000,000,000	2042	\$ 4,000,000,000
2033	\$ 10,666,666,666	2043	\$ 10,666,666,666
2034	\$ 10,666,666,667	2044	\$ 10,666,666,667
2035	\$ 10,666,666,667	2045	\$ 10,666,666,667

- ♦ Percent of new real and personal property investments allocable to Independence School District 89.8%
- ♦ Percent of new real and personal property investments allocable to Fort Osage School District 10.2%
- ♦ Assessed value as a percentage of appraised value (Project Site, undeveloped) 12.0%
- ♦ Assessed value as a percentage of appraised value of Project Site with Project Improvements 32.0%
- ♦ Assessed value as a percentage of appraised value of Project Equipment (personal property) 33.33%
- ♦ Terms of abatement for personal property (rolling basis): 90%
- ♦ Terms of abatement for real property in years 2025 and 2026: 0.0%
- ♦ PILOT anticipated for real property:

Year	Est. PILOT
2027	18,926
2028	66,242
2029	113,558
2030	302,820
2031	302,820
2032	302,820
2033	302,820
2034	302,820
2035	302,820
2036	302,820

Year	Est. PILOT
2037	302,820
2038	302,820
2039	389,340
2040	497,490
2041	627,270
2042	821,940
2043	1,038,240
2044	1,341,060
2045	1,708,770
2046	2,184,630

- ♦ Personal Property is depreciated using the following 5 year recovery period schedule:

Year	Recovery Period in Years					
	3	5	7	10	15	20
0	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
1	75.00%	85.00%	89.29%	92.50%	95.00%	96.25%
2	37.50%	59.50%	70.16%	78.62%	85.50%	89.03%
3	12.50%	41.65%	55.13%	66.83%	76.95%	82.35%
4	5.00%	24.99%	42.88%	56.81%	69.25%	76.18%
5	5.00%	10.00%	30.63%	48.07%	62.32%	70.46%
6	5.00%	10.00%	18.38%	39.33%	56.09%	65.18%
7	5.00%	10.00%	10.00%	30.59%	50.19%	60.29%
8	5.00%	10.00%	10.00%	21.85%	44.29%	55.77%
9	5.00%	10.00%	10.00%	15.00%	38.38%	51.31%
10	5.00%	10.00%	10.00%	15.00%	32.48%	46.85%
11	5.00%	10.00%	10.00%	15.00%	26.57%	42.38%
12	5.00%	10.00%	10.00%	15.00%	20.67%	37.92%
13	5.00%	10.00%	10.00%	15.00%	15.00%	33.46%
14	5.00%	10.00%	10.00%	15.00%	15.00%	29.00%
15	5.00%	10.00%	10.00%	15.00%	15.00%	24.54%
16	5.00%	10.00%	10.00%	15.00%	15.00%	20.08%
17 and on	5.00%	10.00%	10.00%	15.00%	15.00%	20.00%

Summary of Cost Benefit Analysis

Taxing Jurisdiction	Tax Rate	Projected Tax Revenues on Project Site Without Project (No Abatement)	Projected Tax Revenues Without Abatement - Real Property	Projected PILOT Amount - Real Property	Projected Tax Abatement - Real Property	Projected Tax Revenues Without Abatement - Personal Property	Projected PILOT Amount - Personal Property	Projected Tax Abatement - Personal Property
Independence School District	5.2371	\$ 27,516	\$ 280,403,658	\$ 6,250,093	\$ 274,153,565	\$ 4,572,046,609	\$ 457,204,661	\$ 4,114,841,948
Fort Osage School District	6.2500	12,976	37,923,150	845,665	37,077,486	618,339,554	61,833,955	556,505,599
Mid-Continent Library District	0.3119	2,286	18,592,198	414,432	18,177,766	303,149,790	30,314,979	272,834,811
Metropolitan Junior College	0.1767	1,295	10,532,996	234,787	10,298,209	171,742,763	17,174,276	154,568,487
Mental Health	0.0969	710	5,776,159	128,754	5,647,405	94,181,515	9,418,152	84,763,364
Jackson County	0.5556	4,073	33,119,030	738,244	32,380,786	540,012,899	54,001,290	486,011,609
City of Independence	0.6657	4,880	39,682,034	884,537	38,797,496	-	-	-
Board of Disabled Services	0.0728	534	4,339,570	96,732	4,242,839	70,757,630	7,075,763	63,681,867
State of Missouri	0.0300	220	1,788,285	39,862	1,748,423	29,158,364	2,915,836	26,242,527
Surtax	1.4370	-	85,658,396	1,908,956	83,749,440	-	-	-
		\$ 54,489	\$ 517,815,476	\$ 11,542,062	\$ 506,273,415	\$ 6,399,389,123	\$ 639,938,912	\$ 5,759,450,211

- Notes:
- 1. The Project Site is, and the Project will be, located partially in each of two school districts. Projected tax revenues without the Project have been allocated based on existing assessed values. All other projected amounts have been allocated based on anticipated location of improvements and equipment, allocated as shown on the Project Assumptions page. This allocation is subject to change with actual Project implementation.
 - 2. The City of Independence does not impose its property tax levies on personal property.
 - 3. The merchants' and manufacturers' replacement tax (or surtax) is imposed only on commercial real property.

Projected Tax Revenues on Project Site Without Project (No Abatement)

Estimated Assessed Value of Project Site		\$	30,119	\$	30,119	\$	30,721	\$	30,721	\$	31,336	\$	31,336	\$	31,962	\$	31,962	\$	32,602	\$	32,602	\$	33,254
Taxing Jurisdiction	Tax Rate per \$100		2025		2026		2027		2028		2029		2030		2031		2032		2033		2034		2035
Independence School District	5.2371	\$	1,131	\$	1,131	\$	1,153	\$	1,153	\$	1,176	\$	1,176	\$	1,200	\$	1,200	\$	1,224	\$	1,224	\$	1,248
Fort Osage School District	6.2500		533		533		544		544		555		555		566		566		577		577		589
Mid-Continent Library District	0.3119		94		94		96		96		98		98		100		100		102		102		104
Metropolitan Junior College	0.1767		53		53		54		54		55		55		56		56		58		58		59
Mental Health	0.0969		29		29		30		30		30		30		31		31		32		32		32
Jackson County	0.5556		167		167		171		171		174		174		178		178		181		181		185
City of Independence	0.6657		201		201		205		205		209		209		213		213		217		217		221
Board of Disabled Services	0.0728		22		22		22		22		23		23		23		23		24		24		24
State of Missouri	0.0300		9		9		9		9		9		9		10		10		10		10		10
		\$	2,239	\$	2,239	\$	2,284	\$	2,284	\$	2,329	\$	2,329	\$	2,376	\$	2,376	\$	2,423	\$	2,423	\$	2,472

Estimated Assessed Value of Project Site		\$	33,254	\$	33,919	\$	33,919	\$	34,597	\$	34,597	\$	35,289	\$	35,289	\$	35,995	\$	35,995	\$	36,715	\$	36,715
Taxing Jurisdiction	Tax Rate per \$100	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	Total										
Independence School District	5.2371	\$ 1,248	\$ 1,273	\$ 1,273	\$ 1,299	\$ 1,299	\$ 1,325	\$ 1,325	\$ 1,351	\$ 1,351	\$ 1,378	\$ 1,378	\$ 27,516										
Fort Osage School District	6.2500	589	600	600	612	612	625	625	637	637	650	650	12,976										
Mid-Continent Library District	0.3119	104	106	106	108	108	110	110	112	112	115	115	2,286										
Metropolitan Junior College	0.1767	59	60	60	61	61	62	62	64	64	65	65	1,295										
Mental Health	0.0969	32	33	33	34	34	34	34	35	35	36	36	710										
Jackson County	0.5556	185	188	188	192	192	196	196	200	200	204	204	4,073										
City of Independence	0.6657	221	226	226	230	230	235	235	240	240	244	244	4,880										
Board of Disabled Services	0.0728	24	25	25	25	25	26	26	26	26	27	27	534										
State of Missouri	0.0300	10	10	10	10	10	11	11	11	11	11	11	220										
		\$ 2,472	\$ 2,521	\$ 2,521	\$ 2,572	\$ 2,572	\$ 2,623	\$ 2,623	\$ 2,676	\$ 2,676	\$ 2,729	\$ 2,729	\$ 54,489										

*Without the Project, use would remain agricultural and property would not be subject to surtax.

Projected Tax Revenues Without Abatement - Real Property

Estimated Assessed Value of Project Improvements		\$	30,119	\$	80,317	\$	19,514,764	\$	68,096,867	\$	116,680,607	\$	311,009,016	\$	317,229,197	\$	317,229,197	\$	323,573,781	\$	323,573,781	\$	330,045,256	\$	330,045,256
Taxing Jurisdiction	Tax Rate per \$100		2025		2026		2027		2028		2029		2030		2031		2032		2033		2034		2035		2036
Independence School District	5.2371	\$	1,131	\$	3,778	\$	917,978	\$	3,203,287	\$	5,488,674	\$	14,629,913	\$	14,922,511	\$	14,922,511	\$	15,220,961	\$	15,220,961	\$	15,525,380	\$	15,525,380
Fort Osage School District	6.2500		533		511		124,150		433,224		742,307		1,978,600		2,018,172		2,018,172		2,058,536		2,058,536		2,099,707		2,099,707
Mid-Continent Library District	0.3119		94		251		60,867		212,394		363,927		970,037		989,438		989,438		1,009,227		1,009,227		1,029,411		1,029,411
Metropolitan Junior College	0.1767		53		142		34,483		120,327		206,175		549,553		560,544		560,544		571,755		571,755		583,190		583,190
Mental Health	0.0969		29		78		18,910		65,986		113,064		301,368		307,395		307,395		313,543		313,543		319,814		319,814
Jackson County	0.5556		167		446		108,424		378,346		648,277		1,727,966		1,762,525		1,762,525		1,797,776		1,797,776		1,833,731		1,833,731
City of Independence	0.6657		201		535		129,910		453,321		776,743		2,070,387		2,111,795		2,111,795		2,154,031		2,154,031		2,197,111		2,197,111
Board of Disabled Services	0.0728		22		58		14,207		49,575		84,943		226,415		230,943		230,943		235,562		235,562		240,273		240,273
State of Missouri	0.0300		9		24		5,854		20,429		35,004		93,303		95,169		95,169		97,072		97,072		99,014		99,014
Surtax	1.4370		-		1,154		280,427		978,552		1,676,700		4,469,200		4,558,584		4,558,584		4,649,755		4,649,755		4,742,750		4,742,750
		\$	2,239	\$	6,977	\$	1,695,209	\$	5,915,441	\$	10,135,815	\$	27,016,741	\$	27,557,076	\$	27,557,076	\$	28,108,217	\$	28,108,217	\$	28,670,382	\$	28,670,382

Estimated Assessed Value of Project Improvements	\$	336,646,161	\$ 336,646,161	\$ 343,379,084	\$ 343,379,084	\$ 350,246,666	\$ 350,246,666	\$ 357,251,599	\$ 357,251,599	\$ 364,396,631	\$ 364,396,631	
Taxing Jurisdiction	Tax Rate per \$100	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	Total
Independence School District	5.2371	\$ 15,835,888	\$ 15,835,888	\$ 16,152,606	\$ 16,152,606	\$ 16,475,658	\$ 16,475,658	\$ 16,805,171	\$ 16,805,171	\$ 17,141,274	\$ 17,141,274	\$ 280,403,658
Fort Osage School District	6.2500	2,141,701	2,141,701	2,184,535	2,184,535	2,228,226	2,228,226	2,272,790	2,272,790	2,318,246	2,318,246	37,923,150
Mid-Continent Library District	0.3119	1,049,999	1,049,999	1,070,999	1,070,999	1,092,419	1,092,419	1,114,268	1,114,268	1,136,553	1,136,553	18,592,198
Metropolitan Junior College	0.1767	594,854	594,854	606,751	606,751	618,886	618,886	631,264	631,264	643,889	643,889	10,532,996
Mental Health	0.0969	326,210	326,210	332,734	332,734	339,389	339,389	346,177	346,177	353,100	353,100	5,776,159
Jackson County	0.5556	1,870,406	1,870,406	1,907,814	1,907,814	1,945,970	1,945,970	1,984,890	1,984,890	2,024,588	2,024,588	33,119,030
City of Independence	0.6657	2,241,054	2,241,054	2,285,875	2,285,875	2,331,592	2,331,592	2,378,224	2,378,224	2,425,788	2,425,788	39,682,034
Board of Disabled Services	0.0728	245,078	245,078	249,980	249,980	254,980	254,980	260,079	260,079	265,281	265,281	4,339,570
State of Missouri	0.0300	100,994	100,994	103,014	103,014	105,074	105,074	107,175	107,175	109,319	109,319	1,788,285
Surtax	1.4370	4,837,605	4,837,605	4,934,357	4,934,357	5,033,045	5,033,045	5,133,705	5,133,705	5,236,380	5,236,380	85,658,396
	\$	29,243,789	\$ 29,243,789	\$ 29,828,665	\$ 29,828,665	\$ 30,425,238	\$ 30,425,238	\$ 31,033,743	\$ 31,033,743	\$ 31,654,418	\$ 31,654,418	\$ 517,815,476

Projected PILOT Amount - Real Property

Estimated Assessed Value of Project Improvements	\$	30,119	\$	80,317	\$	19,514,764	\$	68,096,867	\$	116,680,607	\$	311,009,016	\$	317,229,197	\$	317,229,197	\$	323,573,781	\$	323,573,781	\$	330,045,256	\$	330,045,256
	Tax Rate per																							
Taxing Jurisdiction	\$100	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036											
Independence School District	5.2371	\$ 1,131	\$ 3,778	\$ 10,249	\$ 35,871	\$ 61,493	\$ 163,981	\$ 163,981	\$ 163,981	\$ 163,981	\$ 163,981	\$ 163,981	\$ 163,981	\$ 163,981	\$ 163,981	\$ 163,981	\$ 163,981	\$ 163,981	\$ 163,981	\$ 163,981	\$ 163,981	\$ 163,981	\$ 163,981	\$ 163,981
Fort Osage School District	6.2500	533	511	1,386	4,851	8,317	22,177	22,177	22,177	22,177	22,177	22,177	22,177	22,177	22,177	22,177	22,177	22,177	22,177	22,177	22,177	22,177	22,177	22,177
Mid-Continent Library District	0.3119	94	251	680	2,378	4,077	10,873	10,873	10,873	10,873	10,873	10,873	10,873	10,873	10,873	10,873	10,873	10,873	10,873	10,873	10,873	10,873	10,873	10,873
Metropolitan Junior College	0.1767	53	142	385	1,347	2,310	6,160	6,160	6,160	6,160	6,160	6,160	6,160	6,160	6,160	6,160	6,160	6,160	6,160	6,160	6,160	6,160	6,160	6,160
Mental Health	0.0969	29	78	211	739	1,267	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378
Jackson County	0.5556	167	446	1,211	4,237	7,263	19,368	19,368	19,368	19,368	19,368	19,368	19,368	19,368	19,368	19,368	19,368	19,368	19,368	19,368	19,368	19,368	19,368	19,368
City of Independence	0.6657	201	535	1,450	5,076	8,702	23,206	23,206	23,206	23,206	23,206	23,206	23,206	23,206	23,206	23,206	23,206	23,206	23,206	23,206	23,206	23,206	23,206	23,206
Board of Disabled Services	0.0728	22	58	159	555	952	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538
State of Missouri	0.0300	9	24	65	229	392	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046
Surtax	1.4370	-	1,154	3,131	10,958	18,785	50,093	50,093	50,093	50,093	50,093	50,093	50,093	50,093	50,093	50,093	50,093	50,093	50,093	50,093	50,093	50,093	50,093	50,093
		\$ 2,239	\$ 6,977	\$ 18,926	\$ 66,242	\$ 113,558	\$ 302,820	\$ 302,820	\$ 302,820	\$ 302,820	\$ 302,820	\$ 302,820	\$ 302,820	\$ 302,820	\$ 302,820	\$ 302,820	\$ 302,820	\$ 302,820	\$ 302,820	\$ 302,820	\$ 302,820	\$ 302,820	\$ 302,820	\$ 302,820

Estimated Assessed Value of Project Improvements		\$ 336,646,161	\$ 336,646,161	\$ 343,379,084	\$ 343,379,084	\$ 350,246,666	\$ 350,246,666	\$ 357,251,599	\$ 357,251,599	\$ 364,396,631	\$ 364,396,631	
	Tax Rate per											
Taxing Jurisdiction	\$100	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	Total
Independence School District	5.2371	\$ 163,981	\$ 163,981	\$ 210,833	\$ 269,397	\$ 339,675	\$ 445,091	\$ 562,220	\$ 726,201	\$ 925,321	\$ 1,183,005	\$ 6,250,093
Fort Osage School District	6.2500	22,177	22,177	28,514	36,434	45,939	60,196	76,037	98,214	125,144	159,994	845,665
Mid-Continent Library District	0.3119	10,873	10,873	13,979	17,862	22,522	29,512	37,278	48,151	61,353	78,439	414,432
Metropolitan Junior College	0.1767	6,160	6,160	7,920	10,120	12,759	16,719	21,119	27,279	34,758	44,438	234,787
Mental Health	0.0969	3,378	3,378	4,343	5,549	6,997	9,169	11,581	14,959	19,061	24,369	128,754
Jackson County	0.5556	19,368	19,368	24,902	31,819	40,120	52,571	66,405	85,773	109,291	139,727	738,244
City of Independence	0.6657	23,206	23,206	29,836	38,124	48,070	62,988	79,564	102,770	130,949	167,416	884,537
Board of Disabled Services	0.0728	2,538	2,538	3,263	4,169	5,257	6,888	8,701	11,239	14,320	18,308	96,732
State of Missouri	0.0300	1,046	1,046	1,345	1,718	2,166	2,839	3,586	4,631	5,901	7,545	39,862
Surtax	1.4370	50,093	50,093	64,406	82,296	103,765	135,968	171,749	221,843	282,670	361,389	1,908,956
		\$ 302,820	\$ 302,820	\$ 389,340	\$ 497,490	\$ 627,270	\$ 821,940	\$ 1,038,240	\$ 1,341,060	\$ 1,708,770	\$ 2,184,630	\$ 11,542,062

Projected Tax Abatement - Real Property

Estimated Assessed Value of Project Improvements		\$	30,119	\$	80,317	\$	19,514,764	\$	68,096,867	\$	116,680,607	\$	311,009,016	\$	317,229,197	\$	317,229,197	\$	323,573,781	\$	323,573,781	\$	330,045,256	\$	330,045,256
Taxing Jurisdiction	Tax Rate per \$100	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036												
Independence School District	5.2371	\$ -	\$ -	\$ 907,729	\$ 3,167,416	\$ 5,427,181	\$ 14,465,932	\$ 14,758,530	\$ 14,758,530	\$ 15,056,980	\$ 15,056,980	\$ 15,361,399	\$ 15,361,399												
Fort Osage School District	6.2500	-	-	122,764	428,372	733,991	1,956,423	1,995,995	1,995,995	2,036,359	2,036,359	2,077,529	2,077,529												
Mid-Continent Library District	0.3119	-	-	60,187	210,016	359,850	959,164	978,565	978,565	998,354	998,354	1,018,538	1,018,538												
Metropolitan Junior College	0.1767	-	-	34,098	118,980	203,865	543,393	554,384	554,384	565,595	565,595	577,030	577,030												
Mental Health	0.0969	-	-	18,699	65,247	111,797	297,990	304,017	304,017	310,165	310,165	316,436	316,436												
Jackson County	0.5556	-	-	107,214	374,109	641,014	1,708,598	1,743,157	1,743,157	1,778,408	1,778,408	1,814,363	1,814,363												
City of Independence	0.6657	-	-	128,459	448,244	768,040	2,047,181	2,088,589	2,088,589	2,130,825	2,130,825	2,173,905	2,173,905												
Board of Disabled Services	0.0728	-	-	14,048	49,019	83,992	223,877	228,405	228,405	233,024	233,024	237,735	237,735												
State of Missouri	0.0300	-	-	5,789	20,200	34,612	92,257	94,123	94,123	96,026	96,026	97,968	97,968												
Surtax	1.4370	-	-	277,296	967,594	1,657,915	4,419,106	4,508,490	4,508,490	4,599,662	4,599,662	4,692,657	4,692,657												
		\$ -	\$ -	\$ 1,676,283	\$ 5,849,199	\$ 10,022,257	\$ 26,713,921	\$ 27,254,256	\$ 27,254,256	\$ 27,805,397	\$ 27,805,397	\$ 28,367,562	\$ 28,367,562												

Estimated Assessed Value of Project Improvements		\$ 336,646,161	\$ 336,646,161	\$ 343,379,084	\$ 343,379,084	\$ 350,246,666	\$ 350,246,666	\$ 357,251,599	\$ 357,251,599	\$ 364,396,631	\$ 364,396,631	
	Tax Rate											
Taxing Jurisdiction	per \$100	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	Total
Independence School District	5.2371	\$ 15,671,907	\$ 15,671,907	\$ 15,941,773	\$ 15,883,208	\$ 16,135,983	\$ 16,030,567	\$ 16,242,951	\$ 16,078,970	\$ 16,215,953	\$ 15,958,269	\$ 274,153,565
Fort Osage School District	6.2500	2,119,523	2,119,523	2,156,021	2,148,101	2,182,287	2,168,030	2,196,753	2,174,576	2,193,102	2,158,252	37,077,486
Mid-Continent Library District	0.3119	1,039,127	1,039,127	1,057,020	1,053,137	1,069,897	1,062,908	1,076,990	1,066,117	1,075,200	1,058,114	18,177,766
Metropolitan Junior College	0.1767	588,694	588,694	598,831	596,631	606,126	602,167	610,145	603,985	609,130	599,451	10,298,209
Mental Health	0.0969	322,832	322,832	328,391	327,185	332,392	330,220	334,595	331,217	334,039	328,731	5,647,405
Jackson County	0.5556	1,851,038	1,851,038	1,882,912	1,875,995	1,905,851	1,893,400	1,918,485	1,899,117	1,915,296	1,884,861	32,380,786
City of Independence	0.6657	2,217,847	2,217,847	2,256,038	2,247,750	2,283,522	2,268,604	2,298,660	2,275,454	2,294,839	2,258,373	38,797,496
Board of Disabled Services	0.0728	242,541	242,541	246,717	245,811	249,723	248,091	251,378	248,840	250,960	246,972	4,242,839
State of Missouri	0.0300	99,948	99,948	101,669	101,296	102,908	102,235	103,590	102,544	103,418	101,774	1,748,423
Surtax	1.4370	4,787,512	4,787,512	4,869,952	4,852,061	4,929,279	4,897,077	4,961,956	4,911,863	4,953,709	4,874,991	83,749,440
		\$ 28,940,969	\$ 28,940,969	\$ 29,439,325	\$ 29,331,175	\$ 29,797,968	\$ 29,603,298	\$ 29,995,503	\$ 29,692,683	\$ 29,945,648	\$ 29,469,788	\$ 506,273,415

Projected Tax Revenues Without Abatement- Personal Property

Estimated Assessed Value of Personal Property		\$	1,133,220,000	\$	3,815,174,000	\$	5,692,541,800	\$	6,951,171,480	\$	4,617,849,280	\$	3,857,925,280	\$	5,059,138,480	\$	6,048,061,800	\$6,951,171,480	\$4,617,849,280		
Taxing Jurisdiction	Tax Rate per \$100		2028		2029		2030		2031		2032		2033		2034		2035		2036		2037
Independence School District	5.2371	\$	53,306,845	\$	179,466,380	\$	267,778,054	\$	326,984,190	\$	217,224,350	\$	181,477,407	\$	237,982,663	\$	284,501,770	\$	326,984,190	\$	217,224,350
Fort Osage School District	6.2500		7,209,404		24,271,660		36,215,239		44,222,484		29,378,180		24,543,638		32,185,607		38,477,013		44,222,484		29,378,180
Mid-Continent Library District	0.3119		3,534,513		11,899,528		17,755,038		21,680,704		14,403,072		12,032,869		15,779,453		18,863,905		21,680,704		14,403,072
Metropolitan Junior College	0.1767		2,002,400		6,741,412		10,058,721		12,282,720		8,159,740		6,816,954		8,939,498		10,686,925		12,282,720		8,159,740
Mental Health	0.0969		1,098,090		3,696,904		5,516,073		6,735,685		4,474,696		3,738,330		4,902,305		5,860,572		6,735,685		4,474,696
Jackson County	0.5556		6,296,170		21,197,107		31,627,762		38,620,709		25,656,771		21,434,633		28,108,573		33,603,031		38,620,709		25,656,771
Board of Disabled Services	0.0728		824,984		2,777,447		4,144,170		5,060,453		3,361,794		2,808,570		3,683,053		4,402,989		5,060,453		3,361,794
State of Missouri	0.0300		339,966		1,144,552		1,707,763		2,085,351		1,385,355		1,157,378		1,517,742		1,814,419		2,085,351		1,385,355
		\$	74,612,373	\$	251,194,989	\$	374,802,821	\$	457,672,296	\$	304,043,957	\$	254,009,778	\$	333,098,893	\$	398,210,624	\$	457,672,296	\$	304,043,957

Estimated Assessed Value of Personal Property		\$	3,857,925,280	\$	5,059,138,480	\$	6,048,061,800	\$	6,951,171,480	\$	4,617,849,280	\$	3,857,925,280	\$	5,059,138,480	\$	6,048,061,800	\$6,951,171,480		
Taxing Jurisdiction	Tax Rate per \$100		2038		2039		2040		2041		2042		2043		2044		2045		2046	Total
Independence School District	5.2371	\$	181,477,407	\$	237,982,663	\$	284,501,770	\$	326,984,190	\$	217,224,350	\$	181,477,407	\$	237,982,663	\$	284,501,770	\$	326,984,190	\$4,572,046,609
Fort Osage School District	6.2500		24,543,638		32,185,607		38,477,013		44,222,484		29,378,180		24,543,638		32,185,607		38,477,013		44,222,484	618,339,554
Mid-Continent Library District	0.3119		12,032,869		15,779,453		18,863,905		21,680,704		14,403,072		12,032,869		15,779,453		18,863,905		21,680,704	303,149,790
Metropolitan Junior College	0.1767		6,816,954		8,939,498		10,686,925		12,282,720		8,159,740		6,816,954		8,939,498		10,686,925		12,282,720	171,742,763
Mental Health	0.0969		3,738,330		4,902,305		5,860,572		6,735,685		4,474,696		3,738,330		4,902,305		5,860,572		6,735,685	94,181,515
Jackson County	0.5556		21,434,633		28,108,573		33,603,031		38,620,709		25,656,771		21,434,633		28,108,573		33,603,031		38,620,709	540,012,899
Board of Disabled Services	0.0728		2,808,570		3,683,053		4,402,989		5,060,453		3,361,794		2,808,570		3,683,053		4,402,989		5,060,453	70,757,630
State of Missouri	0.0300		1,157,378		1,517,742		1,814,419		2,085,351		1,385,355		1,157,378		1,517,742		1,814,419		2,085,351	29,158,364
		\$	254,009,778	\$	333,098,893	\$	398,210,624	\$	457,672,296	\$	304,043,957	\$	254,009,778	\$	333,098,893	\$	398,210,624	\$	457,672,296	\$6,399,389,123

Personal Property Assessed Value (5-Year Depreciation)											
		2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
2027	4,000,000,000	1,133,220,000	793,254,000	555,277,800	333,166,680	133,320,000					
2028	10,666,666,666		3,021,920,000	2,115,344,000	1,480,740,800	888,444,480	355,520,000				
2029	10,666,666,667			3,021,920,000	2,115,344,000	1,480,740,800	888,444,480	355,520,000			
2030	10,666,666,667				3,021,920,000	2,115,344,000	1,480,740,800	888,444,480	355,520,000		
2032	4,000,000,000						1,133,220,000	793,254,000	555,277,800	333,166,680	133,320,000
2033	10,666,666,666							3,021,920,000	2,115,344,000	1,480,740,800	888,444,480
2034	10,666,666,667								3,021,920,000	2,115,344,000	1,480,740,800
2035	10,666,666,667									3,021,920,000	2,115,344,000
		1,133,220,000	3,815,174,000	5,692,541,800	6,951,171,480	4,617,849,280	3,857,925,280	5,059,138,480	6,048,061,800	6,951,171,480	4,617,849,280

Personal Property Assessed Value (5-Year Depreciation)										
		2038	2039	2040	2041	2042	2043	2044	2045	2046
2033	10,666,666,666	355,520,000								
2034	10,666,666,667	888,444,480	355,520,000							
2035	10,666,666,667	1,480,740,800	888,444,480	355,520,000						
2037	4,000,000,000	1,133,220,000	793,254,000	555,277,800	333,166,680	133,320,000				
2038	10,666,666,666		3,021,920,000	2,115,344,000	1,480,740,800	888,444,480	355,520,000			
2039	10,666,666,667			3,021,920,000	2,115,344,000	1,480,740,800	888,444,480	355,520,000		
2040	10,666,666,667				3,021,920,000	2,115,344,000	1,480,740,800	888,444,480	355,520,000	
2042	4,000,000,000						1,133,220,000	793,254,000	555,277,800	333,166,680
2043	10,666,666,666							3,021,920,000	2,115,344,000	1,480,740,800
2044	10,666,666,667								3,021,920,000	2,115,344,000
2045	10,666,666,667									3,021,920,000
		3,857,925,280	5,059,138,480	6,048,061,800	6,951,171,480	4,617,849,280	3,857,925,280	5,059,138,480	6,048,061,800	6,951,171,480

Projected PILOT Amount - Personal Property

Estimated Assessed Value of Personal Property Acquired in 2027 PILOT Payment	\$1,133,220,000 10.00%	\$ 793,254,000 10.00%	\$ 555,277,800 10.00%	\$ 333,166,680 10.00%	\$ 133,320,000 10.00%							
Estimated Assessed Value of Personal Property Acquired in 2028 PILOT Payment		\$3,021,920,000 10.00%	\$2,115,344,000 10.00%	\$1,480,740,800 10.00%	\$ 888,444,480 10.00%	\$ 355,520,000 10.00%						
Estimated Assessed Value of Personal Property Acquired in 2029 PILOT Payment			\$3,021,920,000 10.00%	\$2,115,344,000 10.00%	\$1,480,740,800 10.00%	\$ 888,444,480 10.00%	\$ 355,520,000 10.00%					
Estimated Assessed Value of Personal Property Acquired in 2030 PILOT Payment				\$3,021,920,000 10.00%	\$2,115,344,000 10.00%	\$ 1,480,740,800 10.00%	\$ 888,444,480 10.00%	\$ 355,520,000 10.00%				
Estimated Assessed Value of Personal Property Acquired in 2032 PILOT Payment						\$ 1,133,220,000 10.00%	\$ 793,254,000 10.00%	\$ 555,277,800 10.00%	\$ 333,166,680 10.00%	\$ 133,320,000 10.00%		
Estimated Assessed Value of Personal Property Acquired in 2033 PILOT Payment							\$ 3,021,920,000 10.00%	\$ 2,115,344,000 10.00%	\$ 1,480,740,800 10.00%	\$ 888,444,480 10.00%		
Estimated Assessed Value of Personal Property Acquired in 2034 PILOT Payment								\$ 3,021,920,000 10.00%	\$ 2,115,344,000 10.00%	\$1,480,740,800 10.00%		
Estimated Assessed Value of Personal Property Acquired in 2035 PILOT Payment									\$ 3,021,920,000 10.00%	\$2,115,344,000 10.00%		

Taxing Jurisdiction	Tax Rate per \$100	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Independence School District	5.2371	\$ 5,330,685	\$ 17,946,638	\$ 26,777,805	\$ 32,698,419	\$ 21,722,435	\$ 18,147,741	\$ 23,798,266	\$ 28,450,177	\$ 32,698,419	\$ 21,722,435
Fort Osage School District	6.2500	720,940	2,427,166	3,621,524	4,422,248	2,937,818	2,454,364	3,218,561	3,847,701	4,422,248	2,937,818
Mid-Continent Library District	0.3119	353,451	1,189,953	1,775,504	2,168,070	1,440,307	1,203,287	1,577,945	1,886,390	2,168,070	1,440,307
Metropolitan Junior College	0.1767	200,240	674,141	1,005,872	1,228,272	815,974	681,695	893,950	1,068,693	1,228,272	815,974
Mental Health	0.0969	109,809	369,690	551,607	673,569	447,470	373,833	490,231	586,057	673,569	447,470
Jackson County	0.5556	629,617	2,119,711	3,162,776	3,862,071	2,565,677	2,143,463	2,810,857	3,360,303	3,862,071	2,565,677
Board of Disabled Services	0.0728	82,498	277,745	414,417	506,045	336,179	280,857	368,305	440,299	506,045	336,179
State of Missouri	0.0300	33,997	114,455	170,776	208,535	138,535	115,738	151,774	181,442	208,535	138,535
		\$ 7,461,237	\$ 25,119,499	\$ 37,480,282	\$ 45,767,230	\$ 30,404,396	\$ 25,400,978	\$ 33,309,889	\$ 39,821,062	\$ 45,767,230	\$ 30,404,396

Projected PILOT Amount - Personal Property

Estimated Assessed Value of Personal Property Acquired in 2033 PILOT Payment	\$ 355,520,000 10.00%											
Estimated Assessed Value of Personal Property Acquired in 2034 PILOT Payment	\$ 888,444,480 10.00%	\$ 355,520,000 10.00%										
Estimated Assessed Value of Personal Property Acquired in 2035 PILOT Payment	\$1,480,740,800 10.00%	\$ 888,444,480 10.00%	\$ 355,520,000 10.00%									
Estimated Assessed Value of Personal Property Acquired in 2037 PILOT Payment	\$1,133,220,000 10.00%	\$ 793,254,000 10.00%	\$ 555,277,800 10.00%	\$ 333,166,680 10.00%	\$ 133,320,000 10.00%							
Estimated Assessed Value of Personal Property Acquired in 2038 PILOT Payment		\$3,021,920,000 10.00%	\$2,115,344,000 10.00%	\$1,480,740,800 10.00%	\$ 888,444,480 10.00%	\$ 355,520,000 10.00%						
Estimated Assessed Value of Personal Property Acquired in 2039 PILOT Payment			\$3,021,920,000 10.00%	\$2,115,344,000 10.00%	\$1,480,740,800 10.00%	\$ 888,444,480 10.00%	\$ 355,520,000 10.00%					
Estimated Assessed Value of Personal Property Acquired in 2040 PILOT Payment				\$3,021,920,000 10.00%	\$2,115,344,000 10.00%	\$ 1,480,740,800 10.00%	\$ 888,444,480 10.00%	\$ 355,520,000 10.00%				
Estimated Assessed Value of Personal Property Acquired in 2042 PILOT Payment						\$ 1,133,220,000 10.00%	\$ 793,254,000 10.00%	\$ 555,277,800 10.00%	\$ 333,166,680 10.00%			
Estimated Assessed Value of Personal Property Acquired in 2043 PILOT Payment							\$ 3,021,920,000 10.00%	\$ 2,115,344,000 10.00%	\$ 1,480,740,800 10.00%			
Estimated Assessed Value of Personal Property Acquired in 2044 PILOT Payment								\$ 3,021,920,000 10.00%	\$ 2,115,344,000 10.00%			
Estimated Assessed Value of Personal Property Acquired in 2045 PILOT Payment										\$ 3,021,920,000 10.00%		

Taxing Jurisdiction	Tax Rate per \$100	2038	2039	2040	2041	2042	2043	2044	2045	2046	Total
Independence School District	5.2371	\$ 18,147,741	\$ 23,798,266	\$ 28,450,177	\$ 32,698,419	\$ 21,722,435	\$ 18,147,741	\$ 23,798,266	\$ 28,450,177	\$ 32,698,419	\$ 457,204,661
Fort Osage School District	6.2500	2,454,364	3,218,561	3,847,701	4,422,248	2,937,818	2,454,364	3,218,561	3,847,701	4,422,248	61,833,955
Mid-Continent Library District	0.3119	1,203,287	1,577,945	1,886,390	2,168,070	1,440,307	1,203,287	1,577,945	1,886,390	2,168,070	30,314,979
Metropolitan Junior College	0.1767	681,695	893,950	1,068,693	1,228,272	815,974	681,695	893,950	1,068,693	1,228,272	17,174,276
Mental Health	0.0969	373,833	490,231	586,057	673,569	447,470	373,833	490,231	586,057	673,569	9,418,152
Jackson County	0.5556	2,143,463	2,810,857	3,360,303	3,862,071	2,565,677	2,143,463	2,810,857	3,360,303	3,862,071	54,001,290
Board of Disabled Services	0.0728	280,857	368,305	440,299	506,045	336,179	280,857	368,305	440,299	506,045	7,075,763
State of Missouri	0.0300	115,738	151,774	181,442	208,535	138,535	115,738	151,774	181,442	208,535	2,915,836
		\$ 25,400,978	\$ 33,309,889	\$ 39,821,062	\$ 45,767,230	\$ 30,404,396	\$ 25,400,978	\$ 33,309,889	\$ 39,821,062	\$ 45,767,230	\$ 639,938,912

Projected Tax Abatement - Personal Property

Estimated Assessed Value of Personal Property Acquired in 2027 Abatement Percentage	\$1,133,220,000 90.00%	\$ 793,254,000 90.00%	\$ 555,277,800 90.00%	\$ 333,166,680 90.00%	\$ 133,320,000 90.00%						
Estimated Assessed Value of Personal Property Acquired in 2028 Abatement Percentage		\$3,021,920,000 90.00%	\$2,115,344,000 90.00%	\$1,480,740,800 90.00%	\$ 888,444,480 90.00%	\$ 355,520,000 90.00%					
Estimated Assessed Value of Personal Property Acquired in 2029 Abatement Percentage			\$3,021,920,000 90.00%	\$2,115,344,000 90.00%	\$1,480,740,800 90.00%	\$ 888,444,480 90.00%	\$ 355,520,000 90.00%				
Estimated Assessed Value of Personal Property Acquired in 2030 Abatement Percentage				\$3,021,920,000 90.00%	\$2,115,344,000 90.00%	\$ 1,480,740,800 90.00%	\$ 888,444,480 90.00%	\$ 355,520,000 90.00%			
Estimated Assessed Value of Personal Property Acquired in 2032 Abatement Percentage						\$ 1,133,220,000 90.00%	\$ 793,254,000 90.00%	\$ 555,277,800 90.00%	\$ 333,166,680 90.00%	\$ 133,320,000 90.00%	
Estimated Assessed Value of Personal Property Acquired in 2033 Abatement Percentage							\$ 3,021,920,000 90.00%	\$ 2,115,344,000 90.00%	\$ 1,480,740,800 90.00%	\$ 888,444,480 90.00%	
Estimated Assessed Value of Personal Property Acquired in 2034 Abatement Percentage								\$ 3,021,920,000 90.00%	\$ 2,115,344,000 90.00%	\$1,480,740,800 90.00%	
Estimated Assessed Value of Personal Property Acquired in 2035 Abatement Percentage									\$ 3,021,920,000 90.00%	\$2,115,344,000 90.00%	
Taxing Jurisdiction	Tax Rate per \$100	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Independence School District	5.2371	\$ 47,976,161	\$ 161,519,742	\$ 241,000,248	\$ 294,285,771	\$ 195,501,915	\$ 163,329,666	\$ 214,184,397	\$ 256,051,593	\$ 294,285,771	\$ 195,501,915
Fort Osage School District	6.2500	6,488,464	21,844,494	32,593,715	39,800,236	26,440,362	22,089,275	28,967,046	34,629,312	39,800,236	26,440,362
Mid-Continent Library District	0.3119	3,181,062	10,709,575	15,979,534	19,512,633	12,962,765	10,829,582	14,201,508	16,977,514	19,512,633	12,962,765
Metropolitan Junior College	0.1767	1,802,160	6,067,271	9,052,849	11,054,448	7,343,766	6,135,259	8,045,548	9,618,233	11,054,448	7,343,766
Mental Health	0.0969	988,281	3,327,213	4,964,466	6,062,117	4,027,226	3,364,497	4,412,075	5,274,515	6,062,117	4,027,226
Jackson County	0.5556	5,666,553	19,077,396	28,464,986	34,758,638	23,091,094	19,291,170	25,297,716	30,242,728	34,758,638	23,091,094
Board of Disabled Services	0.0728	742,486	2,499,702	3,729,753	4,554,408	3,025,615	2,527,713	3,314,748	3,962,690	4,554,408	3,025,615
State of Missouri	0.0300	305,969	1,030,097	1,536,986	1,876,816	1,246,819	1,041,640	1,365,967	1,632,977	1,876,816	1,246,819
		\$ 67,151,136	\$ 226,075,490	\$ 337,322,539	\$ 411,905,067	\$ 273,639,561	\$ 228,608,800	\$ 299,789,004	\$ 358,389,562	\$ 411,905,067	\$ 273,639,561

Projected Tax Abatement - Personal Property

Estimated Assessed Value of Personal Property Acquired in 2033 Abatement Percentage	\$ 355,520,000 90.00%											
Estimated Assessed Value of Personal Property Acquired in 2034 Abatement Percentage	\$ 888,444,480 90.00%	\$ 355,520,000 90.00%										
Estimated Assessed Value of Personal Property Acquired in 2035 Abatement Percentage	\$1,480,740,800 90.00%	\$ 888,444,480 90.00%	\$ 355,520,000 90.00%									
Estimated Assessed Value of Personal Property Acquired in 2037 Abatement Percentage	\$1,133,220,000 90.00%	\$ 793,254,000 90.00%	\$ 555,277,800 90.00%	\$ 333,166,680 90.00%	\$ 133,320,000 90.00%							
Estimated Assessed Value of Personal Property Acquired in 2038 Abatement Percentage		\$3,021,920,000 90.00%	\$2,115,344,000 90.00%	\$1,480,740,800 90.00%	\$ 888,444,480 90.00%	\$ 355,520,000 90.00%						
Estimated Assessed Value of Personal Property Acquired in 2039 Abatement Percentage			\$3,021,920,000 90.00%	\$2,115,344,000 90.00%	\$1,480,740,800 90.00%	\$ 888,444,480 90.00%	\$ 355,520,000 90.00%					
Estimated Assessed Value of Personal Property Acquired in 2040 Abatement Percentage				\$3,021,920,000 90.00%	\$2,115,344,000 90.00%	\$ 1,480,740,800 90.00%	\$ 888,444,480 90.00%	\$ 355,520,000 90.00%				
Estimated Assessed Value of Personal Property Acquired in 2042 Abatement Percentage						\$ 1,133,220,000 90.00%	\$ 793,254,000 90.00%	\$ 555,277,800 90.00%	\$ 333,166,680 90.00%			
Estimated Assessed Value of Personal Property Acquired in 2043 Abatement Percentage							\$ 3,021,920,000 90.00%	\$ 2,115,344,000 90.00%	\$ 1,480,740,800 90.00%			
Estimated Assessed Value of Personal Property Acquired in 2044 Abatement Percentage								\$ 3,021,920,000 90.00%	\$ 2,115,344,000 90.00%			
Estimated Assessed Value of Personal Property Acquired in 2045 Abatement Percentage										\$ 3,021,920,000 90.00%		

Taxing Jurisdiction	Tax Rate per \$100	2038	2039	2040	2041	2042	2043	2044	2045	2046	Total
Independence School District	5.2371	\$ 163,329,666	\$ 214,184,397	\$ 256,051,593	\$ 294,285,771	\$ 195,501,915	\$ 163,329,666	\$ 214,184,397	\$ 256,051,593	\$ 294,285,771	\$4,114,841,948
Fort Osage School District	6.2500	22,089,275	28,967,046	34,629,312	39,800,236	26,440,362	22,089,275	28,967,046	34,629,312	39,800,236	556,505,599
Mid-Continent Library District	0.3119	10,829,582	14,201,508	16,977,514	19,512,633	12,962,765	10,829,582	14,201,508	16,977,514	19,512,633	272,834,811
Metropolitan Junior College	0.1767	6,135,259	8,045,548	9,618,233	11,054,448	7,343,766	6,135,259	8,045,548	9,618,233	11,054,448	154,568,487
Mental Health	0.0969	3,364,497	4,412,075	5,274,515	6,062,117	4,027,226	3,364,497	4,412,075	5,274,515	6,062,117	84,763,364
Jackson County	0.5556	19,291,170	25,297,716	30,242,728	34,758,638	23,091,094	19,291,170	25,297,716	30,242,728	34,758,638	486,011,609
Board of Disabled Services	0.0728	2,527,713	3,314,748	3,962,690	4,554,408	3,025,615	2,527,713	3,314,748	3,962,690	4,554,408	63,681,867
State of Missouri	0.0300	1,041,640	1,365,967	1,632,977	1,876,816	1,246,819	1,041,640	1,365,967	1,632,977	1,876,816	26,242,527
		\$ 228,608,800	\$ 299,789,004	\$ 358,389,562	\$ 411,905,067	\$ 273,639,561	\$ 228,608,800	\$ 299,789,004	\$ 358,389,562	\$ 411,905,067	\$5,759,450,211

**CITY OF INDEPENDENCE, MISSOURI,
the City**

AND

**BOKF, N.A.,
as Trustee**

TRUST INDENTURE

Dated as of February 1, 2026

Relating to:

**\$6,609,000,000
(Aggregate Maximum Principal Amount)
City of Independence, Missouri
Taxable Industrial Development Revenue Bonds
(Nebius Project - Real Property)
Series 2026**

TRUST INDENTURE

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TRUST INDENTURE

THIS TRUST INDENTURE dated as of February 1, 2026 (the “Indenture”), is between the **CITY OF INDEPENDENCE, MISSOURI**, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri (the “City”), and **BOKEF, N.A.**, Kansas City, Missouri, 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 a corporate trust office located in Kansas City, Missouri, as Trustee (the “Trustee”);

RECITALS:

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

2. Pursuant to the Act, the City Council passed an ordinance (the “Ordinance”) on _____, 2026, authorizing the City to issue its Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026, in the maximum principal amount of \$6,609,000,000 (the “Bonds”), for the purpose of acquiring, constructing and improving certain real property located at and surrounding 501 North Bly Road in the City (the “Project Site,” as more fully described on **Exhibit A** hereto), including the construction and improvement of multiple buildings with a combined square footage of approximately 2,100,000 square feet on the Project Site (the “Project Improvements,” as more fully described on **Exhibit B** hereto).

3. The Ordinance authorizes the City to lease the Project Site and the Project Improvements (collectively, the “Project”) to Missouri ADC Holdings, LLC, a Delaware limited liability company (the “Company”).

4. Pursuant to the Ordinance, the City is authorized to execute and deliver (a) this Indenture for the purpose of issuing and securing the Bonds, (b) the Lease Agreement of even date herewith (the “Lease”) with the Company, under which the City, as lessor, will, or will cause the Company to, construct and improve the Project and will lease the Project to the Company, as lessee, in consideration of rentals that will be sufficient to pay the principal of and interest on the Bonds, and (c) the Performance Agreement for the purpose of setting forth the terms and conditions of the Project’s exemption from ad valorem real property taxes and certain payments in lieu of taxes to be made by the Company with respect to the Project.

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

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

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

(a) Excluding the Unassigned Rights, all right, title and interest of the City in and to the Project together with the tenements, hereditaments, appurtenances, rights, easements, privileges and immunities thereunto belonging or appertaining and, to the extent permissible, all permits, certificates, approvals and authorizations;

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

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

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

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

PROVIDED, HOWEVER, that if the City pays, or causes to be paid, the principal of and interest on the Bonds, at the time and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, or provides for the payment thereof (as provided in **Article XIII** hereof), and pays or causes to be paid to the Trustee all other sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights 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 the Trust Estate is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the City does hereby agree and covenant with the Trustee and with the respective Owners from time to time, as follows:

ARTICLE I

DEFINITIONS

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

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

“Additional Rent” means the additional rental described in **Sections 5.2** and **6.2** of the Lease.

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

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

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

“Bond” or **“Bonds”** means the Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026, in the maximum aggregate principal amount of \$6,609,000,000, issued, authenticated and delivered under and pursuant to this Indenture.

“Bond Fund” means the “City of Independence, Missouri, Bond Fund (Nebius Project - Real Property)” created in **Section 501** of this Indenture.

“Bond Purchase Agreement” means the agreement by that name with respect to the Bonds, dated as of February 1, 2026, by and between the City and the Purchaser.

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

“City” means the City of Independence, Missouri, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri, and its successors and assigns.

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

“Closing Price” means the amount specified in writing by the Purchaser and agreed to by the City as the amount required to pay for the initial issuance of the Bonds on the Closing Date.

“Company” means Missouri ADC Holdings, LLC, a Delaware limited liability company, and its successors or assigns.

“Completion Date” means the date of execution of the certificate required pursuant to **Section 504** hereof.

“Costs of Issuance Fund” means the “City of Independence, Missouri, Costs of Issuance Fund (Nebius Project - Real Property)” created in **Section 501** hereof.

“Cumulative Outstanding Principal Amount” means an amount equal to the aggregate of all amounts paid into the Project Fund in accordance with the provisions of this Indenture, the Bond Purchase Agreement and the Lease, as reflected in the bond registration records maintained by the Trustee or in the Table of Cumulative Outstanding Principal Amount set forth in the form of Bond in **Section 402** hereof.

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

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

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

“Investment Securities” means any of the following securities:

- (a) Government Securities;
- (b) obligations of the Federal Financing Bank, the Federal Intermediate Credit Corporation, Federal Banks for Cooperatives, Federal Land Banks, and Farmers Home Administration;
- (c) direct and general obligations of any state of the United States of America, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, provided that at the time of their purchase under this Indenture such obligations are rated in either of the two highest rating categories by a nationally-recognized bond rating agency;
- (d) certificates of deposit, whether negotiable or nonnegotiable, and U.S. dollar denominated deposit accounts issued by any bank or trust company organized under the laws of

any state of the United States of America or any national banking association (including the Trustee or any of its affiliates), provided that such certificates of deposit or deposit accounts shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described above in clauses (a) through (c), inclusive, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit and shall be deposited with the Trustee or a custodian bank, trust company or national banking association. The bank, trust company or national banking association holding each such certificate of deposit required to be so secured shall furnish the Trustee written evidence that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount at least equal to the principal amount of each such certificate of deposit and the Trustee shall be entitled to rely on each such undertaking;

(e) shares of a fund registered under the Investment Company Act of 1940, as amended, whose shares are registered under the Securities Act of 1933, as amended, having assets of at least \$100,000,000, and which shares, at the time of purchase, are rated by S&P and Moody's in one of the two highest rating categories (without regard to any refinements or gradation of rating category by numerical modifier or otherwise) assigned by such rating agencies for obligations of that nature; or

(f) any other investment approved in writing by the Authorized City Representative and the Owners of all of the Outstanding Bonds.

"Lease" means the Lease Agreement dated as of February 1, 2026, between the City, as lessor, and the Company, as lessee, as from time to time amended and supplemented by Supplemental Leases in accordance with the provisions thereof and of **Article XII** of this Indenture.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, "Moody's" will be deemed to refer to any other nationally recognized securities rating agency designated by the Authorized Company Representative.

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

(a) Bonds subsequently cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of **Section 1302** hereof; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Indenture.

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

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

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

“Performance Agreement” means the Performance Agreement dated as of February 1, 2026, between the City and the Company, as amended and supplemented from time to time.

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

“Project” means the Project Site and the Project Improvements as they may at any time exist.

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

(a) all costs and expenses necessary or incident to the acquisition of the Project Site and the construction and improvement of the Project Improvements located on the Project Site;

(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 and improvement of the Project or the issuance of the Bonds;

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

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

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

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

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

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

“Project Fund” means the “City of Independence, Missouri, Project Fund (Nebius Project - Real Property)” created in **Section 501** hereof.

“Project Improvements” means the buildings, structures, improvements and fixtures to be purchased, constructed, installed and otherwise improved or located on the Project Site pursuant to **Article IV** of the Lease and paid for in whole or in part from the proceeds of Bonds, as described in **Exhibit B** attached hereto, as the same may be adjusted in accordance with the Lease.

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

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

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

“State” means the State of Missouri.

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

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

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

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

“Unassigned Rights” means (1) the City’s right to receive moneys for its own account, including but not limited to payments in lieu of taxes, (2) the City’s rights to indemnification or to be protected from liabilities by insurance policies required by the Lease, and (3) the rights of the City to provide any consent or approval under the Lease and to enforce provisions of the Lease relating to the completion, condition or use of the Project (including but not limited to **Section 10.9** of the Lease).

Section 102. Rules of Interpretation.

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

(b) Wherever in this Indenture it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

(c) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision.

(d) Whenever an item or items are listed after the word “including”, such listing is not intended to be a listing that excludes items not listed.

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

ARTICLE II

THE BONDS

Section 201. Title and Amount of Bonds. No Bonds may be issued under this Indenture except in accordance with the provisions of this Article. The Bonds authorized to be issued under this Indenture shall be designated as “City of Independence, Missouri, Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026.” The maximum total principal amount of Bonds that may be issued hereunder is hereby expressly limited to \$6,609,000,000.

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

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

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

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

Section 204. Method and Place of Payment of Bonds.

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

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

(c) The Bonds and the original **Schedule I** thereto shall be held by the Trustee in trust, unless otherwise directed in writing by the Owner. If the Bonds are held by the Trustee, the Trustee shall, upon written request, send a revised copy of **Schedule I** via facsimile or other electronic means to the Owner, the Company (if not the Owner) and the City. Absent manifest error, the amounts shown on **Schedule I** as noted by the Trustee shall be conclusive evidence of the principal amount paid on the Bonds.

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

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

Section 205. Execution and Authentication of Bonds.

(a) The Bonds shall be executed on behalf of the City by the manual or facsimile signature of its Mayor or (Interim) City Manager and attested by the manual or facsimile signature of the City Clerk, and shall have the corporate seal of the City affixed thereto or imprinted thereon. If any officer whose signature or facsimile thereof appears on the Bonds ceases to be such officer before the delivery of such Bond, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if such Person had remained in office until delivery. Any Bond may be signed by such Persons

as at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such Persons may not have been such officers.

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

Section 206. Registration, Transfer and Exchange of Bonds.

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

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

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

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

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

Section 208. Authorization of the Bonds.

(a) The Bonds are authorized in the aggregate maximum principal amount of \$6,609,000,000 for the purpose of providing funds to pay the costs of the Project, which Bonds shall be designated “City of Independence, Missouri, Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026.” The Bonds shall be dated as provided in **Section 203(b)** hereof, shall become due on **December 1, 2046** (subject to prior redemption as provided in **Article III** hereof) and shall bear interest as specified in **Section 208(f)** hereof, payable on the dates specified in **Section 208(f)** hereof.

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

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

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

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

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

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

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

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

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

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

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

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

(e) Following the initial issuance and delivery of the Bonds, the Company may submit additional requisition certificates in accordance with **Section 4.4** of the Lease, and the Trustee shall, based solely of the amount set forth in the requisition, endorse the Bonds in an amount equal to the amount set forth in each requisition certificate. The Trustee shall be entitled to rely upon a written waiver of receipt and payment of such amounts as long as the Company and the Owner are the same entity. The date of endorsement of each Principal Amount Advanced (as defined in subsection (g) below) as set forth on **Schedule I** to the Bonds shall be the date of the City's approval of each requisition certificate. The Trustee shall keep a record of the total requisitions submitted, and shall notify the City if the requisitions submitted exceed the maximum Cumulative Outstanding Principal Amount of the Bonds permitted hereunder.

(f) The Bonds shall bear interest at the rate of **7.00%** per annum on the Cumulative Outstanding Principal Amount of the Bonds. Such interest shall be payable in arrears on each December 1, commencing on December 1, 2026, and continuing thereafter until the Cumulative Outstanding Principal Amount is paid in full; provided that the aggregate maximum principal amount shall not exceed \$6,609,000,000 and further provided that the Bonds shall be paid in full no later than **December 1, 2046**. Interest shall be calculated on the basis of a year of 360 days consisting of twelve months of 30 days each.

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

Section 209. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond becomes mutilated, or is lost, stolen or destroyed, the City shall execute and the Trustee shall authenticate and deliver a new Bond of like series, date and tenor as the Bond mutilated lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case

of any lost, stolen or destroyed Bond, there shall be first furnished to the City and the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity satisfactory to the Trustee to save each of the City and the Trustee harmless. If any such Bond has matured, instead of delivering a substitute Bond, the Trustee may pay the same without surrender thereof. Upon the issuance of any substitute Bond, the City and the Trustee may require the payment of an amount sufficient to reimburse the City and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 210. Cancellation and Destruction of Bonds Upon Payment.

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

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

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds.

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

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

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

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

Section 303. Notice of Redemption. If the Bonds are to be called for redemption as provided in **Section 301(a)** hereof, the Company shall deliver written notice to the City and the Trustee that it has elected to direct the City to redeem all or a portion of the Bonds at least 40 days (10 days if the Company is the Owner) prior to the scheduled redemption date. The Trustee shall then deliver written notice to the Owners at least 30 days (five days if the Company is the Owner) prior to the scheduled redemption date by facsimile and by first-class mail stating the date upon which the Bonds will be redeemed and paid, unless such notice period is waived by the Owners in writing.

ARTICLE IV

FORM OF BONDS

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

ARTICLE V

CUSTODY AND APPLICATION OF BOND PROCEEDS

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

- (a) "City of Independence, Missouri, Project Fund (Nebius Project - Real Property)" (herein called the "Project Fund");

(b) “City of Independence, Missouri, Costs of Issuance Fund (Nebius Project - Real Property)” (herein called the “Costs of Issuance Fund”); and

(c) “City of Independence, Missouri, Bond Fund (Nebius Project - Real Property)” (herein called the “Bond Fund”).

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

Section 503. Disbursements from the Project Fund.

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

(b) If, pursuant to **Section 208** hereof, the Trustee is deemed to have deposited into the Project Fund the amount specified in the requisition certificates submitted by the Company in accordance with the provisions of **Article IV** of the Lease, the Trustee shall upon endorsement of the Bonds in an equal amount be deemed to have disbursed such funds from the Project Fund to the Company (or such other purchaser designated by the Company) in satisfaction of the requisition certificate.

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

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

Section 505. Deposits into and Disbursements from the Costs of Issuance Fund. Money deposited by the Company in the Costs of Issuance Fund shall be used solely to pay costs of issuing the Bonds or refunded to the Company as hereinafter provided. The Trustee shall without further authorization disburse from the Costs of Issuance Fund, to the extent available, money sufficient to pay the amounts shown in a closing memorandum or requisition certificate provided to the Trustee on or before the date of delivery of the Bonds, which shall have attached thereto the statements, invoices and related items described in said closing memorandum or requisition certificate. The Trustee may rely conclusively on the amounts due as shown in the closing memorandum or requisition certificate and will

not be required to make any independent inspection or investigation in connection therewith. Any of such money not used to pay costs of issuance by the date that is six months after the date of this Indenture shall be refunded to the Company.

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

ARTICLE VI

REVENUES AND FUNDS

Section 601. Deposits Into the Bond Fund.

(a) The Trustee shall deposit into the Bond Fund, as and when received, (a) all accrued interest on the Bonds, if any, paid by the Purchaser; (b) all Basic Rent payable by the Company to the City specified in **Section 5.1** of the Lease; (c) any Additional Rent payable by the Company specified in **Section 5.2** of the Lease that is not payable to the City; (d) any amount in the Project Fund to be transferred to the Bond Fund pursuant to **Section 504** hereof upon completion of the Project or pursuant to **Section 506** hereof upon acceleration of the Bonds; (e) the balance of any Net Proceeds (as defined in the Lease) of condemnation awards or insurance received by the Trustee pursuant to **Article IX** of the Lease; (f) the amounts to be deposited in the Bond Fund pursuant to **Sections 9.1(f)** and **9.2(c)** of the Lease; (g) all interest and other income derived from investments of Bond Fund moneys as provided in **Section 702** hereof; and (h) all other moneys received by the Trustee under and pursuant to any of the provisions of the Lease when accompanied by directions from the Person depositing such moneys that such moneys are to be paid into the Bond Fund.

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

Section 602. Application of Moneys in the Bond Fund.

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

(b) The City hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay the principal of and the interest on the Bonds as the same become due and payable and to make said funds so withdrawn available to the Paying Agent for the purpose of paying said principal and interest. To the extent the Company is the Owner of all of the Bonds Outstanding, payment may be made via transaction entry on the trust records held by Trustee.

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

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

Section 603. Payments Due on Days Other than Business Days. In any case where the date of maturity of principal of or interest, if any, on the Bonds or the date fixed for redemption of any Bonds is not a Business Day, then payment of principal or interest, if any, need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest, if any, shall continue to accrue for the period after such date.

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

Section 605. Repayment to the Company from the Bond Fund. After payment in full of the principal of and interest on the Bonds (or provision has been made for the payment thereof as provided in this Indenture), and the reasonable fees, charges and expenses of the Trustee and the City and any other amounts required to be paid under this Indenture and the Lease, all amounts remaining in the Bond Fund shall be paid to the Company upon the expiration or sooner termination of the Lease.

ARTICLE VII

SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

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

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

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

ARTICLE VIII

GENERAL COVENANTS AND PROVISIONS

Section 801. Payment of Principal and Interest. The City covenants and agrees that it will, but solely from the rents, revenues and receipts derived from the Project and the Lease (excluding the Unassigned Rights) as described herein, deposit or cause to be deposited in the Bond Fund sufficient sums payable under the Lease promptly to meet and pay the principal of and the interest on the Bonds as

they become due and payable at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof. Nothing herein shall be construed as requiring the City to operate the Project as a business other than as lessor or to use any funds or revenues from any source other than funds and revenues derived from the Project.

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

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

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

Section 805. Recordings and Filings. The City shall file or cause to be kept and filed all financing statements, and hereby authorizes the Trustee to file or cause to be kept and filed continuation statements with respect to such originally filed financing statements related to this Indenture in order to fully preserve and protect the security of the Owners and the rights of the Trustee hereunder provided a copy of the originally filed financing statement is timely delivered to the Trustee. Unless otherwise notified in writing by the Company or City, the Trustee may conclusively rely upon any originally filed financing statements in filing any continuation statements hereunder. The City will cooperate in causing this Indenture and all Supplemental Indentures, the Lease and all Supplemental Leases and all other security instruments to be recorded and filed in such manner and in such places as may be required by law in order to fully preserve and protect the security of the Owners and the rights of the Trustee hereunder.

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

Section 807. Enforcement of Rights Under the Lease. The City covenants and agrees that it will enforce all of its rights and all of the obligations of the Company (at the expense of the Company) under the Lease to the extent necessary to preserve the Project in good repair and reasonably safe operating condition, and to protect the rights of the Trustee and the Owners hereunder with respect to the pledge and assignment of the rents, revenues and receipts coming due under the Lease; provided that, the City and the Trustee, as its assignee, shall refrain from enforcing any such right or obligation (except for

the Unassigned Rights, any other rights of the City or the Trustee to receive payments owing to either of them for their own account under the Indenture, the Lease, and the Performance Agreement, or any other agreement related to the Bonds or for their rights of indemnification or to be protected from liabilities by insurance policies required by the Lease) if so directed in writing by the Owners of 100% of the Outstanding Bonds. The City agrees that the Trustee, as assignee of the rentals and other amounts to be received by the City and paid by the Company under the Lease, or in its name or in the name of the City, may enforce all rights of the City to receive such rentals and other amounts and all obligations of the Company to pay such rentals and other amounts under and pursuant to the Lease for and on behalf of the Owners, whether or not the City is in default hereunder. So long as not otherwise provided in this Indenture, the Company shall be permitted to possess, use and enjoy the Project and appurtenances so as to carry out its obligations under the Lease.

ARTICLE IX

DEFAULT AND REMEDIES

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

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

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

Section 902. Acceleration of Maturity in Event of Default; Rescission. If an Event of Default has occurred and is continuing after the notice and cure period described in **Section 901** elapses, the Trustee may, and upon the written request of the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding, shall, by notice in writing delivered to the City and the Company, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. At any time after such a declaration of acceleration has been made, but before any judgment or decree for payment of money due on any Bonds has been obtained by the Trustee as provided in this Article, the owners of a majority in principal amount of the Bonds Outstanding may, by written notice to the

Company and Trustee but with the written consent of the City, rescind and annul such declaration and its consequences if: (a) there is deposited with the Trustee a sum sufficient to pay: (1) all overdue installments of interest on all Bonds; (2) the principal of (and premium, if any, on) any Bonds which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Bonds; and (3) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and (b) all events of default, other than the non-payment of the principal of Bonds which have become due solely by such declaration of acceleration, have been cured or have been waived as provided in **Section 910** of this Indenture.

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

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

Section 905. Exercise of Remedies by the Trustee.

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

(b) If an Event of Default has occurred and is continuing after the notice and cure period described in **Section 901** elapses, and if requested to do so by (1) the City (in the case of an Event of Default pursuant to **Section 12.1(b), (c), (d), (e) or (f)** of the Lease), or (2) the Owners of 25% in

aggregate principal amount of Bonds then Outstanding and indemnified as provided in subsection (l) of **Section 1001** hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel, shall deem most expedient and in the interests of the City or the Owners, as the case may be.

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

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

Section 907. Right of Owners to Direct Proceedings.

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

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

Section 908. Application of Moneys in Event of Default.

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

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

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

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

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

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

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

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

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

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

ARTICLE X

THE TRUSTEE

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

(a) The Trustee, before the occurrence of an Event of Default and after the curing or waiver of all Events of Default that may have occurred, undertakes to perform such duties and

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

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

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

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

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

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

of the facts therein contained, and before the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section or of which by said subsection it is deemed to have notice, the Trustee shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee is under no duty to perform an independent investigation as to any statement or fact contained in any such certificate, opinion or advice it obtains regarding the accuracy or truth of any statement or correctness of any opinion. The Trustee shall not be liable for any action or inaction taken in good faith in reliance on such a certificate or any advice received from counsel, and the Trustee may conclusively rely as to the truth of the statements and the correctness of the opinions or statements expressed therein.

(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. In no event shall the Trustee be liable for consequential damages. The Trustee shall not be liable for any act or omission, in the absence of bad faith, when the Trustee reasonably believes the act or failure to act is authorized and within its powers to perform under the Indenture.

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

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

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

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

(l) Notwithstanding anything in the Indenture or the Lease to the contrary, before taking any action under this Indenture other than the payments from moneys on deposit in the Project Fund or the Bond Fund, as provided herein, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all costs and expenses to which it may be put and to protect it against all liability which it may incur in or by reason of such action, except

liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(m) Notwithstanding any other provision of this Indenture to the contrary, any provision relating to the conduct of, 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.

(n) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(o) None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

Section 1002. Fees, Charges and Expenses of the Trustee. The Trustee shall be entitled to payment of and/or reimbursement for reasonable fees for its ordinary services rendered hereunder and all advances, agent and counsel fees and other ordinary expenses reasonably made or incurred by the Trustee in connection with such ordinary services. If it becomes necessary for the Trustee to perform extraordinary services, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the neglect or willful misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent for the Bonds. Pursuant to the provisions of **Section 5.2** of the Lease, the Company has agreed to pay to the Trustee all reasonable fees, charges and expenses of the Trustee under this Indenture. The Trustee agrees that the City shall have no liability for any reasonable fees, charges and expenses of the Trustee, and the Trustee agrees to look only to the Company for the payment of all reasonable fees, charges and expenses of the Trustee and any Paying Agent as provided in the Lease. Upon the occurrence of an Event of Default and during its continuance, the Trustee shall have a lien with right of payment before payment on account of principal of or interest on any Bond, upon all moneys in its possession under any provisions hereof for the foregoing reasonable advances, fees, costs and expenses incurred. The Trustee's right to compensation and indemnification relating to period during which it serves as Trustee hereunder shall survive the satisfaction and discharge of this Indenture or its resignation or removal hereunder and payment in full of the Bonds.

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

Section 1004. Intervention by the Trustee. In any judicial proceeding to which the City is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners, the Trustee may intervene on behalf of Owners and, subject to the provisions of **Section 1001(l)**

hereof, shall do so if requested in writing by the Owners of at least 25% of the aggregate principal amount of Bonds then Outstanding.

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

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

Section 1007. Removal of Trustee. The Trustee may be removed at any time, with or without cause, by an instrument or concurrent instruments in writing (a) delivered to the Trustee, the City and the Company and signed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding, or (b) so long as no Event of Default under this Indenture or the Lease shall have occurred and be continuing, delivered to the Trustee, the Company and the Owners and signed by the City. The Trustee's rights to indemnity and to any fees, charges or other amounts due and payable to it shall survive such removal.

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

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

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

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

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

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

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

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

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

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

ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 1101. Supplemental Indentures Not Requiring Consent of Owners. The City and the Trustee may from time to time, without the consent of or notice to any of the Owners, enter into such Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Indenture, or to make any other change which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Owners (provided the Trustee is entitled to receive and may conclusively rely upon an opinion of counsel in exercising such judgment);

(b) To grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners or the Trustee or either of them;

(c) To more precisely identify any portion of the Project or to add additional property thereto;

(d) To conform the Indenture to amendments to the Lease made by the City and the Company; or

(e) To subject to this Indenture additional revenues, properties or collateral.

Section 1102. Supplemental Indentures Requiring Consent of Owners.

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

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

Section 1103. Company's Consent to Supplemental Indentures. Anything herein to the contrary notwithstanding, a Supplemental Indenture under this Article that 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. The Trustee shall cause notice of the proposed execution and delivery of any Supplemental Indenture (regardless of whether it affects the Company's rights) together with a copy of the proposed Supplemental Indenture to be mailed to the Company at least 15 days prior to the proposed date of execution and delivery of the Supplemental Indenture.

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

ARTICLE XII

SUPPLEMENTAL LEASES

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

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

Section 1203. Opinion of Counsel. In executing or consenting to any Supplemental Lease permitted by this Article, the City and the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed to the Trustee and the City stating that the executing of such Supplemental Lease is authorized or permitted by the Lease and this Indenture and the applicable law and will upon the execution and delivery thereof be valid and binding obligations of the parties thereof.

ARTICLE XIII

SATISFACTION AND DISCHARGE OF INDENTURE

Section 1301. Satisfaction and Discharge of this Indenture.

(a) When the principal of and interest on all the Bonds have been paid in accordance with their terms or provision has been made for such payment, as provided in **Section 1302** hereof, and provision also made for paying all other sums payable hereunder and under the Lease and the Performance Agreement, including the reasonable fees and expenses of the Trustee, the City and Paying Agent to the date of retirement of the Bonds, then the right, title and interest of the Trustee in respect

hereof shall thereupon cease, determine and be void. Thereupon, the Trustee shall cancel, discharge and release this Indenture and shall upon the written request of the City or the Company execute, acknowledge and deliver to the City such instruments of satisfaction and discharge or release as shall be required to evidence such release and the satisfaction and discharge of this Indenture, and shall assign and deliver to the City (subject to the City's obligations under **Section 11.2** of the Lease) any property at the time subject to this Indenture which may then be in its possession, except amounts in the Bond Fund required to be paid to the Company under **Section 602** hereof and except funds or securities in which such funds are invested held by the Trustee for the payment of the principal of and interest on the Bonds.

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

Section 1302. Bonds Deemed to be Paid.

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

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

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

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 1401. Consents and Other Instruments by Owners.

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

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

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

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

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

Section 1403. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Indenture to be given or filed with the City, the Trustee, the Company or Owners if the same is duly mailed, postage prepaid, sent by overnight delivery or other delivery service, as follows:

(a) To the City:

City of Independence, Missouri
111 E. Maple Ave.
Independence, MO, 64050
Attention: City Manager

(b) To the Trustee:

BOKF, N.A.
2405 Grand Blvd, Ste 840
Kansas City, MO 64108
Attn: Corporate Trust Department

(c) To the Company:

Missouri ADC Holdings, LLC

Attention: _____

with a copy to:

Rouse Frets White Goss Gentile Rhodes, P.C.
801 W. 47th Street, Suite 500
Kansas City, Missouri 64112
Attention: Mark R. Coulter

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

All notices given by certified or registered mail as aforesaid shall be deemed fully given as of the date they are so mailed, provided that any of the foregoing given to the Trustee shall be effective only upon receipt. All notices given by overnight delivery or other delivery service shall be deemed fully given as of the date when received. A duplicate copy of each notice, certificate or other communication given hereunder by either the City or the Trustee to the other shall also be given to the Company. The City, the Company and the Trustee may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

Section 1404. Severability. If any provision of this Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

Section 1405. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

Section 1407. Electronic Storage. The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 1408. Electronic Notice to Trustee. The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent in writing or by electronic notice, provided, however, that such instructions or directions shall be signed by an Authorized Company Representative. If the Company elects to give the instructions by electronic notice, the Trustee may deem such instructions controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. Pursuant to the Lease, the Company agrees to assume all risks arising out of the use of such electronic notice to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

[Remainder of this page intentionally left blank]

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

CITY OF INDEPENDENCE, MISSOURI

By: _____
Name: Lisa Reynolds
Title: Interim City Manager

[SEAL]

ATTEST:

By: _____
Name: Susanne Holland
Title: City Clerk

BOKF, N.A.,
as Trustee

By _____
Name:
Title:

[SEAL]

ATTEST:

By _____
Name:
Title:

EXHIBIT A

PROJECT SITE

The following described real estate located in Jackson County, Missouri:

[**INSERT LEGAL DESCRIPTION**]

EXHIBIT B

PROJECT IMPROVEMENTS

The Project Improvements consist of the following, to the extent paid for in whole with Bond proceeds:

A data center campus consisting of multiple buildings with a combined square footage of approximately 2,100,000 square feet to be constructed on the Project Site, together with related site improvements. The Project Improvements do not include any machinery or equipment other than fixtures and systems that are incorporated into the construction of the building and the related site improvements.

EXHIBIT C

FORM OF BONDS

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

No. 1

**Not to Exceed
\$6,609,000,000**

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

**CITY OF INDEPENDENCE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BOND
(NEBIUS PROJECT - REAL PROPERTY)
SERIES 2026**

Interest Rate

7.00%

Maturity Date

December 1, 2046

Dated Date

_____, 2026

OWNER:

MISSOURI ADC HOLDINGS, LLC

MAXIMUM PRINCIPAL AMOUNT:

**NOT TO EXCEED SIX BILLION, SIX
HUNDRED AND NINE MILLION
DOLLARS**

THE CITY OF INDEPENDENCE, MISSOURI, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri (the "City"), for value received, promises to pay, but solely from the source hereinafter referred to, to the Owner named above, or registered assigns thereof, on the Maturity Date shown above, the principal amount shown above, or such lesser amount as may be outstanding hereunder as reflected on **Schedule I** hereto held by the Trustee as provided in the hereinafter referred to Indenture. The City agrees to pay such principal amount to the Owner in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and in like manner to pay to the Owner hereof, either by check or draft mailed to the Owner at a stated address as it appears on the bond registration books of the City kept by the Trustee under the within mentioned Indenture or, in certain situations authorized in the Indenture, by internal bank transfer or by wire transfer to an account in a commercial bank or savings institution located in the continental United States. Interest on the Cumulative Outstanding Principal Amount (as hereinafter defined) at the per annum Interest Rate stated above, payable in arrears on each December 1, commencing on December 1, 2026, and continuing thereafter until the earlier of the date on which said Cumulative Outstanding Principal Amount is paid in full or the Maturity Date. Interest on each advancement of the principal amount of this Bond shall accrue from the date that such advancement is made, computed on the basis of a year of 360 days consisting of 12 months of 30 days each.

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

THIS BOND is one of a duly authorized series of Bonds of the City designated “City of Independence, Missouri, Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026,” in the maximum aggregate principal amount of \$6,609,000,000 (the “Bonds”), to be issued for the purpose of acquiring, constructing and improving certain real property located at and surrounding 501 North Bly Road in the City (the “Project Site,” as more fully described on **Exhibit A** to the Lease (defined below)), including the construction and improvement of multiple buildings with a combined square footage of approximately 2,100,000 square feet on the Project Site (the “Project Improvements”). The City will lease the Project Site and the Project Improvements (collectively, the “Project”) to a company (the “Company”), under the terms of a Lease Agreement dated as of February 1, 2026 (said Lease Agreement, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Lease”), between the City and the Company, all pursuant to the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution, the statutes of the State of Missouri, including particularly the Act, the charter of the City and pursuant to proceedings duly had by the Council of the City.

THE BONDS are issued under and are equally and ratably secured and entitled to the protection given by a Trust Indenture dated as of February 1, 2026 (said Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Indenture”), between the City and BOKF, N.A., Kansas City, Missouri, as trustee (the “Trustee”). *Capitalized terms not defined herein shall have the meanings set forth in the Indenture.*

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

THE BONDS are subject to redemption and payment prior to maturity as provided in the Indenture.

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

THE OWNER of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect

set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of this Bond or the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

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

THE BONDS are issuable in the form of one fully-registered Bond in the maximum principal amount of \$6,609,000,000.

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

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

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

CERTIFICATE OF AUTHENTICATION

CITY OF INDEPENDENCE, MISSOURI

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

By: _____
Interim City Manager

Registration Date: _____

BOKF, N.A.,
as Trustee

ATTEST: _____ (Seal)

By _____
Authorized Signatory

City Clerk

SCHEDULE I

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

**CITY OF INDEPENDENCE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BOND
(NEBIUS PROJECT - REAL PROPERTY)
SERIES 2026**

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

FORM OF ASSIGNMENT

(NOTE RESTRICTIONS ON TRANSFERS)

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

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

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

Place medallion guarantee below:

EXHIBIT D

FORM OF REPRESENTATION LETTER

City of Independence, Missouri
111 E. Maple Ave.
Independence, MO, 64050
Attention: City Manager

BOKF, N.A., as Trustee
2405 Grand Blvd, Ste 840
Kansas City, MO 64108
Attn: Corporate Trust Department

Re: \$6,609,000,000 Maximum Principal Amount of Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026 of the City of Independence, Missouri

Ladies and Gentlemen:

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

1. The Purchaser fully understands that (a) the Bonds have been issued under and pursuant to a Trust Indenture dated as of February 1, 2026 (the “Indenture”), between the City of Independence, Missouri (the “City”) and BOKF, N.A., Kansas City, Missouri, as trustee (the “Trustee”), and (b) the Bonds are payable solely out of certain rents, revenues and receipts to be derived from the leasing or sale of the Project (as defined in the Indenture) to Missouri ADC Holdings, LLC, a Delaware limited liability company (the “Company”), under a Lease Agreement dated as of February 1, 2026 (the “Lease”), between the City and the Company, with certain of such rents, revenues and receipts being pledged and assigned by the City to the Trustee under the Indenture to secure the payment of the principal of and interest on the Bonds.

2. The Purchaser understands that the Bonds have not been registered under the Securities Act of 1933, as amended (the “1933 Act”), or the securities laws of any state and will be sold to the Purchaser in reliance upon certain exemptions from registration and in reliance upon the representations and warranties of the Purchaser set forth herein.

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

4. The Purchaser agrees not to attempt to offer, sell, hypothecate or otherwise distribute the Bonds to others unless authorized by the terms of the Indenture and upon receipt of any required opinion of counsel acceptable to the City, the Company, the Trustee and the Purchaser that all registration and

disclosure requirements of the Securities and Exchange Commission and all other appropriate federal and Missouri securities laws and the securities law of any other applicable state are complied with.

5. The Company has (a) furnished to the Purchaser such information about itself as the Purchaser deems necessary in order for it to make an informed investment decision with respect to the purchase of the Bonds, (b) made available to the Purchaser, during the course of this transaction, ample opportunity to ask questions of, and to receive answers from, appropriate officers of the City and the terms and conditions of the offering of the Bonds, and (c) provided to the undersigned all additional information which it has requested.

6. The Purchaser acknowledges that no offering document has been prepared in connection with the sale of the Bonds. The Purchaser further acknowledges that it has timely received in satisfactory form and manner all proceedings, certificates, opinions, letters and other documents required to be submitted to the Purchaser pursuant to the Bond Purchase Agreement prior to or on the date of the delivery of and payment for the Bonds, and that the City and the Company have in all respects complied with and satisfied all of their respective obligations to the Purchaser which are required under the Bond Purchase Agreement to be complied with and satisfied on or before such date.

7. The Purchaser is now, and was when it agreed to purchase the Bonds, familiar with the operations of the Company and fully aware of terms and risks of the Bonds and that the Purchaser is relying on its own knowledge and investigation of facts and circumstances relating to the purchase of the Bonds. The Purchaser believes that the Bonds being acquired are a security of the type that the Purchaser wishes to purchase and hold for investment and that the nature and amount thereof are consistent with its investment program.

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

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

10. The Purchaser hereby directs the Trustee to hold the Bonds in trust for the undersigned pursuant to **Section 208** of the Indenture.

Dated: _____, 20__

[PURCHASER OF BONDS]

By: _____
Name: _____
Title: _____

**CITY OF INDEPENDENCE, MISSOURI,
As Lessor,**

AND

**MISSOURI ADC HOLDINGS, LLC,
As Lessee**

LEASE AGREEMENT

Dated as of February 1, 2026

Relating to:

**\$6,609,000,000
(Aggregate Maximum Principal Amount)
City of Independence, Missouri
Taxable Industrial Development Revenue Bonds
(Nebius Project - Real Property)
Series 2026**

Certain rights of the City of Independence, Missouri (the “City”), in this Lease Agreement have been pledged and assigned to BOKF, N.A., Kansas City, Missouri, as Trustee under the Trust Indenture dated as of February 1, 2026, between the City and the Trustee. Such pledge and assignment does not include the Unassigned Rights (defined in the Indenture).

LEASE AGREEMENT

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Exhibit A - Project Site

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Appendix I: Performance Agreement

LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of February 1, 2026 (the “Lease”), is between the **CITY OF INDEPENDENCE, MISSOURI**, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri, as lessor (the “City”), and **MISSOURI ADC HOLDINGS, LLC**, a Delaware limited liability company, as lessee, and its successors or assigns, as permitted hereunder (the “Company”);

RECITALS:

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

2. Pursuant to the Act, the City Council passed an ordinance (the “Ordinance”) on _____, 2026, authorizing the City to issue its Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026, in the maximum principal amount of \$6,609,000,000 (the “Bonds”), for the purpose of acquiring, constructing and improving certain real property located at and surrounding 501 North Bly Road in the City (the “Project Site,” as more fully described on **Exhibit A** hereto), including the construction and improvement of multiple buildings with a combined square footage of approximately 2,100,000 square feet on the Project Site (the “Project Improvements,” as more fully described on **Exhibit B** hereto).

3. Pursuant to the Ordinance, the City is authorized to enter into a Trust Indenture of even date herewith (the “Indenture”) with BOKF, N.A., Kansas City, Missouri, as Trustee (the “Trustee”), for the purpose of issuing and securing the Bonds, as therein provided, and to enter into this Lease with the Company under which the City will construct and improve the Project Improvements, and lease the Project Site and the Project Improvements as they may at any time exist (collectively, the “Project”), to the Company in consideration of rental payments by the Company that will be sufficient to pay the principal of and interest on the Bonds.

4. In consideration of the terms and conditions of this Lease, the Ordinance, issuance of the Bonds and certain other agreements, the City and the Company have concurrently herewith entered into a Performance Agreement of even date herewith (the “Performance Agreement”), pursuant to which the Company has agreed to make certain payments in lieu of taxes.

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

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

ARTICLE I

DEFINITIONS

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

“Additional Rent” means the additional rental described in **Sections 5.2** and **6.2** of this Lease.

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

“Certificate of Insurance Compliance” means a certificate in substantially the form set forth on **Exhibit D** hereto evidencing the Company’s compliance with the insurance requirements set forth in **Article VII** hereto, fully executed by the Authorized Company Representative and upon which the Trustee may conclusively rely without further investigation or inquiry.

“CID” means the EastGate Commerce Center Community Improvement District created by ordinance of the City.

“CID Special Assessments” means any special assessments imposed on the Project by the CID.

“City Code” means the City’s Code of Ordinances published most recently in 2021, as the same may be amended by the City from time to time.

“Completion Certificate” means a certificate in substantially the form set forth on **Exhibit E** hereto evidencing the Completion Date as set forth in **Article IV** hereto, fully executed by the Authorized Company Representative and upon which the Trustee may conclusively rely without further investigation or inquiry.

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

“Equipment Lease” means the Lease Agreement relating to personal property to be located on the Project Site between the City and the Equipment Lessee.

“Equipment Lessee” means Nebius, Inc., and its successors and assigns as permitted under the Equipment Lease.

“Financing Document” means any loan agreement, credit agreement, indenture, mortgage, participation agreement, lease agreement, sublease, ground lease, hedging agreement or other document executed by or on behalf of a Financing Party.

“Financing Party” means any Person providing debt, lease or equity financing or other financing (including equity contributions or commitments) or hedging arrangements, or any renewal, extension or

refinancing of any such financing or hedging arrangements, or any guarantee, insurance, letters of credit or credit support for or in connection with such financing or hedging arrangements, in connection with the development, construction, ownership, purchase, lease, operation or maintenance of the Project or interests or rights in the Lease, or any part thereof, including any trustee or agent acting on any such Person's behalf.

"Full Insurable Value" means the actual replacement cost of the Project less physical depreciation as determined in accordance with **Section 7.1(a)** hereof.

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

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

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

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

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

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

Section 1.2. Rules of Interpretation.

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

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

(c) Wherever in this Lease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

(d) All references in this instrument to designated "Articles," "Sections" and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words "herein," "hereof," "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other subdivision.

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

(f) Whenever an item or items are listed after the word "including," such listing is not intended to be a listing that excludes items not listed.

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

ARTICLE II

REPRESENTATIONS

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

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

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

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

(d) To the City's knowledge, no member of the City Council or any other officer of the City has any significant or conflicting interest, financial, employment or otherwise, in the Company or in the transactions contemplated hereby;

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

(f) The Bonds are to be issued under and secured by the Indenture, pursuant to which the Project and the net earnings therefrom, including all rents, revenues and receipts to be derived by the City from the leasing or sale of the Project (except for the Unassigned Rights), will be pledged and assigned to the Trustee as security for payment of the principal of and interest on the Bonds and amounts owing pursuant to the Lease;

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

(h) The City shall have no authority to operate the Project as a business or in any other manner except as the lessor thereof or potentially as lessee of a portion thereof, except subsequent to an Event of Default hereunder.

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

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

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

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

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

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

ARTICLE III

GRANTING PROVISIONS

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

Section 3.2. Lease Term. This Lease shall become effective upon its delivery, and subject to sooner termination pursuant to the provisions of this Lease, shall have a term commencing as of the date of this Lease and terminating on **December 1, 2046**.

Section 3.3. Possession and Use of the Project.

(a) The City covenants and agrees that as long as neither the City nor the Trustee has exercised any of the remedies set forth in **Section 12.2(b)** following the occurrence and continuance of an Event of Default, the Company shall have sole and exclusive possession of the Project (subject to Permitted Encumbrances and the City's and the Trustee's right of access pursuant to **Section 10.3** hereof) and shall and may peaceably and quietly have, hold and enjoy the Project during the Lease Term. The City covenants and agrees that it will not take any action, other than expressly pursuant to **Article XII** hereof, to prevent the Company from having quiet and peaceable possession and enjoyment of the Project during the Lease Term and will, at the request and expense of the Company, cooperate with the Company in order that the Company may have quiet and peaceable possession and enjoyment of the Project and will defend the Company's enjoyment and possession thereof against all parties. The City will at the Company's request reasonably cooperate with the Company in obtaining financing for the Project Equipment, as detailed in **Section 10.4** of this Lease.

(b) Subject to the provisions of this Section, the Company shall have the right to use the Project for any lawful purpose contemplated by the Act, this Lease, and the Performance Agreement. The Company shall comply in all material respects with all statutes, laws, ordinances, codes, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Project or to any adjoining public ways, as to the manner of use or the condition of the Project or of adjoining public ways. In the event of demonstrated noncompliance with such statutes, laws, ordinances, codes, orders, judgments, decrees, regulations, directions and requirements the Company will take all reasonable steps to comply with such statutes, laws, ordinances, codes, orders, judgments, decrees, regulations, directions and requirements. The Company shall also comply with the mandatory requirements, rules and regulations of all insurers under the policies carried under the provisions of **Article VII** hereof. The Company shall pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of the Company to comply with the provisions of this Section. Notwithstanding any provision contained in this Section, however, the Company shall have the right, at

its own cost and expense, to contest or review by legal or other appropriate procedures the validity or legality of any such governmental statute, law, ordinance, code, order, judgment, decree, regulation, direction or requirement, or any such requirement, rule or regulation of an insurer, and during such contest or review the Company may refrain from complying therewith.

Section 3.4. Title to the Project. Subject to the terms herein, the City shall be the sole owner of the Project during the Lease Term.

ARTICLE IV

CONSTRUCTION AND IMPROVEMENT OF THE PROJECT

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

Section 4.2. Construction and Improvement of the Project. The City and the Company agree that the Company, as the agent of the City, shall, but solely from the Project Fund, construct and improve the Project as follows:

(a) The City has acquired the Project Site prior to the execution hereof. Concurrently with the execution of this Lease, (i) a deed and any other necessary instruments of transfer will be delivered to the City and placed of record, and (ii) the commitment for title insurance or ownership and encumbrance report (which may be provided in the form of a copy of the commitment for an owner's or loan policy of title insurance relating to the Company's acquisition of or private financing for the Project) required by **Article VII** hereof will be delivered to the City and the Trustee;

(b) On behalf of the City, the Company will construct and improve the Project Improvements on the Project Site and otherwise improve the Project Site in accordance with the Plans and Specifications and in a manner materially consistent with the description of the Project Improvements included in **Exhibit B** to this Lease. The Company may revise the Plans and Specifications from time to time as it deems necessary to carry out the Project, but revisions that would alter the intended purpose of the Project may be made only with the prior written approval of the City. The Company agrees that the aforesaid construction and improvement will, with such changes and additions as may be made hereunder, result in facilities suitable for use by the Company for its purposes, and that all real and personal property described in the Plans and Specifications, with such changes and additions as may be made hereunder, is desirable and appropriate in connection with the Project. The provisions of this paragraph are in addition to and do not supersede the provisions of **Section 8.2**; and

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

Section 4.3. Project Costs. The City hereby agrees to pay for, but solely from the Project Fund, and hereby authorizes and directs the Trustee to pay for, but solely from the Project Fund, all Project Costs upon receipt by the Trustee of a certificate pursuant to **Section 4.4** hereof. The Company may not submit any requisition certificates for Project Costs incurred after the Completion Date. The Company must submit all requisitions for Project Costs incurred before the Completion Date within three months after the Completion Date.

Section 4.4. Payment for Project Costs. All Project Costs as specified in **Section 4.3** hereof shall be paid by the Trustee from the Project Fund as more fully provided in the Indenture, and the City hereby irrevocably authorizes and directs the Trustee to make disbursements from the Project Fund, upon receipt by the Trustee of certificates in substantially the form attached hereto as **Exhibit C**, 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.

The Company shall make good faith efforts to submit disbursements certificates (as described in the paragraph above) for all Project Costs within 90 days after incurring such Project Costs, but in no case later than December 31 of the year in which the Project Costs were incurred. In connection with each disbursement certificate submitted to the Trustee, and within 10 days of submittal thereof, the Company shall pay an issuance fee to the City in an amount equal to 0.01236% of the total Project Costs contained in such disbursement certificate, which amount shall be reported to the Trustee and added to the Cumulative Outstanding Principal Amount of the Bonds.

Section 4.5. Establishment of Completion Date. The Completion Date shall be evidenced to the Trustee by the delivery of a Completion Certificate. The Company and the City agree to cooperate in causing such certificate to be furnished to the Trustee.

Section 4.6. Surplus or Deficiency in Project Fund.

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

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

Section 4.7. Project Property of City. The Project Site and the Project Improvements, which the Company desires to convey to the City, including all work and materials on the Project Improvements as such work progresses, and all additions or enlargements thereto or thereof, the Project as fully completed, anything under this Lease which becomes, is deemed to be, or constitutes a part of the Project, and the Project as repaired, rebuilt, rearranged, restored or replaced by the Company under the provisions of this Lease, except as otherwise specifically provided herein, shall immediately when erected or installed become the absolute property of the City, subject only to this Lease, the Indenture, Permitted Encumbrances and the Leasehold Mortgage or Financing Documents, if any.

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

Section 4.9. Environmental Matters. The Company acknowledges that it is responsible for maintaining the Project in compliance with all Environmental Laws. In the event that the Company fails to undertake to comply with any final, non-appealable order issued by any local, state or federal authority under applicable Environmental Law, the City or the Trustee, immediately after notice to the Company, may elect (but shall not be required) to undertake such compliance. Any moneys expended by the City or the Trustee in efforts to comply with any applicable Environmental Law (including the reasonable cost of hiring consultants, undertaking sampling and testing, performing any cleanup necessary or useful in the compliance process and reasonable attorneys' fees) shall be due and payable as Additional Rent hereunder with interest thereon at the average rate of interest per annum on the Bonds, plus two (2) percentage points, from the date such cost is incurred. There shall be unlimited recourse to the Company to the extent of any liability incurred by the City or the Trustee with respect to any breaches of the provisions of this section.

The Company shall and does hereby indemnify the City and the Trustee and agrees to defend and hold them harmless from and against all loss, cost, damage and expense (including, without limitation, reasonable attorneys' fees and costs associated incurred in the investigation, defense and settlement of claims) that they may incur, directly or indirectly, as a result of or in connection with the assertion against them or any of them of any claim relating to the presence on, escape or removal from the Project during the term of this Lease of any hazardous substance or other material regulated by any applicable Environmental Law, or compliance with any applicable Environmental Law, whether such claim is raised before, during or after the term of this Lease, including claims relating to personal injury or damage to property; provided, however, this indemnity shall only relate to claims resulting from the City's ownership of the Project and the Trustee's acceptance of its duties as Trustee hereunder.

ARTICLE V

RENT PROVISIONS

Section 5.1. Basic Rent. The Company covenants and agrees to pay to the Trustee in same day funds for the account of the City during this Lease Term, for deposit in the Bond Fund on or before 10:00 a.m., Trustee's local time, on or before each December 1, commencing **December 1, 2026** and

continuing until the principal of and interest on the Bonds which are then outstanding and have not been subject to early redemption shall have been fully paid, an amount which, when added to any collected funds then on deposit in the Bond Fund and available on such Payment Date, shall be equal to the total amount payable on each December 1 as interest on the Bonds. On **December 1, 2046** (or such earlier date as the Company may elect to redeem the Bonds), the Company shall also pay an amount equal to all principal then due on the Bonds in connection with such maturity or redemption. All payments of Basic Rent provided for in this Section shall be paid directly to the Trustee and shall be deposited in accordance with the provisions of the Indenture into the Bond Fund and shall be used and applied by the Trustee in the manner and for the purposes set forth in this Lease and the Indenture, provided that if the Company is the Owner of all the Bonds Outstanding, payment of Basic Rent as provided for in this Section may be made via a transaction entry on the trust records held by the Trustee and the Paying Agent consistent with **Section 204** of the Indenture. Any Basic Rent paid by the Company which exceeds the total amount payable on such payment dates shall be immediately paid to the Company by wire transfer. At its option, on the final Payment Date, the Company may deliver to the Trustee for cancellation Bonds not previously paid and the Company shall receive a credit against the Basic Rent payable by the Company in an amount equal to the principal amount of the Bonds so tendered for cancellation plus accrued interest thereon.

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

- (a) all reasonable fees, charges and expenses, including agent and counsel fees, of the City or the Trustee incurred under the Indenture, this Lease, or any other document entered into in connection with the Bonds, as and when the same become due. The annual administrative fee of the City shall be capped at \$_____. The Trustee fees due hereunder shall be capped at \$_____ annually. The parties agree the aggregate fees under this subsection shall be limited to \$[**5,000**];
- (b) all costs incident to the payment of the principal of and interest on the Bonds as the same becomes due and payable, including all costs and expenses in connection with the call, redemption and payment of all outstanding Bonds;
- (c) all reasonable costs which are reasonably incurred and actually made in connection with the enforcement of any rights against the Company or the Project or in connection with a failure of the Company to perform its obligations under this Lease, the Indenture, or the Performance Agreement by the City, the Trustee or the Bondowners, including counsel fees and expenses;
- (d) all amounts payable under the Performance Agreement; or
- (e) all other payments of whatever nature which Company has agreed to pay or assume under the provisions of this Lease.

Section 5.3. Obligations of Company Absolute and Unconditional.

(a) The obligation of the Company to pay Basic Rent and Additional Rent are in consideration of the City's obligations to issue the Bonds under the Indenture. The obligations of the Company under this Lease to make payments of Basic Rent and Additional Rent on or before the date the same become due, and to perform all of its other obligations, covenants and agreements hereunder shall be absolute and unconditional, without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any

circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Project has been started or completed, or whether the City's title thereto or to any part thereof is defective or nonexistent, and notwithstanding any damage to, loss, theft or destruction of, the Project or any part thereof, any failure of consideration or frustration of commercial purpose, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Project, legal curtailment of the Company's use thereof, the eviction or constructive eviction of the Company, any change in the tax or other laws of the United States of America, the State of Missouri or any political subdivision thereof, any change in the City's legal organization or status, or any default of the City hereunder, and regardless of the invalidity of any action of the City; provided, however, that nothing in this **Section 5.3(a)** or **Section 5.3(b)** is intended or shall be deemed to affect or impair in anyway the rights of the Company to tender Bonds for redemption in satisfaction of Basic Rent as provided in **Section 5.1** and **Section 5.4** hereof, nor the right of the Company to terminate this Lease and repurchase the Project as provided in **Article XI** hereof.

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

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

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

ARTICLE VI

MAINTENANCE, TAXES AND UTILITIES

Section 6.1. Maintenance and Repairs. Throughout the Lease Term the Company shall, at its own expense, keep the Project in as reasonably safe condition as the operation thereof will permit, and keep the Project in good repair and in good operating condition, making from time to time all necessary repairs thereto and renewals and replacements thereof it determines to be necessary. Without limiting the

generality of the foregoing, the Company shall at all times remain in compliance with all provisions of the City Code relating to maintenance and appearance.

Section 6.2. Taxes, Assessments and Other Governmental Charges.

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

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

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

(d) Notwithstanding anything in this Lease to the contrary, the Company shall promptly pay and discharge, as the same become due, all CID Special Assessments without challenge or contest to the validity or amount of the CID Special Assessments.

Section 6.3. Utilities. All utilities and utility services used by the Company in, on or about the Project shall be paid for by the Company and shall be contracted for by the Company in the Company's own name (or the name(s) of its Affiliates), and the Company shall, at its sole cost and expense, procure any and all permits, licenses or authorizations necessary in connection therewith. The Company recognizes that the cost of utilities includes payments in lieu of tax charged by the City to its City-operated utilities under Section 16.07.001 of the City Code.

Section 6.4. Tax Exemptions.

(a) The City and the Company agree that while the Project is owned by the City and is subject to this Lease, the Project and the leasehold interest of the Company in the Project will be exempt from all *ad valorem* current or future property taxes by reason of such ownership (during the period in which the Project is owned by the City), and the City agrees that it will (at the expense of the Company) cooperate with the Company to defend such exemption against all parties in accordance with the Performance Agreement attached hereto as *Appendix I*. Notwithstanding the foregoing, Company will annually pay to the City the payments with respect to the Project set forth in the Performance Agreement.

(b) The City will provide to the Company a sales tax exemption certificate to allow for the construction materials purchased for the Project to be exempt from sales tax at the time and subject to the conditions set forth in **Section 4.8** of the Performance Agreement. The Company shall not use the sales tax exemption certificate for the purchase of any property other than construction materials.

ARTICLE VII

INSURANCE

Section 7.1. Title Commitment or Report. Before conveying title to any real property to the City, the Company will purchase, from a title insurance company reasonably acceptable to the City, a commitment for title insurance or provide such other report in a form reasonably acceptable to the City showing the ownership of and encumbrances on the Project Site. Copies of such report shall be provided to the City and the Trustee. Such report may be provided in the form of a copy of the commitment for an owner's or loan policy of title insurance relating to the Company's acquisition of or private financing for the Project.

Section 7.2. Property Insurance.

(a) The Company shall at its sole cost and expense obtain and shall maintain throughout the Lease Term, a policy or policies of insurance (including, if appropriate, builder's risk insurance) to keep the Project constantly insured against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State of Missouri in an amount equal to the Full Insurable Value thereof (subject to reasonable loss deductible provisions). The insurance required pursuant to this Section shall be maintained with a generally recognized responsible insurance company or companies authorized to do business in the State of Missouri or generally recognized international insurers or reinsurers with an A.M. Best rating of B+ or the equivalent thereof or better as may be selected by the Company. All such policies of insurance pursuant to this Section, and all renewals thereof, shall name the Company as insured and the City and the Trustee shall be named as loss payees, as their respective interests may appear, and shall contain a provision that the issuer of such insurance will provide at least 10 days' advance written notice to, the Company of the cancellation of such insurance. Company agrees it shall immediately forward any notice of cancellation it receives from the issuer of such insurance to the City and Trustee. The Company shall provide the City and the Trustee, on an annual basis, commencing on December 1, 2026 with a Certificate of Insurance Compliance, in the form of **Exhibit D** attached hereto, certifying compliance with this Section and containing copies of the insurance policies required under this Section, or certificates thereof. The Trustee shall be entitled to conclusively rely upon such certificate as to the Company's compliance with the insurance requirements. The Trustee makes no representation as to, and shall have no responsibility for the sufficiency or adequacy of, the insurance.

(b) In the event of loss or damage to the Project, the Net Proceeds of property insurance carried pursuant to this Section shall be applied as provided in **Article IX** of this Lease, or as may be directed by, or on behalf of, the Owners of 100% in principal amount of the Bonds outstanding.

Section 7.3. Commercial General Liability Insurance.

(a) The Company shall at its sole cost and expense maintain or cause to be maintained at all times during the Lease Term general accident and commercial general liability insurance under which the City, the Company and the Trustee shall be named as additional insureds, properly protecting and indemnifying the City and the Trustee, in an amount not less than the limits of liability set by Section 537.610 of the Revised Statutes of Missouri (subject to loss deductible clauses not to exceed \$100,000). The policies of said insurance shall contain a provision that the issuer of such insurance will provide at least 10 days' advance written notice to the Company of the cancellation of such insurance. The Company agrees it shall immediately forward any notice of cancellation it receives from the issuer of such insurance to the City and Trustee. The Company shall provide the City and the Trustee, on an annual basis, commencing on December 1, 2026 with a Certificate of Insurance Compliance, in the form of **Exhibit D** attached hereto, certifying compliance with this Section and containing copies of the insurance policies required under this Section, or certificates thereof. The Trustee shall be entitled to conclusively rely upon such certificate as to the Company's compliance with the insurance requirements. The Trustee makes no representation as to, and shall have no responsibility for the sufficiency or adequacy of, the insurance.

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

Section 7.4. Workers' Compensation. The Company agrees throughout the Lease Term to maintain or cause to be maintained the Workers' Compensation coverage required by the laws of the State of Missouri.

Section 7.5. Blanket Insurance Policies; Self-Insurance. The Company may satisfy any of the insurance requirements set forth in this Article by using blanket policies of insurance, provided each and all of the requirements and specifications of this Article respecting insurance are complied with. Nothing in this Lease shall be construed from prohibiting the Company from self-insuring provided the Company, or in combination with its parent corporation, has a net worth in excess of \$200,000,000, as determined by accounting principles generally accepted in the United States of America.

ARTICLE VIII

ALTERATION OF THE PROJECT

Section 8.1. Additions, Modifications and Improvements to the Project. The Company shall have and is hereby given the right, at its sole cost and expense, to make such additions, modifications and improvements in and to any part of the Project as the Company from time to time may deem necessary or desirable for its business purposes. All additions, modifications and improvements made by the Company pursuant to the authority of this Section shall (a) be made in workmanlike manner and will comply in all material respects with all laws and ordinances applicable thereto, (b) when commenced, be prosecuted to completion with due diligence, and (c) when completed, be deemed a part of the Project; *provided, however*, that subject to the terms of the Equipment Lease, additions of

machinery and equipment installed on the Project Site by the Company not purchased or acquired from funds deposited with the Trustee hereunder and not constituting repairs or replacements due to damage of the Project shall remain the property of the Company, may be removed by the Company, and shall be subject to *ad valorem* taxes.

Section 8.2. Additional Improvements on the Project Site. The Company may, at its sole cost and expense, construct on portions of the Project Site not theretofore occupied by buildings or improvements such additional buildings and improvements as the Company from time to time may deem necessary or desirable for its business purposes. All additional buildings and improvements constructed on the Project Site by the Company, and not paid for with Bond proceeds, pursuant to the authority of this Section shall not be included as Project Improvements and, during the life of this Lease, shall remain the property of the Company and may be added to, altered or razed and removed by the Company at any time. All additional buildings and improvements shall be made in a good and workmanlike manner and in material compliance with all laws, codes, orders and ordinances applicable thereto and when commenced shall be prosecuted to completion with due diligence. The Company covenants and agrees (a) to make any repairs and restorations required to be made to the Project because of the construction of, addition to, alteration or removal of said additional buildings or improvements, and (b) to promptly and with due diligence either raze and remove or repair, replace or restore any of said additional buildings and improvements as may from time to time be damaged by fire or other casualty. The Company shall pay all *ad valorem* taxes and assessments payable with respect to such additional buildings and improvements which remain the property of the Company. If for any reason the County Assessor determines that such additional buildings and improvements are not subject to *ad valorem* taxes, the Company shall make payments in lieu of taxes in an amount equal to the taxes that would otherwise be due under this Section.

Section 8.3. Permits and Authorizations. The Company shall not do or permit others under its control to do any work on the Project related to any repair, rebuilding, restoration, replacement, modification or addition to the Project, or any part thereof, unless all requisite municipal and other governmental permits and authorizations shall have been first procured. All such work shall be done in a good and workmanlike manner and in material compliance with all applicable building, zoning and other laws, ordinances, codes and governmental regulations. In the event of demonstrated noncompliance with such laws, ordinances, codes, governmental regulations and requirements the Company will take all reasonable steps to comply with laws, ordinances, codes, governmental regulations and requirements.

Section 8.4. Mechanics' Liens.

(a) The Company will not directly or indirectly create, incur, assume or suffer to exist any lien on or with respect to the Project, except Permitted Encumbrances, and the Company shall promptly notify the City of the imposition of such lien of which the Company is aware and shall promptly, at its own expense, take such action as may be necessary to fully discharge or release any such lien. Whenever and as often as any mechanics' or other similar lien is filed against the Project, or any part thereof, purporting to be for or on account of any labor done or materials or services furnished in connection with any work in or about the Project, the Company shall discharge the same of record within 90 days after the date of filing. Notice is hereby given that the City shall not be liable for any labor or materials furnished the Company or anyone claiming by, through or under the Company upon credit, and that, except as otherwise stated in a memorandum of this Lease recorded with the recorder of deeds, no mechanics' or other similar lien for any such labor, services or materials shall attach to or affect the reversionary or other estate of the City in and to the Project or any part thereof.

(b) Notwithstanding paragraph (a) above, the Company may contest any such mechanics' or other similar lien if the Company (1) within said 90-day period stated above notifies the City and the Trustee in writing of its intention so to do, (2) diligently prosecutes such contest, (3) at all times effectively stays or prevents any official or judicial sale of the Project, or any part thereof or interest therein, under execution or otherwise, (4) promptly pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim and (5) thereafter promptly procures record release or satisfaction thereof. The Company may permit the lien so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Company is notified by the City that, in the opinion of counsel, by nonpayment of any such items, the interest of the City in the Project will be subject to loss or forfeiture. In that event, the Company shall promptly, at its own expense, take such action as may be reasonably necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The Company shall save and hold harmless the City from any loss, costs or expenses the City may incur related to any such contest. The Company shall reimburse the City for any expense incurred by it in connection with the imposition of any such lien or in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim. The City shall cooperate fully with the Company in any such contest.

ARTICLE IX

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 9.1. Damage or Destruction.

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

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

Unless the Company makes the determination described in subsection (f) below, the Net Proceeds of casualty insurance required by **Article VII** hereof received with respect to such damage or loss to the Project shall be used to pay the cost of repairing, restoring, replacing or rebuilding the Project or any part thereof. Insurance monies in an amount less than \$5,000,000 may be paid to or retained by the Company to be held in trust and used as provided herein. Insurance monies in any amount of \$5,000,000 or more shall be (i) paid to the Trustee and deposited in the Project Fund and shall be disbursed as provided in **Section 4.4** hereof to pay the cost of repairing, restoring, replacing or rebuilding the Project or any part thereof, or (ii) if determined by the Owners of 100% in principal amount of the Bonds Outstanding, applied as directed by, or on behalf of, such Owners of 100% in principal amount of the Bonds

Outstanding. If the Company makes the determination described in subsection (f) below, the Net Proceeds shall be deposited with the Trustee and used to redeem Bonds as provided in subsection (f).

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

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

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

(e) The Company agrees to give prompt notice to the City and the Trustee with respect to all fires and any other casualties occurring in, on, at or about the Project Site which damages a material portion of the Project.

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

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

Section 9.2. Condemnation.

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

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

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

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

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

Section 9.3. Bondowner Approval. Notwithstanding anything to the contrary contained in this **Article IX**, the proceeds of any insurance received subsequent to a casualty or of any condemnation proceedings (or threats thereof) may prior to the application thereof by the City or the Trustee be applied as directed by the Owners of 100% of the principal amount of Bonds outstanding, subject and subordinate to the rights of the City and the Trustee to be paid all their expenses (including reasonable attorneys' fees, trustee's fees and any extraordinary expenses of the City and the Trustee) incurred in the collection of such gross proceeds. For purposes of this Section only, any person to whom Bonds have been pledged in good faith shall be deemed to be the Owner of the Bonds.

ARTICLE X

SPECIAL COVENANTS

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

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

Section 10.3. City's Right of Access to the Project. Subject to the confidentiality and security requirements of the Company and its end clients, the Company agrees that the City and the Trustee and their duly authorized agents shall have the right at reasonable times during regular business hours, subject to five business days advance written notice except in the event of an emergency, and the Company's usual business proprietary, safety and security requirements, to enter upon the Project Site (a) to examine and inspect the Project without interference or prejudice to the Company's operations or to the development of the Project, (b) as may be reasonably necessary to cause to be completed the purchase and installation provided for in **Section 4.2** hereof, (c) performing such work in and about the Project Site made necessary by reason of the Company's default under any of the provisions of this Lease for which notice and an opportunity to cure have been provided, and (d) following an Event of Default, exhibiting

the Project to prospective purchasers, lessees or trustees. The Company shall have the right to have to representatives present during any such examination or inspection.

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

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

(b) The Company may mortgage the leasehold estate created by this Lease, with prior notice to but without the consent of the City, provided and upon condition that a duplicate original or certified copy or photostatic copy of each such mortgage, and the note or other obligation secured thereby, is delivered to the City within thirty (30) days after the execution thereof.

(c) The City acknowledges and agrees that the Company may finance and refinance its rights and interests in the Project, this Lease, and the leasehold estate created hereby with prior notice to but without the consent of the City, and may collaterally assign its interest in the Lease and the agreements evidencing or relating to the Bonds, provided and upon condition that a duplicate original or certified copy or photostatic copy of each such Financing Document is delivered to the City within thirty (30) days after the execution thereof. The Company may require the City to mortgage the fee estate held by the

City with prior notice to but without the consent of the City, and the City agrees that it will execute any documents necessary or appropriate to mortgage the fee estate as may be reasonably requested by the Company or any Financing Party. In either case, in connection therewith, the Company shall have the right to assign this Lease, the leasehold estate, any sublease, and any rights in connection therewith, and/or grant liens or security interests therein, to any Financing Party and the City will reasonably cooperate with such Financing Party and the Company. Any further sublease or assignment by any Financing Party shall be subject to the provisions of **Section 13.1**.

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

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

(2) the City shall serve upon each such Financing Party (at the address, if any, provided to the City) a copy of each notice of the occurrence of an Event of Default and each notice of termination given to the Company under this Lease, at the same time as such notice is served upon the Company. No such notice to the Company shall be effective unless a copy thereof is thus served upon each Financing Party;

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

(4) the City may exercise any of its rights or remedies with respect to any other Event of Default by the Company, subject to the rights of the Financing Parties under this **Section 10.4(d)** as to such other events of default;

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

(6) the Financing Parties (and their designees, nominees, assignees or transferees) shall have the right to enter, possess and use the Project at such reasonable times and manner as

are necessary or desirable to effectuate the remedies and enforce their respective rights under the Financing Documents;

(7) any indemnification of the City and Trustee pursuant to **Section 4.9** shall also apply to the Financing Party; and

(8) Any notice sent by the Company to the City and the Trustee pursuant to any provision of this Lease shall also be sent to the Financing Party.

(e) The City will reasonably cooperate with the Company in efforts to document and meet the requirements of any Financing Party for financing for the Project Improvements. In connection with the execution of one or more Financing Documents, upon the request of the Company, the City agrees to execute such documents as shall be reasonably requested by a Financing Party and which are usual and customary in connection with the closing of the financing or refinancing pursuant to the Financing Documents. The Company agrees to reimburse the City for any and all costs and expenses incurred by the City pursuant to this Section, including reasonable attorneys' fees and expenses, in complying with such request. Notwithstanding anything in this Section to the contrary, the City shall not be required to sign any document that causes it to undertake any duties or payment obligations and shall make only such representations as it deems appropriate in its sole discretion.

(f) Notwithstanding anything in this Lease to the contrary, (1) the City shall not be required to sign any document that causes it to undertake any duties or payment obligations and shall make only such representations as it deems appropriate in its sole discretion, (2) the City shall not be required to expend any funds in connection with any Financing Documents or in connection with its cooperation with respect to requests of any Financing Party or undertake any investigation in connection therewith, and (3) any costs (including fees of counsel to the City) that are incurred by the City related to a request under this Section shall be reimbursed to the City by the Company.

(g) Nothing in this Lease shall, or shall be deemed to, subordinate any obligation to, lien or security interests in favor of, or other right of, any Financing Party under any Financing Document to this Lease or the obligations of the Company hereunder. The Company shall not be required to subordinate its obligations, liens or security interests under any Financing Document to this Lease or its obligations hereunder.

Section 10.5. Indemnification of City and Trustee. The Company shall indemnify and save and hold harmless the City and the Trustee and their governing body members, officers, agents and employees (collectively, the "Indemnified Parties") from and against all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, by or on behalf of any person, firm or corporation arising from the issuance of the Bonds and the execution of this Lease, the Indenture or any other documents entered into in connection with the Bonds and from the conduct or management of, or from any work or thing done in or on the Project during the Lease Term, and against and from all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, arising during the Lease Term from (a) any condition of the Project, (b) any Event of Default on the part of the Company for which notice and opportunity to cure has been provided in the performance of any of its obligations under this Lease or any related document, (c) any contract entered into by the Company in connection with the purchase, construction, extension or improvement of the Project (including any failure to comply with Section 107.170 of the Missouri Revised Statutes, as amended, with respect to such contract), (d) any act of negligence of the Company or of any of its agents, contractors, servants, employees or licensees relating to the Project, (e) unless the Company has been released from liability pursuant to **Section 13.1**, any act of negligence of any assignee or sublessee of the Company, or of any agents, contractors,

servants, employees or licensees of any assignee or sublessee of the Company, (f) obtaining any applicable state and local sales and use tax exemptions for materials or goods that become part of the Project, and (g) any claim relating to the presence on, escape or removal from the Project during the term of the Lease of any hazardous substance or other material regulated by any applicable Environmental Law, or compliance with any applicable Environmental Law, whether such claim arises before, during or after the term of this Lease, including claims relating to personal injury or damage to property; provided, however, the indemnification contained in this **Section 10.5** shall not (i) extend to the City if such claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, are the result of work being performed at the Project by employees of the City or the result of negligence or willful misconduct by the City (unless relating to a failure to comply with Section 107.170 of the Missouri Revised Statutes, as amended), or (ii) extend to the Trustee if such claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, are the result of the negligence or willful misconduct of the Trustee or (iii) the performance or failure to perform by the City or the Trustee of its obligations under this Lease, the Performance Agreement, or any related documents. Upon notice from the City or the Trustee, the Company shall defend them or either of them in any such action or proceeding. This **Section 10.5** shall survive any termination of this Lease or the satisfaction and discharge of the Indenture.

In case any action shall be brought against one or more of the Indemnified Parties based upon the foregoing indemnification and in respect of which indemnity may be sought against the Company, the Indemnified Parties shall promptly notify the Company in writing and the Company shall promptly assume the defense thereof, including the employment of counsel, the payment of all reasonable expenses and the right to negotiate and consent to settlement. If the Company shall have wrongfully failed to assume the defense of such action, the reasonable fees and expenses of counsel retained by the Indemnified Party shall be paid by the Company. If any of the Indemnified Parties is advised by counsel retained by the Company to defend such action that there may be legal defenses available to it which are adverse to or in conflict with those available to the Company or any other Indemnified Party, and that the defense of such Indemnified Party should be handled by separate counsel, the Company shall not have the right to assume the defense of such Indemnified Party, but shall be responsible for the reasonable fees and expenses of counsel retained by such Indemnified Party in assuming its own defense, provided, such counsel shall be acceptable to the Company. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties. The Company shall not be liable for any settlement of any such action effected without its consent by any of the Indemnified Parties, but if settled with the consent of the Company or if there be a final judgment for the plaintiff in any such action against the Company or any of the Indemnified Parties, with or without the consent of the Company, the provided that the Company was given prompt written notice and the ability to assume the defense thereof as required by this paragraph, the Company agrees to indemnify and hold harmless the Indemnified Parties to the extent provided herein.

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

Section 10.7. Company to Maintain its Corporate Existence. The Company agrees that until the Bonds are paid or payment is provided for in accordance with the terms of the Indenture, it will maintain its corporate existence, and will not dissolve or otherwise dispose of all or substantially all of its assets; provided, however, that the Company may, without violating the agreement contained in this Section, consolidate with or merge into another domestic corporation (i.e., a corporation incorporated and

existing under the laws of one of the states of the United States) or permit one or more other domestic corporations to consolidate with or merge into it, or may sell or otherwise transfer to another domestic corporation all or substantially all of its assets as an entirety and thereafter dissolve, provided, the surviving, resulting or transferee corporation either (A) becomes, in connection with the consolidation, merger or sale of assets becomes the Owner of 100% in principal amount of the Bonds outstanding and expressly assumes in writing all of the obligations of the Company contained in this Lease and the Performance Agreement, or (B) if not the Owner of 100% in principal amount of the Bonds outstanding, expressly assumes in writing all the obligations of the Company contained in this Lease and the Performance Agreement; and, further provided, that if not the Owner of 100% in principal amount of the Bonds outstanding, the surviving, resulting or transferee corporation, as the case may be, has a consolidated net worth (after giving effect to said consolidation, merger or transfer) at least (i) equal to or greater than that of the Company immediately prior to said consolidation, merger or transfer, or (ii) \$100,000,000. The term “net worth,” as used in this Section, shall mean the difference obtained by subtracting total liabilities (not including as a liability any capital or surplus item) from total assets of the Company and all of its subsidiaries. In any such consolidation, merger or transfer the Company shall comply with the provisions of **Section 13.1** hereof to the extent applicable.

Section 10.8. Security Interests. At the written request of the Company or the Owner of the Bonds, the City agrees to enter into statements of continuation necessary and requested by the Company and the Owner of the Bonds for continuance of the perfection of the security interests granted by the City in favor of the Trustee in the Project. Upon the written instructions of the Owner of the Bonds, the Trustee, at the Company’s expense, shall file all statements of continuation the Owner of the Bonds shall deem necessary to be filed and shall continue or cause to be continued the liens of such instruments for so long as the Bonds shall be Outstanding. The City and the Company shall cooperate with the Trustee in this regard by executing such continuation statements and providing such information as the Trustee may require to renew such liens.

Section 10.9. Data Center Specific Covenants and Agreements.

(a) All cooling systems constructed or installed as part of the Project must be closed-loop systems that do not continually draw water from the City’s water supply system.

(b) The Project must at all times comply with the City Code’s requirements for noise (Article 7.10 of the City Code) and lighting (Section 14-508 of the City Code).

(c) The Company shall maintain compliance with the electrical services agreement entered into with respect to the delivery of electricity to the Project Site or shall cause the Equipment Lessee to do so.

(d) On or before the delivery date of this Lease, the Company shall deposit \$2,500,000 with the City for the purpose of making repairs and improvements to Little Blue Parkway. Such funds will be spent for such purpose at the times and in the manner determined by the City in its sole discretion.

(e) During the term of this Lease, the Company shall maintain contact with and take suggestions from the community through the operation of an advisory board. The board shall consist of 5 to 10 members to be appointed by City Council to such terms as may be stated by City Council. The City will make space available for meetings of the advisory board in a municipal building. Meetings shall occur quarterly during the initial 5 year term of this Lease and annually thereafter, at such times as are determined by the members of the advisory board and the Company. The requirements of this subsection shall not survive the Lease Term. The Company shall send at least one representative of the Company to

each meeting of the advisory board. The implementation of any suggestions shall be subject to the Company's discretion.

(f) If there is a cessation of data center operations at the Project Site, other than temporary closures customary in the industry, then the Company shall remove all physical improvements related to the Project that are specific to data center operations (cooling systems and other infrastructure) and restore their locations to a greenfield state (referred to as "Decommissioning") within two years of such cessation. Buildings and site improvements that are appropriate for repurposing as office or light industrial space are not subject to such Decommissioning requirement. If the Decommissioning is not complete by the time stated above, the City may undertake or may engage a third party to undertake, the Decommissioning at the expense of the Company. The Company shall be responsible to repair any damage to roads resulting from the Decommissioning process. "Cessation of data center operations" for the purpose of this paragraph means the Project Site has not been operated as a data center for a period of one year after completion of the Project, unless the Project has been subject to a casualty and the Company is intending to rebuild the Project or the Company's interest in this Agreement has been transferred pursuant to the provisions hereof and the Project continues in operation thereafter. This subsection (f) shall survive the termination of this Lease.

ARTICLE XI

OPTION AND OBLIGATION TO PURCHASE THE PROJECT

Section 11.1. Option to Purchase the Project. The Company shall have, and is hereby granted, the option to purchase the Project at any time, upon payment in full of all Bonds then outstanding or provision for their payment having been made pursuant to **Article XIII** of the Indenture. To exercise such option the Company shall give written notice to the City and to the Trustee, and shall specify therein the date of closing such purchase, which date shall be not less than 15 nor more than 90 days from the date such notice is mailed unless otherwise agreed by the Company, the City and the Trustee, and in case of a redemption of the Bonds in accordance with the provisions of the Indenture, the Company shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. Notwithstanding the forgoing, if the City or the Trustee provides notice of its intent to exercise its remedies hereunder (a "Remedies Notice"), the Company shall be deemed to have exercised its repurchase option under this Section on the 29th day following the issuance of the Remedies Notice without any further action by the Company; provided said notice has not been rescinded by such date (such option to take place on the 29th day following the issuance of the Remedies Notice). The Company may rescind such exercise by providing written notice to the City and the Trustee on or prior to the 29th day following the issuance of the Remedies Notice and by taking such action as may be required to cure the default that led to the giving of the Remedies Notice. The purchase price payable by the Company in the event of its exercise of the option granted in this Section shall be the sum of the following:

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

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

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

(d) the sum of \$10.00.

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

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

(a) If the Indenture shall not at the time have been satisfied in full, a release from the Trustee of the Project from the lien and/or security interest of the Indenture and this Lease and appropriate termination of financing statements as required under the Uniform Commercial Code; and

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

Section 11.3. Relative Position of Option and Indenture. The options and obligation to purchase the Project granted to the Company in this Article shall be and remain prior and superior to the Indenture and may be exercised whether or not the Company is in default under this Lease, the Indenture or the Performance Agreement, provided that such default will not result in nonfulfillment of any condition to the exercise of any such option and further provided that all options herein granted shall terminate upon the termination of this Lease.

Section 11.4. Obligation to Purchase the Project. As additional consideration for the Company's use of the Project, the Company hereby agrees to purchase, and the City hereby agrees to sell, the Project upon the occurrence of (a) the expiration of the Lease Term following full payment of the Bonds or provision for payment thereof having been made in accordance with the provisions of the Indenture, and (b) the final payments due under the Performance Agreement. The amount of the purchase price under this Section shall be \$10 plus an amount sufficient to redeem all the then Outstanding Bonds, plus accrued interest and the reasonable fees and expenses of the City and the Trustee.

If the Company fails to complete the purchase of the Project at the time required by this Section, the City is specifically authorized to convey the Project back to the Company with or without terminating this Lease and, in such case, may unilaterally terminate this Lease by an instrument signed by the City alone.

ARTICLE XII

DEFAULTS AND REMEDIES

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

(a) Default in the due and punctual payment of Basic Rent for a period of 10 days following written notice to the Company by the City or the Trustee; or

(b) Default in the due and punctual payment of Additional Rent for a period of 60 days following written notice to the Company by the City or the Trustee; or

(c) Default in the due observance or performance of any other covenant, agreement, obligation or provision of this Lease on the Company’s part to be observed or performed, and such default shall continue for 60 days after the City or the Trustee has given the Company written notice specifying such default (or such longer period as shall be reasonably required to cure such default; provided that (1) the Company has commenced such cure within said 60 day period, and (2) the Company diligently prosecutes such cure to completion); or

(d) The Company: (1) admits in writing its inability to pay its debts as they become due; or (2) files a petition in bankruptcy or for reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Bankruptcy Code as now or in the future amended or any other similar present or future federal or state statute or regulation, or files a pleading asking for such relief; or (3) make an assignment for the benefit of creditors pursuant to Section 426.010 et seq RSMo.; or (4) consents to the appointment of a trustee, receiver or liquidator for all or a major portion of its property or fails to have the appointment of any trustee, receiver or liquidator made without the Company’s consent or acquiescence, vacated or set aside; or (5) is finally adjudicated as bankrupt or insolvent under any federal or state law; or (6) is subject to any proceeding, or suffers the entry of a final and non-appealable court order, under any federal or state law appointing a trustee, receiver or liquidator for all or a major part of its property or ordering the winding-up or liquidation of its affairs, or approving a petition filed against it under the Bankruptcy Code, as now or in the future amended, which order or proceeding, if not consented to by it, is not dismissed, vacated, denied, set aside or stayed within 90 days after the day of entry or commencement; or (7) suffers a writ or warrant of attachment or any similar process to be issued by any court against all or any substantial portion of its property, and such writ or warrant of attachment or any similar process is not contested, stayed, or is not released within 60 days after the final entry, or levy or after any contest is finally adjudicated or any stay is vacated or set aside; or

(e) the Project Site or any material portion thereof remains uncared for and abandoned for a period of 180 consecutive days which is not due to a casualty event that is in the process of remediation; or

(f) The occurrence and continuance of an event of default giving rise to the enforcement of remedies under the Performance Agreement or the Equipment Lease, following any applicable notices and grace periods provided in the applicable document.

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

(a) cause all amounts payable with respect to the Bonds for the remainder of the term of this Lease to become due and payable after giving 60 days prior written notice thereof to the Company, as provided in the Indenture; or

(b) give the Company written notice of the City's intention to terminate this Lease on a date specified therein, which date shall not be earlier than 60 days after such notice is given, and if all defaults have not then been cured, on the date so specified, the Owners shall tender or be deemed to have tendered the outstanding principal amount of the Bonds for cancellation with instruction that such tender is in lieu of payment in accordance with **Section 11.1** hereof and this Lease shall thereupon be terminated, and the City will promptly convey the Project in accordance with **Section 11.2** hereof.

Section 12.3. Survival of Obligations. The Company covenants and agrees with the City and Owners that those of its obligations under this Lease which by their nature require performance after the end of the term of this Lease, or which are expressly stated herein as intended to survive expiration or termination of this Lease, shall survive the cancellation and termination of this Lease, for any cause.

Section 12.4. Performance of the Company's Obligations by the City. If an Event of Default occurs as a result of any failure by the Company, then the City, or the Trustee in the City's name, may (but shall not be obligated so to do) upon the continuance of such failure on the Company's part for 30 days after written notice of such failure is given to the Company by the City or the Trustee, and without waiving or releasing the Company from any obligation hereunder, as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all reasonable sums so paid by the City or the Trustee and all necessary incidental reasonable costs and expenses incurred by the City or the Trustee (including, without limitation, attorneys' fees and expenses incurred by the City or the Trustee) in performing such obligations shall be deemed Additional Rent and shall be paid to the City or the Trustee on demand, and if not so paid by the Company, the City or the Trustee shall have the same rights and remedies provided for in **Section 12.2** hereof in the case of default by the Company in the payment of Basic Rent.

Section 12.5. Rights and Remedies Cumulative. The rights and remedies reserved by the Trustee, the City and the Company hereunder and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. The Trustee, the City and the Company shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Lease, notwithstanding availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity.

Section 12.6. Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by the Company of any covenant, agreement or undertaking by the Company, the Trustee or the City may nevertheless accept from the Company any payment or payments hereunder without in any way waiving the Trustee or the

City's right to exercise any of its rights and remedies provided for herein with respect to any such breach or breaches of the Company which were in existence at the time such payment or payments were accepted by the Trustee or the City.

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

ARTICLE XIII

ASSIGNMENT AND SUBLEASE

Section 13.1. Assignment; Sublease.

(a) The Company may assign, transfer, encumber or dispose of this Lease or any interest therein or part thereof for any lawful purpose under the Act. With respect to any assignment, the Company shall comply with the following conditions:

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

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

(3) A duplicate original of such assignment shall be delivered to the City and the Trustee within 10 days after the execution thereof, together with an assumption agreement, duly executed and acknowledged by the assignee in proper form for recording, by which the assignee shall assume all of the terms, covenants and conditions of this Lease on the part of the Company to be performed and observed.

For any assignment of this Lease (except (i) as otherwise allowed under **Section 10.4** with respect to financing arrangements, (ii) any assignment to any Financing Party or (iii) any affiliate or successor to the Company by reason of a merger or consolidation, reorganization, combination, division, transfer or sale of assets or any similar transaction by operation of law or otherwise, to the extent permitted by **Section 10.7** (the transactions covered by clauses (i), (ii) and (iii), "Permitted Assignments"), the Company shall obtain the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed. Permitted Assignments shall not require notice to, or consent of, the City, except as described in **Section 13.1(a)(3)**. The City may require that any assignee for which consent is required demonstrate to the City's reasonable satisfaction that it has sufficient financial, management, property ownership and operation capabilities, and that it is interested in the long-term viability of the Project. Any assignee of all the rights of the Company shall agree to be bound by the terms of this Lease and any other documents related to the issuance of the Bonds. Upon such assignment of all the rights of the Company and agreement by the assignee to be bound by the terms of this Lease and any other documents related to the Bonds, the Company shall be released from and have no further obligations under this Lease or any agreement related to the issuance of the Bonds.

(b) The Company shall have the right to sublet all or any part of the Project to a single entity for any lawful purpose under the Act. The Company shall, within 10 days after the delivery thereof, furnish or cause to be furnished to the City and the Trustee a true and correct copy of each such sublease. The Company may redact any and all financial terms therein. Any sublease may provide, at the Company's option, that the City's consent shall not be required in respect of any further subletting thereunder if such further subletting is for a similar purpose as the original sublease and is for a purpose permissible under the Act. Notwithstanding the foregoing, the Company may, in the ordinary course of its business, and without the prior approval of the City, enter into leases or subleases with one or more persons or entities for the various units within the Project to be used for commercial or industrial purposes or other uses commonly associated with an industrial complex such as the Project. For the avoidance of doubt, a lease agreement is concurrently entered into between the City and Nebius, Inc. for the lease of project equipment located at the Project Site which the City acknowledges and approves.

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

Section 13.3. Prohibition Against Fee Mortgage of Project. With the exception of mortgages permitted pursuant to **Section 10.4(c)** at the request and direction of the Company, the City shall not mortgage its fee interest in the Project, but may assign its interest in and pledge any moneys receivable under this Lease to the Trustee pursuant to the Indenture as security for payment of the principal of and interest on the Bonds.

Section 13.4. Restrictions on Sale or Encumbrance of Project by City. During this Lease Term, the City agrees that, except to secure the Bonds to be issued pursuant to the Indenture, and except as permitted pursuant to **Section 10.4(c)**, it will not sell, assign, encumber, transfer or convey the Project or any interest therein, but may assign its interest in and pledge any moneys receivable under this Lease to the Trustee pursuant to the Indenture as security for payment of the principal of and interest on the Bonds.

ARTICLE XIV

AMENDMENTS, CHANGES AND MODIFICATIONS

Section 14.1. Amendments, Changes and Modifications. Except as otherwise provided in this Lease or in the Indenture, subsequent to the issuance of Bonds and prior to the payment in full of the Bonds (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Lease may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the Trustee, given in accordance with the provisions of the Indenture.

ARTICLE XV

MISCELLANEOUS PROVISIONS

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

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

Section 15.3. Net Lease. The parties hereto agree (a) that this Lease shall be deemed and construed to be a net lease, (b) that the payments of Basic Rent are designed to provide the City and the Trustee funds adequate in amount to pay all principal of and interest accruing on the Bonds as the same become due and payable, (c) that to the extent that the payments of Basic Rent are not sufficient to provide the City and the Trustee with funds sufficient for the purposes aforesaid, the Company shall be obligated to pay, and it does hereby covenant and agree to pay, upon demand therefor, as Additional Rent, such further sums of money, in cash, as may from time to time be required for such purposes, and (d) that if after the principal of and interest on the Bonds and all costs incident to the payment of the Bonds (including the fees and expenses of the City and the Trustee) have been paid in full the Trustee or the City holds unexpended funds received in accordance with the terms hereof such unexpended funds shall, after payment therefrom of all sums then due and owing by the Company under the terms of this Lease, and except as otherwise provided in this Lease and the Indenture, become the absolute property of and be paid over forthwith to the Company.

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

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

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

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

Section 15.8. Execution in Counterparts. This Lease may be executed in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 15.9. Electronic Storage and Notice. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. If the Company elects to give instructions by electronic notice to the Trustee, the Trustee may deem such instructions controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's

reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Company agrees to assume all risks arising out of the use of such electronic notice to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

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

[Remainder of page intentionally left blank]

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

CITY OF INDEPENDENCE, MISSOURI

By: _____
Name: Lisa Reynolds
Title: Interim City Manager

[SEAL]

ATTEST:

By: _____
Name: Susanne Holland
Title: City Clerk

MISSOURI ADC HOLDINGS, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

EXHIBIT A

PROJECT SITE

The following described real estate located in Jackson County, Missouri:

[**INSERT LEGAL DESCRIPTION**]

EXHIBIT B

PROJECT IMPROVEMENTS

The Project Improvements consist of the following, to the extent paid for in whole with Bond proceeds:

A data center campus consisting of multiple buildings with a combined square footage of approximately 2,100,000 square feet to be constructed on the Project Site, together with related site improvements. The Project Improvements do not include any machinery or equipment other than fixtures and systems that are incorporated into the construction of the building and the related site improvements.

EXHIBIT C

FORM OF REQUISITION CERTIFICATE

Requisition No. _____
Date: _____

REQUISITION CERTIFICATE

TO: BOKF, N.A., AS TRUSTEE UNDER A TRUST INDENTURE DATED AS OF FEBRUARY 1, 2026, BETWEEN CITY OF INDEPENDENCE, MISSOURI, AND THE TRUSTEE, AND THE LEASE AGREEMENT DATED AS OF FEBRUARY 1, 2026, BETWEEN CITY OF INDEPENDENCE, MISSOURI AND MISSOURI ADC HOLDINGS, LLC

The undersigned Authorized Company Representative hereby states and certifies that:

1. A total of \$ _____ is requested to pay for Project Costs (as defined in the Indenture) of the Project Improvements. The total amount of this requisition and all prior requisitions are as follows:

<u><i>Date of Project Costs</i></u>	<u><i>Amount Submitted in this Requisition</i></u>	<u><i>Requisitions Submitted to Date (Including this Requisition)</i></u>

2. Said Project Costs shall be paid in whole from Bond proceeds in such amounts, to such payees and for such purposes as set forth on **Schedule 1** hereto.

3. Each of the items for which payment is requested are or were desirable and appropriate in connection with the construction and improvement of the Project (as defined in the Trust Indenture), have been properly incurred and are a proper charge against the Project Fund, and have been paid by the Company 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.

4. As of this date, except for the amounts referred to above, to the best of my knowledge there are no outstanding disputed statements for which payment is requested for labor, wages, materials, supplies or services in connection with the construction and improvement of the Project which, if unpaid, might become the basis of a vendors', mechanics', laborers' or materialmen's statutory or similar lien upon the Project or any part thereof.

5. With respect to this disbursement, the undersigned (i) certifies it has reviewed any wire instructions set forth herein to confirm such wire instructions are accurate, and (ii) agrees it will not seek

recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with its instructions herein.

MISSOURI ADC HOLDINGS, LLC

By: _____
Authorized Company Representative

SCHEDULE 1 TO REQUISITION CERTIFICATE

PROJECT COSTS

<u>Payee and Address</u>	<u>Description</u>	<u>Amount</u>
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EXHIBIT D

FORM OF CERTIFICATE OF INSURANCE COMPLIANCE

The undersigned, being the Authorized Company Representative for Missouri ADC Holdings, LLC, as tenant (the "Company"), under a certain Lease Agreement dated as of February 1, 2026, between the City of Independence, Missouri (the "City"), and the Company (the "Lease"), and as beneficiary of the City's Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026, issued pursuant to a certain Trust Indenture dated as of February 1, 2026 (the "Indenture"), hereby certifies pursuant to Article VII of Lease:

1. All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings set forth in the Lease.

2. The policies of insurance required to in place pursuant to Article VII of the Lease are effective and the premiums with respect thereto have been paid in full as of the date set forth below. Such policies comply with the terms and provisions set forth in Article VII, and the Company is in compliance with the provisions of Article VII.

3. The undersigned will notify the Trustee 10 days prior to any cancellation or material change to such policies; the policies currently in effect have an expiration date of _____, 20__.

4. The Trustee may conclusively rely on this Certificate of Insurance Compliance without further investigation.

5. Attached hereto are insurance certificates showing compliance with the liability and casualty insurance requirements of Article VII of the Lease.

IN WITNESS WHEREOF, the undersigned Authorized Company Representative has signed this Certificate, and the statements of fact made in this Certificate are true and correct.

Authorized Company Representative

Date: _____

ATTACHMENTS:

1. Liability insurance certificate(s)
2. Casualty insurance certificate(s)

Note: all insurance certificates must show the City and the Trustee as additional insureds.

EXHIBIT E

FORM OF COMPLETION CERTIFICATE

The undersigned, being the Authorized Company Representative for Missouri ADC Holdings, LLC, as tenant (the "Company"), under a certain Lease Agreement dated as of February 1, 2026, between the City of Independence, Missouri (the "City"), and the Company (the "Lease"), and as beneficiary of the City's Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026, issued pursuant to a certain Trust Indenture dated as of February 1, 2026 (the "Indenture"), hereby certifies pursuant to Article IV of the Lease:

1. All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings set forth in the Lease.

2. The construction and improvement of the Project has been completed in accordance with the Plans and Specifications.

3. All costs and expenses incurred in the construction and improvement of the Project have been paid except costs and expenses the payment of which is not yet due or is being retained or contested in good faith by the Company.

4. The Trustee is retaining \$_____ for the payment of amounts with respect to item (3) above.

5. The Trustee may conclusively rely on this Certificate without further investigation.

6. This Certificate is given without prejudice to any rights against third parties which exist at the date hereof or which may subsequently come into being.

IN WITNESS WHEREOF, the undersigned Authorized Company Representative has signed this Certificate, and the statements of fact made in this Certificate are true and correct.

Authorized Company Representative

Date: _____

APPENDIX I
PERFORMANCE AGREEMENT

(See Tab No. 4)

\$6,609,000,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
CITY OF INDEPENDENCE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(NEBIUS PROJECT - REAL PROPERTY)
SERIES 2026

DATED AS OF FEBRUARY 1, 2026

BOND PURCHASE AGREEMENT

Mayor and City Council
Independence, Missouri

Ladies and Gentlemen:

On the basis of the representations, and covenants and upon the terms and conditions contained in this Bond Purchase Agreement, Missouri ADC Holdings, LLC, a Delaware limited liability company (the “Purchaser”), offers to purchase from the City of Independence, Missouri (the “City”), the above-referenced series of Taxable Industrial Development Revenue Bonds (the “Bonds”), to be issued by the City, under and pursuant to an Ordinance passed by the governing body of the City on _____, 2026 (the “Ordinance”) and a Trust Indenture dated as of February 1, 2026 (the “Indenture”), by and between the City and BOKF, N.A., as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings set forth in **Section 101** of the Indenture.

SECTION 1. REPRESENTATIONS AND AGREEMENTS

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

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

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

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

(b) The Purchaser represents as follows:

(1) The Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and is in good standing under the laws of and authorized to do business in the State of Missouri;

(2) The execution, delivery and performance of this Bond Purchase Agreement by the Purchaser has been duly authorized by all necessary action of the Purchaser and does not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, its organizational documents, any law, court or administrative regulation, decree or order applicable to or binding upon the Purchaser, or, to the best of its knowledge, any agreement, indenture, mortgage, lease or instrument to which the Purchaser is a party or by which it is bound;

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

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

SECTION 2. PURCHASE, SALE AND DELIVERY OF THE BONDS

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

The Bonds shall be sold to the Purchaser by the City on the Closing Date (hereinafter defined) upon payment of an amount equal to the Closing Price (hereinafter defined) for the Bonds, which amount shall be deposited in the Project Fund as provided in **Section 502** of the Indenture and shall thereafter on the Closing Date immediately be applied to the payment of Project Costs as provided in **Section 4.4** of the Lease. From time to time after the Closing Date as additional Project Costs are incurred, the Purchaser may make additional payments with respect to the Bonds ("Additional Payments") to the Trustee, which Additional Payments shall be deposited in the Project Fund and applied to the payment of Project Costs at the outstanding principal amount of the Bonds shall increase by each such Additional Payment; provided that the sum of the Closing Price and all such Additional Payments for the Bonds shall not, in the aggregate, exceed \$6,609,000,000.

As used herein, the term "Closing Date" shall mean February __, 2026, or such other date as shall be mutually agreed upon by the City and the Purchaser; the term "Closing Price" shall mean, with respect to the Bonds, that certain amount specified in writing by the Purchaser and agreed to by the City as the amount required to fund the initial disbursement from the Project Fund on the Closing Date.

The Bonds shall be issued under and secured as provided in the Ordinance, the Indenture and the Lease authorized thereby and the Bonds shall have the maturity, interest rate and shall be subject to redemption as set forth therein. The delivery of the Bonds shall be made in definitive form as a fully registered bond in the maximum aggregate principal denomination of \$6,609,000,000; provided, that the principal amount of the Bonds outstanding at any time shall be that amount recorded in the official bond registration records of the Trustee and further provided that interest shall be payable on the Bonds only on the outstanding principal amount of the Bonds, as more fully provided in the Indenture.

The Company agrees to indemnify and hold harmless the City, the Trustee, and any member, officer, official or employee of the City or of the Trustee and any person controlling the Trustee within the meaning of Section 15 of the Securities Act of 1933, as amended (collectively, the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses whatsoever to the extent caused by any violation by the Company of, or failure by the Company to comply with, any federal or state securities laws in connection with the Bonds; provided, however, the indemnification contained in this paragraph shall not extend to such Indemnified Party if such loss, claim, damage, liability or expense is (a) the result of the Indemnified Party's negligence or willful misconduct, or (b) the Indemnified Party is not following the written instructions of the Owner of the Bonds.

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

SECTION 3. CONDITIONS TO THE PURCHASER'S OBLIGATIONS

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

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

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

or the constitutionality or validity of the indebtedness represented by the Bonds or the validity of the Bonds or any proceedings in relation to the issuance or sale thereof;

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

(d) Receipt by the Purchaser and the Company of an approving opinion from Gilmore & Bell, P.C., in form and substance satisfactory to the Purchaser and the Company.

SECTION 4. THE PURCHASER'S RIGHT TO CANCEL

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

SECTION 5. CONDITIONS OF OBLIGATIONS

The obligations of the parties hereto are subject to the receipt of the approving opinion of Gilmore & Bell, P.C., Bond Counsel, with respect to the validity of the authorization and issuance of the Bonds.

SECTION 6. REPRESENTATIONS AND AGREEMENTS TO SURVIVE DELIVERY

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

SECTION 7. PAYMENT OF EXPENSES

The Company shall pay all reasonable expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Bonds. To the best of the City's knowledge and belief, the only expenses payable by the Company in connection with the issuance of the Bonds are the following: (1) the City's issuance fee and the legal fees of Gilmore & Bell, P.C., (2) any recording and filing fees incurred in connection with the Closing, and (3) the Trustee's initial acceptance fee and first year's administrative fee.

SECTION 8. NOTICE

Any notice or other communication to be given to the City under this Agreement may be given by mailing or delivering the same in writing to the City of Independence, Missouri at the address set out for notices to the City in **Section 1403** of the Indenture; any notice or other communication to be given to the Purchaser or the Company under this Agreement may be given by delivering the same in writing at the address set out for notices to the Company in **Section 1403** of the Indenture.

SECTION 9. APPLICABLE LAW; ASSIGNABILITY

This Bond Purchase Agreement shall be governed by the laws of the State of Missouri and may be assigned by the Purchaser with the written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed.

SECTION 10. EXECUTION OF COUNTERPARTS

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

[Remainder of this page intentionally left blank]

Executed as of the date first written above by the undersigned, as Purchaser, and accepted by the undersigned, as Company:

MISSOURI ADC HOLDINGS, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

Accepted and Agreed to as of the date first written above.

CITY OF INDEPENDENCE, MISSOURI

By: _____
Name: Lisa Reynolds
Title: Interim City Manager

[SEAL]

ATTEST:

By: _____
Name: Susanne Holland
Title: City Clerk

PERFORMANCE AGREEMENT

Dated as of February 1, 2026

BETWEEN

CITY OF INDEPENDENCE, MISSOURI

AND

MISSOURI ADC HOLDINGS, LLC

Prepared By:

**Gilmore & Bell, P.C.
Kansas City, Missouri**

PERFORMANCE AGREEMENT

THIS PERFORMANCE AGREEMENT, dated as of February 1, 2026 (the “**Agreement**”), between the **CITY OF INDEPENDENCE, MISSOURI**, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri (the “**City**”), and **MISSOURI ADC HOLDINGS, LLC**, a Delaware limited liability company (the “**Company**”);

RECITALS:

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

2. Pursuant to the Act, the City Council of the City gave notice to the affected taxing jurisdictions in accordance with Section 100.059.1 of the Act and held a public hearing to finance the costs of a project (the “**Project**”) for the Company consisting of acquiring, constructing and improving certain real property located at and surrounding 501 North Bly Road in the City (the “**Project Site**”), including the construction and improvement of multiple buildings with a combined square footage of approximately 2,100,000 square feet on the Project Site, out of the proceeds of industrial development revenue bonds to be issued under the Act to provide funds to pay the costs of the Project, and to lease or sell the Project to the Company for the purpose of financing the costs of the Project.

3. Pursuant to an ordinance or ordinances (the “**Ordinance**”) passed by the City Council, the City has approved a plan for the Company’s industrial development project and has been authorized to execute and deliver (a) a Trust Indenture of even date herewith (the “**Indenture**”) between the City and BOKF, N.A., Kansas City, Missouri, as trustee (the “**Trustee**”), for the purpose of issuing and securing the City’s Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026 in the maximum principal amount of \$6,609,000,000 (the “**Bonds**”), (b) a Lease Agreement of even date herewith (the “**Lease**”) with the Company under which the City, as lessor, will construct, extend and improve the Project and will lease the Project to the Company, in consideration of rentals which will be sufficient to pay the principal of and interest on the Bonds, and (c) this Agreement for the purpose of setting forth the terms and conditions of the Project’s exemption from ad valorem property taxes and certain payments in lieu of taxes to be made by the Company with respect to the Project.

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

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

ARTICLE I

DEFINITIONS

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

“Agreement” means this Performance Agreement dated as of February 1, 2026, between the City and the Company, as from time to time amended and supplemented in accordance with the provisions hereof.

“Company” means Missouri ADC Holdings, LLC, a Delaware limited liability company, and its successors and assigns.

“Completed Square Footage” means, as of January 1 of a year for which a PILOT Payment is being calculated, the total square footage of interior building space located on the Project Site which is contained in a building for which a certificate of occupancy has been issued by the City, *provided that*, if a certificate of occupancy is issued in January or February of a calendar year, it shall be deemed to have been issued on December 31 of the prior calendar year for purposes of this definition.

“Excusable Delay” means any delay beyond the reasonable control of the Company caused by damage or destruction by fire or other casualty, acts of God, strike, shortage of materials or labor, equipment, utilities, or transportation, civil disorder, war, epidemic or pandemic, supply-chain disruptions, failure or refusal of any governmental entity to issue any permits and/or legal authorization necessary for the construction of the Project, tariffs, governmental actions or inaction, changes in law or interpretation thereof, unavailability of labor, adverse weather conditions and any other events or conditions, which shall include but not be limited to any litigation interfering with or delaying the construction of all or any portion of the Project, which in fact prevents the Company from continuing construction of the Project.

“Indenture” means the Trust Indenture dated as of February 1, 2026, between the City and BOKF, N.A., Kansas City, Missouri, as Trustee, relating to the issuance of the Bonds, as amended or supplemented from time to time.

“PILOT Payments” or **“PILOTS”** means the payments in lieu of taxes provided for in **Article III** hereof.

“Project” means, collectively, the Project Site and the Project Improvements as they may at any time exist.

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

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

ARTICLE II

REPRESENTATIONS

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

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

ARTICLE III

PROPERTY TAX EXEMPTION; PAYMENT IN LIEU OF TAXES

Section 3.1. Property Tax Exemption. So long as the City owns title to the Project, the City expects that the Project will be exempt from ad valorem property taxes. The first year of the exemption period for purposes of this Agreement shall begin with tax year **2026** and the **Exhibit B** "PILOT per Square Foot" calculations and payments shall begin with tax year **2027**. Notwithstanding any other provision of this Agreement to the contrary, the last year of such exemption period shall be tax year **2046**. The Company covenants and agrees that, during each year the Project is exempt from ad valorem taxes by reason hereof, the Company will make annual payments in lieu of taxes to the City (each such payment, a "PILOT") as described in this **Article III**. The City and the Company hereby agree that the tax abatement provided by this Agreement shall only apply to property financed with the proceeds of the Bonds (i.e., property constituting a part of the Project) and shall not apply to property not financed with proceeds of the Bonds. No machinery or equipment other than fixtures and systems that are incorporated into the construction of the building and related site improvements shall be purchased with the proceeds of the Bonds.

Section 3.2. Payments In Lieu of Taxes for Project. The Company covenants and agrees to make PILOT Payments to the City on or before each December 31, commencing December 31, 2026, as follows:

For calendar year 2026, the PILOT Payment shall be \$6,977.

For calendar years 2027 through 2046, the PILOT Payment shall be equal to the Completed Square Footage multiplied by the "PILOT per Square Foot" set out for such year on **Exhibit B**; *provided that*, if any buildings are partially complete on January 1 of such calendar years, the PILOT Payment for such partially completed buildings shall be calculated based on the square footage under construction, multiplied by the "PILOT per Square Foot" and pro-rated by percentage of completion at January 1, which percentage shall be certified in good faith to the City by an Authorized Company Representative upon request by the City; *and further provided that*, if construction has yet to start on the Project on January 1 of any such calendar year, the PILOT Payment shall be equal to \$6,977.

The parties agree that if a Certificate of Occupancy for particular building(s) is expected to be issued in any year but has not actually been issued by November 1, the Company will advise the City of the expected square footage of such building(s) which will be used for purposes of determining the PILOT on a timely basis.

Section 3.3. Adjustment to PILOT Payments Based on Certain Failures by Company.

(a) In the event the Company fails to spend at least \$3,100,000,000 (approximately 80% of anticipated Project Costs) on the Project on or before September 30, 2031 (as certified to the Trustee and the City through requisition certificates submitted to the Trustee in accordance with the Lease), the Company shall make additional PILOT Payments in an amount equal to the Investment Deficiency Percentage (calculated as shown below) multiplied by the amount of the difference between the PILOT Payments set out under **Section 3.2** hereof and the total ad valorem property taxes that would otherwise have been due on the Project (were it not for City ownership) during the year in which the failure occurs and any subsequent year in which such failure persists as of September 30 of such year and during which the exemption from property tax applies by virtue of City ownership. The Investment Deficiency Percentage shall be calculated, beginning at zero percent (0%) for compliance, in accordance with the following formula, with the result expressed as a percentage:

$$\text{Investment Deficiency Percentage} = (1 - (\text{certified Project Costs} / \$3,100,000,000)) \times 100.$$

(b) If for any reason a cessation of construction of the Project occurs after construction has commenced and prior to completion of the Project, the amount of the PILOT Payments shall be increased to 100% of the ad valorem property taxes that would otherwise have been due on the Project for each year following such cessation of construction including the year of cessation of construction, during which such cessation of construction continues. "Cessation of construction," for the purpose of this paragraph, means no construction activities have occurred on the Project for a period of 90 consecutive days, except (i) during any period of Excusable Delay; (ii) unless the Project has been subject to a casualty and the Company has elected to rebuild the Project in accordance with the provisions of the Lease; or (iii) if the Company's interest in this Agreement has been transferred pursuant to **Article V** hereof and the construction of the Project continues thereafter.

(c) If the Company ceases operations at the Project, other than temporary closures customary in the applicable industry, then in addition to any other remedies that may be available to the City under the Lease or hereunder, the PILOT Payments shall be increased to an amount equal to 100% of the ad valorem property taxes that would otherwise have been due on the Project during the year in which the failure occurs and any subsequent year during which such failure persists and during which the Project is exempt from ad valorem property taxes as provided herein. "Ceases operations" or "cessation of operations" for the purpose of this paragraph means the Company completely vacates, abandons and permanently ceases operations and fails to maintain the Project Site for a period of 180 consecutive days after completion of the Project, unless the Project has been subject to a casualty and the Company is intending to rebuild the Project or the Company's interest in this Agreement has been transferred pursuant to the provisions hereof and the Project continues in operation thereafter. The Company shall not be deemed to have ceased operations during any time when a tenant is operating at the Project Site and the provisions of the Lease regarding maintenance of the Project are satisfied.

(d) The maximum PILOT Payment (including all payments under **Section 3.2** and **Section 3.3** hereof) for any year pursuant to this Agreement shall not exceed 100% of the ad valorem property taxes that would otherwise have been due on the Project were it not for ownership of the Project by the City and, as such, no redundant or duplicative payments shall be required on the part of the Company to the City.

Section 3.4. Distribution of PILOTS. Within 30 days of the date of receipt of each PILOT, the City shall or shall cause the County or another designated billing/collection agent to distribute each PILOT among the taxing jurisdictions in proportion to the amount of taxes which would have been paid for such year had the Project not been exempt from taxation pursuant to this Agreement. The allocation

between school districts shall be in proportion to the total investment located within each school district's boundaries, which allocation shall be certified to the City by the Company upon request.

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

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

Section 3.7. Other Property Taxes In Connection with the Project. The property tax exemption provided by the City's ownership of the Project is expected to apply to all interests in the Project during the period it is owned by the City. If any ad valorem property taxes are levied by or on behalf of any taxing jurisdiction against any interest in the Project during the period the City owns the Project (including, without limitation, any ad valorem taxes levied against the Company's rights in the Lease), the amount of ad valorem tax payments related to such levy or levies which are paid by the Company and received by the City and other taxing jurisdictions shall be credited against and reduce on a *pro rata* basis the amount of the PILOT Payments the Company is obligated to pay pursuant to this Agreement so that no duplicative payments are made. The Company shall be responsible for any taxes related to any interest in the Project which the Company owns in its own name or granted to the Company other than pursuant to the Lease.

Section 3.8. Credits for Certain Payments. Nothing in this Agreement shall be construed to require the Company to make duplicate tax payments. The Company shall receive a credit hereunder to the extent it has made any payment for ad valorem property taxes on the Project to the City, to Jackson County, Missouri or to the State of Missouri.

Section 3.9. Company's Right To Protest Taxes. Notwithstanding any other provision of this Agreement to the contrary, nothing in this Agreement shall be construed to limit or in any way restrict the availability of any provision of Missouri law which confers upon the Company the right to appeal, protest or otherwise contest any property tax valuation, assessment, classification or similar action. However, no such appeal, protest or contest shall affect the amount or timing of PILOT Payments to be made under this Agreement.

Section 3.10. No Abatement on Special Assessments, Licenses or Fees. The City and the Company hereby agree that the property tax exemptions described in this Agreement shall not apply to special assessments and shall not serve to reduce or eliminate any other licenses or fees owing to the City or any other taxing jurisdiction with respect to the Project. The Company hereby agrees to make payments with respect to all special assessments, licenses and fees which would otherwise be due with respect to the Project if such Project was not owned by the City.

ARTICLE IV

COVENANTS, REPRESENTATIONS AND AGREEMENTS

Section 4.1. Inspection. The Company agrees that the City and its duly authorized agents shall have the right at reasonable times (during business hours), subject to at least five business days advance written notice and subject to the industry accepted usual business proprietary, safety and security requirements of the Company and its end clients and without interference or prejudice to the Company's operations or development of the Project Improvements, to enter upon the Project Site to examine and inspect the Project and the records of the Company which demonstrate compliance with this Agreement, but not more than once annually.

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

Section 4.3. Construction and Improvement of the Project. The Project will be constructed and improved consistent with the provisions of the Lease. In the event the Project is not constructed and improved in compliance with the provisions of the Lease, the City reserves the right to declare an Event of Default in accordance with **Section 6.1** hereof.

Section 4.4. Representations and Warranties.

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

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

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

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

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

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

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

(1) The City is a constitutional charter city and municipal corporation duly organized and validly existing under the laws of the State of Missouri;

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

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

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

Section 4.5. Survival of Covenants. All warranties, representations, covenants and agreements of the Company and the City contained herein which are specifically designated to survive the termination of this Agreement or which by nature must survive for the benefit thereof to be realized (such as indemnity obligations) shall survive termination of this Agreement for any reason.

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

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

Section 4.8. Sales Tax Exemptions. Upon request of the Company, the City will issue a sales tax exemption certificate to the Company for construction materials to be purchased for the Project and the City shall provide such other documentation as may be necessary from time to time to effect said sales tax exemption. The Company shall use the exemption certificate only for the purchase of construction materials to be incorporated into the Project on the Project Site and shall not use the exemption certificate for the purchase of any personal property other than construction materials. The Company shall indemnify and defend the City and its respective officers, employees and agents against and from any and all causes of action or actions in law or equity, liens, claims damages, loss, costs or expenses of any nature whatsoever by any person or entity, arising out of the utilization of the sales tax exemption certificate.

ARTICLE V

SALE AND ASSIGNMENT

The benefits granted by the City to the Company pursuant to this Agreement shall belong solely to the Company, and such benefits shall not be transferred, assigned, pledged or in any other manner hypothecated (other than to an affiliate of the Company or in connection with Permitted Encumbrances (as defined in the Lease) without the express written consent of the City which shall not be unreasonably

conditioned, withheld or delayed; but nothing herein shall preclude the Company from assigning or pledging its interest in the Project (or incurring Permitted Encumbrances (as defined in the Lease) so long as the Company continues to occupy the Project and otherwise remains responsible for its undertakings herein. Notwithstanding the foregoing, the Company may, without the City's consent, transfer its interests in this Agreement to any entity or person to whom the Lease has been assigned in accordance with **Article XIII** thereof (or incur Permitted Encumbrances (as defined in the Lease).

ARTICLE VI

DEFAULT AND REMEDIES

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

(a) the Company fails to make any PILOT Payments required to be paid hereunder within 30 days after written notice and demand by the City; or

(b) any representation of the Company contained herein proves to be materially false or erroneous and is not corrected or brought into compliance within 60 days (or such longer period as the City and the Company may agree in writing) after the City has given written notice to the Company specifying the false or erroneous representation and requiring it to be remedied; provided, that if such matter is not subject to cure within such 60 days (or such longer period as the City and Company agree in writing) after such notice, the Company fails to initiate action to cure the default within such 60 days after such notice and fails to pursue such action diligently.

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

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

Section 6.3. Payments on Defaulted Amounts. Any amounts due hereunder which are not paid when due shall bear interest at the interest rate imposed by Missouri law on overdue ad valorem real estate taxes from the date such payment was first due.

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

Section 6.5. Failure of the City to Perform its Obligations. In the event the City shall fail to perform any of its obligations hereunder for (i) a period of 30 days (or such longer period as the Company and the City may agree in writing) following written notice to the City from the Company of such failure which notice shall include a specific description of the City's failure hereunder), or (ii) if

such failure is not subject to cure within such 30 days, the City shall have failed to initiate action to cure such default and shall pursue such action diligently; the Company may declare that the City is in default under this Agreement and may pursue any legal remedy available to it to enforce this Agreement.

ARTICLE VII

TERM OF AGREEMENT

This Agreement shall become effective upon execution, and subject to earlier termination pursuant to the provisions of this Agreement (including particularly **Article VI** hereof), shall have an initial term commencing as of the date of this Agreement and terminating on **December 1, 2046** (the “**Stated Expiration Date**”). This Agreement shall automatically terminate prior to the Stated Expiration Date in the event the Bonds (or any Bonds issued to refund the Bonds) are no longer outstanding.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

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

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

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

Section 8.4. Waiver. The City and the Company acknowledge and agree that the amounts payable hereunder shall constitute payments due the City under the Lease executed in connection with the Bonds. The Company shall not be entitled to any extension of payment of such amounts as a result of a filing by or against the Company in any bankruptcy court.

Section 8.5. Entire Agreement. This Agreement constitutes the entire agreement relating to the subject matter contained herein and supersedes all prior agreements and understandings, both written and oral, between the City and the Company with respect to the subject matter hereof.

Section 8.6. Electronic Storage of Documents. The City and the Company agree that the transaction described herein may be conducted and related documents may be stored by electronic means.

Section 8.7. Notices. All notices, certificates or other communications required or desired to be given hereunder shall be given in the manner specified in the Lease.

Section 8.8. Employee Verification. The Company will comply with and satisfy the requirements of Section 285.530.2, RSMo., as amended, which requires (1) any business entity receiving tax abatement to, by sworn affidavit and provision of documentation, annually affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the business entity receiving tax abatement, and (2) every such business entity to annually sign an affidavit affirming that it does not knowingly employ any person who is an unauthorized

alien in connection with the entity receiving tax abatement. The Company shall provide such affidavits and documentation to the City on or before November 15 of each year during the term of this Agreement, beginning November 15, 2026, and also upon execution of this Agreement.

Section 8.9. Complete Agreement. The Company and the City understand that oral agreements or commitments to loan money, extend credit or to forbear from enforcing repayment of a debt including promises to extend or renew such debt are not enforceable. To protect the Company and the City from misunderstanding or disappointment, any agreements the Company and the City reach covering such matters are contained in this Agreement and the Lease, which are the complete and exclusive statements of the agreement between the Company and the City, except as the Company and the City may later agree in writing to modify this Agreement and the Lease.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective corporate names, all as of the date first above written.

CITY OF INDEPENDENCE, MISSOURI

By: _____
Name: Lisa Reynolds
Title: Interim City Manager

[SEAL]

ATTEST:

By: _____
Name: Susanne Holland
Title: City Clerk

MISSOURI ADC HOLDINGS, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

EXHIBIT A

Legal Description

The following described real estate located in Jackson County, Missouri:

[**INSERT LEGAL DESCRIPTION**]

EXHIBIT B

PILOT SCHEDULE

Year	PILOT per Square Foot	Notes
2027	\$0.1442	Abatement Year 1
2028	0.1442	Abatement Year 2
2029	0.1442	Abatement Year 3
2030	0.1442	Abatement Year 4
2031	0.1442	Abatement Year 5
2032	0.1442	Abatement Year 6
2033	0.1442	Abatement Year 7
2034	0.1442	Abatement Year 8
2035	0.1442	Abatement Year 9
2036	0.1442	Abatement Year 10
2037	0.1442	Abatement Year 11
2038	0.1442	Abatement Year 12
2039	0.1854	Abatement Year 13
2040	0.2369	Abatement Year 14
2041	0.2987	Abatement Year 15
2042	0.3914	Abatement Year 16
2043	0.4944	Abatement Year 17
2044	0.6386	Abatement Year 18
2045	0.8137	Abatement Year 19
2046	1.0403	Abatement Year 20

**CITY OF INDEPENDENCE, MISSOURI,
the City**

AND

**BOKF, N.A.,
as Trustee**

TRUST INDENTURE

Dated as of February 1, 2026

Relating to:

**\$144,023,000,000
(Aggregate Maximum Principal Amount)
City of Independence, Missouri
Taxable Industrial Development Revenue Bonds
(Nebius Project - Equipment)
Series 2026**

TRUST INDENTURE

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TRUST INDENTURE

THIS TRUST INDENTURE dated as of February 1, 2026 (the “Indenture”), is between the **CITY OF INDEPENDENCE, MISSOURI**, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri (the “City”), and **BOKE, N.A.**, Kansas City, Missouri, 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 a corporate trust office located in Kansas City, Missouri, as Trustee (the “Trustee”);

RECITALS:

1. The City is authorized and empowered pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the “**Act**”), to purchase, construct, extend, improve and equip certain “projects” (as defined in the Act) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or businesses for manufacturing, commercial, research and development, warehousing, office industry and industrial development purposes upon such terms and conditions as the City shall deem advisable.

2. Pursuant to the Act, the City Council passed an ordinance (the “Ordinance”) on _____, 2026, authorizing the City to issue its Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026, in the maximum principal amount of \$144,023,000,000 (the “Bonds”), for the purpose of acquiring and installing certain equipment (the “Project Equipment,” as more fully described on **Exhibit B** hereto) at a site located at and surrounding 501 North Bly Road in the City (the “Project Site,” as more fully described on **Exhibit A** hereto).

3. The Ordinance authorizes the City to lease the Project Equipment to Nebius, Inc., a Delaware corporation (the “Company”).

4. Pursuant to the Ordinance, the City is authorized to execute and deliver (a) this Indenture for the purpose of issuing and securing the Bonds, (b) the Lease Agreement of even date herewith (the “Lease”) with the Company, under which the City, as lessor, will, or will cause the Company to, acquire and install the Project Equipment and will lease the Project Equipment to the Company, as lessee, in consideration of rentals that will be sufficient to pay the principal of and interest on the Bonds, and (c) the Performance Agreement for the purpose of setting forth the terms and conditions of the Project Equipment’s exemption from ad valorem real property taxes and certain payments in lieu of taxes to be made by the Company with respect to the Project Equipment.

5. All things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid and legally binding obligations of the City, and to constitute this Indenture a valid and legally binding pledge and assignment of the Trust Estate (defined herein) herein made for the security of the payment of the principal of and interest on the Bonds, have been done and performed, and the execution and delivery of this Indenture and the execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

That the City, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the Owners thereof, and of other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of and interest on all of the Bonds issued and outstanding under this Indenture from time to time according to their tenor and effect, and to secure the performance and observance by the City of all the covenants, agreements and conditions herein and in the Bonds contained, does hereby pledge and assign to the Trustee and its successors and assigns until this Indenture has been satisfied and discharged, the property described in paragraphs (a), (b) and (c) below (said property being herein referred to as the "Trust Estate"), to-wit:

(a) Excluding the Unassigned Rights, all right, title and interest of the City in and to the Project Equipment together with the rights, privileges and immunities thereunto belonging or appertaining and, to the extent permissible, all permits, certificates, approvals and authorizations;

(b) Excluding the Unassigned Rights, all right, title and interest of the City in, to and under the Lease, and all rents, revenues and receipts derived by the City from the Project Equipment including, without limitation, all rentals and other amounts to be received by the City and paid by the Company under and pursuant to and subject to the provisions of the Lease; and

(c) All moneys and securities from time to time held by or now or hereafter required to be paid to the Trustee under the terms of this Indenture, and any and all other personal property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by the City or by anyone in its behalf, or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD, all and singular, the Trust Estate with all rights and privileges hereby pledged and assigned or agreed or intended so to be, to the Trustee and its successors and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and subject to the conditions herein set forth, for the equal and proportionate benefit, protection and security of all Owners from time to time of the Bonds outstanding under this Indenture, without preference, priority or distinction as to lien or otherwise of any of the Bonds over any other of the Bonds except as expressly provided in or permitted by this Indenture;

PROVIDED, HOWEVER, that if the City pays, or causes to be paid, the principal of and interest on the Bonds, at the time and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, or provides for the payment thereof (as provided in **Article XIII** hereof), and pays or causes to be paid to the Trustee all other sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights 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 the Trust Estate is to be held and applied under, upon

and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the City does hereby agree and covenant with the Trustee and with the respective Owners from time to time, as follows:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined in **Section 1.1** of the Lease, which definitions shall be deemed to be incorporated herein, and terms defined elsewhere in this Indenture, the following words and terms as used in this Indenture shall have the following meanings, unless some other meaning is plainly intended:

“Act” means, collectively, Article VI, Section 27(b) of the Missouri Constitution, as amended, and Sections 100.010 through 100.200 of the Revised Statutes of Missouri, as amended.

“Additional Rent” means the additional rental described in **Sections 5.2** and **6.2** of the Lease.

“Authorized City Representative” means the Mayor, (Interim) City Manager, Finance Director or Chief Financial Officer, City Clerk or such other person at the time designated to act on behalf of the City as evidenced by written certificate furnished to the Company and the Trustee containing the specimen signature of such person and signed on behalf of the City by its Mayor or (Interim) City Manager. Such certificate may designate an alternate or alternates each of whom shall be entitled to perform all duties of the Authorized City Representative.

“Authorized Company Representative” means the Person at the time designated to act on behalf of the Company as evidenced by written certificate furnished to the City and the Trustee containing the specimen signature of such Person and signed on behalf of the Company by an authorized officer of the Company. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized Company Representative.

“Basic Rent” means the rental described in **Section 5.1** of the Lease.

“Bond” or **“Bonds”** means the Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026, in the maximum aggregate principal amount of \$144,023,000,000, issued, authenticated and delivered under and pursuant to this Indenture.

“Bond Fund” means the “City of Independence, Missouri, Bond Fund (Nebius Project - Equipment)” created in **Section 501** of this Indenture.

“Bond Purchase Agreement” means the agreement by that name with respect to the Bonds, dated as of February 1, 2026, by and between the City and the Purchaser.

“Business Day” means any day other than a Saturday or Sunday or legal holiday or a day on which banks located in the city in which the payment office of the Trustee is required or authorized by law to remain closed.

“City” means the City of Independence, Missouri, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri, and its successors and assigns.

“Closing Date” means the date identified in the Bond Purchase Agreement for the initial issuance and delivery of the Bonds.

“Closing Price” means the amount specified in writing by the Purchaser and agreed to by the City as the amount required to pay for the initial issuance of the Bonds on the Closing Date.

“Company” means Nebius, Inc., a Delaware corporation, and its successors or assigns.

“Completion Date” means the date of execution of the certificate required pursuant to **Section 504** hereof.

“Costs of Issuance Fund” means the “City of Independence, Missouri, Costs of Issuance Fund (Nebius Project - Equipment)” created in **Section 501** hereof.

“Cumulative Outstanding Principal Amount” means an amount equal to the aggregate of all amounts paid into the Project Fund in accordance with the provisions of this Indenture, the Bond Purchase Agreement and the Lease, as reflected in the bond registration records maintained by the Trustee or in the Table of Cumulative Outstanding Principal Amount set forth in the form of Bond in **Section 402** hereof.

“Event of Default” means, with respect to this Indenture, any Event of Default as defined in **Section 901** hereof and, with respect to the Lease, any Event of Default as described in **Section 12.1** of the Lease.

“Government Securities” means direct obligations of, or obligations the payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

“Indenture” means this Trust Indenture, as from time to time amended and supplemented by Supplemental Indentures in accordance with the provisions of **Article XI** hereof.

“Investment Securities” means any of the following securities:

- (a) Government Securities;
- (b) obligations of the Federal Financing Bank, the Federal Intermediate Credit Corporation, Federal Banks for Cooperatives, Federal Land Banks, and Farmers Home Administration;
- (c) direct and general obligations of any state of the United States of America, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, provided that at the time of their purchase under this Indenture such obligations are rated in either of the two highest rating categories by a nationally-recognized bond rating agency;
- (d) certificates of deposit, whether negotiable or nonnegotiable, and U.S. dollar denominated deposit accounts issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the

Trustee or any of its affiliates), provided that such certificates of deposit or deposit accounts shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described above in clauses (a) through (c), inclusive, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit and shall be deposited with the Trustee or a custodian bank, trust company or national banking association. The bank, trust company or national banking association holding each such certificate of deposit required to be so secured shall furnish the Trustee written evidence that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount at least equal to the principal amount of each such certificate of deposit and the Trustee shall be entitled to rely on each such undertaking;

(e) shares of a fund registered under the Investment Company Act of 1940, as amended, whose shares are registered under the Securities Act of 1933, as amended, having assets of at least \$100,000,000, and which shares, at the time of purchase, are rated by S&P and Moody's in one of the two highest rating categories (without regard to any refinements or gradation of rating category by numerical modifier or otherwise) assigned by such rating agencies for obligations of that nature; or

(f) any other investment approved in writing by the Authorized City Representative and the Owners of all of the Outstanding Bonds.

"Lease" means the Lease Agreement dated as of February 1, 2026, between the City, as lessor, and the Company, as lessee, as from time to time amended and supplemented by Supplemental Leases in accordance with the provisions thereof and of **Article XII** of this Indenture.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, "Moody's" will be deemed to refer to any other nationally recognized securities rating agency designated by the Authorized Company Representative.

"Outstanding" means, when used with reference to Bonds, as of a particular date, all Bonds theretofore authenticated and delivered, except:

(a) Bonds subsequently cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of **Section 1302** hereof; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Indenture.

"Owner" or **"Bondowner"** means the registered owner of any Bond as recorded on the bond registration records maintained by the Trustee.

"Paying Agent" means the Trustee and any other bank or trust company designated by this Indenture as paying agent for the Bonds at which the principal of or interest on the Bonds shall be payable.

“Payment Date” means the date on which principal or interest on any Bond, whether at the stated maturity thereof or the redemption date thereof, is payable, which shall be December 1 of each year that the Bonds are Outstanding.

“Performance Agreement” means the Performance Agreement dated as of February 1, 2026, between the City and the Company, as amended and supplemented from time to time.

“Person” means an individual, partnership, corporation, business trust, joint stock company, limited liability company, bank, insurance company, unincorporated association, joint venture or other entity of whatever nature.

“Project Costs” means all costs of acquiring and installing the Project Equipment and of issuing the Bonds.

“Project Equipment” means the personal property to be acquired and installed at the Project Site pursuant to **Article IV** of the Lease and paid for in whole or in part from the proceeds of Bonds, as described in **Exhibit B** attached hereto.

“Project Fund” means the “City of Independence, Missouri, Project Fund (Nebius Project - Equipment)” created in **Section 501** hereof.

“Project Site” means the location described in **Exhibit A** attached hereto and by this reference made a part hereof.

“Purchaser” means the entity identified in the Bond Purchase Agreement as the purchaser of the Bonds.

“S&P” means Standard & Poor’s Ratings Services, a division of McGraw Hill Financial, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, “S&P” will be deemed to refer to any other nationally recognized securities rating agency designated by the Authorized Company Representative.

“State” means the State of Missouri.

“Supplemental Indenture” means any indenture supplemental or amendatory to this Indenture entered into by the City and the Trustee pursuant to **Article XI** hereof.

“Supplemental Lease” means any supplement or amendment to the Lease entered into pursuant to **Article XII** hereof.

“Trust Estate” means the Trust Estate described in the Granting Clauses of this Indenture.

“Trustee” means BOKF, N.A., Kansas City, Missouri, 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, and its successor or successors and any other corporation which at the time may be substituted in its place pursuant to and at the time serving as Trustee under this Indenture.

“Unassigned Rights” means (1) the City’s right to receive moneys for its own account, including but not limited to payments in lieu of taxes, (2) the City’s rights to indemnification or to be protected from liabilities by insurance policies required by the Lease, and (3) the rights of the City to provide any consent or approval under the Lease and to enforce provisions of the Lease relating to the completion, condition or use of the Project Equipment (including but not limited to **Section 10.9** of the Lease).

Section 102. Rules of Interpretation.

(a) Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing Persons shall include firms, associations and corporations, including public bodies, as well as natural Persons.

(b) Wherever in this Indenture it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

(c) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision.

(d) Whenever an item or items are listed after the word “including”, such listing is not intended to be a listing that excludes items not listed.

(e) The Table of Contents and the Article and Section headings of this Indenture shall not be treated as a part of this Indenture or as affecting the true meaning of the provisions hereof.

ARTICLE II

THE BONDS

Section 201. Title and Amount of Bonds. No Bonds may be issued under this Indenture except in accordance with the provisions of this Article. The Bonds authorized to be issued under this Indenture shall be designated as “City of Independence, Missouri, Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026.” The maximum total principal amount of Bonds that may be issued hereunder is hereby expressly limited to \$144,023,000,000.

Section 202. Nature of Obligation. The Bonds and the interest thereon shall be special obligations of the City payable solely out of certain rents, revenues and receipts derived by the City from the Project Equipment and the Lease (excluding the Unassigned Rights), and not from any other fund or source of the City. The Bonds are secured by a pledge and assignment of the Trust Estate to the Trustee in favor of the Owners, as provided in this Indenture. The Bonds and the interest thereon shall not constitute general obligations of the City, the State or any political subdivision thereof, and neither the City, the State or related political subdivision thereof shall be liable thereon, and the Bonds shall not constitute an indebtedness within the meaning of any constitutional, charter or statutory debt limitation or restriction, and are not payable in any manner by taxation.

Section 203. Denomination, Number and Dating of the Bonds.

(a) The Bonds shall be issuable in the form of one fully-registered Bond, in substantially the form set forth in **Exhibit C** hereto, in the denomination of \$0.01 or any multiple thereof.

(b) The Bonds shall be dated by the Trustee as of the date of initial delivery thereof as provided herein. If the Bonds are at any time thereafter transferred, any replacement Bonds shall be dated as of the date of authentication thereof.

Section 204. Method and Place of Payment of Bonds.

(a) The principal of and interest on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for payment of public and private debts.

(b) Payment of the principal of the Bonds shall be made upon the presentation and surrender of such Bonds at the payment office of any Paying Agent named in the Bonds. The payment of principal on the Bonds shall be noted on the Bonds on **Schedule I** thereto and the registration books maintained by the Trustee pursuant to **Section 206** hereof. Payment of the interest on the Bonds shall be made by the Trustee on each Payment Date to the Person appearing on the registration books of the Trustee hereinafter provided for as the Owner thereof on the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Payment Date by check or draft mailed to such Owner at such Owner's address as it appears on such registration books.

(c) The Bonds and the original **Schedule I** thereto shall be held by the Trustee in trust, unless otherwise directed in writing by the Owner. If the Bonds are held by the Trustee, the Trustee shall, upon written request, send a revised copy of **Schedule I** via facsimile or other electronic means to the Owner, the Company (if not the Owner) and the City. Absent manifest error, the amounts shown on **Schedule I** as noted by the Trustee shall be conclusive evidence of the principal amount paid on the Bonds.

(d) If there is one Owner of the Bonds, the Trustee is authorized to make the final or any interim payments of principal on such Bonds by internal bank transfer or by electronic transfer to an account at a commercial bank or savings institution designated in writing by such Owner and located in the continental United States. The Trustee is also authorized to make interest payments on such Bonds by internal bank transfer or by electronic transfer to an account at a commercial bank or savings institution designated by such Owner and located in the continental United States.

(e) If the Company is the sole Owner of the Bonds, then the Company may set-off (by book entry or other reasonable means) its obligation to pay Basic Rent to the City as lessee under the Lease against the City's obligations to the Company as the bondholder under this Indenture. The Trustee may conclusively rely on the absence of any notice from the Company to the contrary as evidence that such set-off has occurred. On the final Payment Date, the Company may deliver to the Trustee for cancellation the Bonds and the Company shall receive a credit against the Basic Rent payable by the Company under **Section 5.1** of the Lease in an amount equal to the remaining principal on the Bond so tendered for cancellation plus accrued interest thereon.

Section 205. Execution and Authentication of Bonds.

(a) The Bonds shall be executed on behalf of the City by the manual or facsimile signature of its Mayor or (Interim) City Manager and attested by the manual or facsimile signature of the City Clerk, and shall have the corporate seal of the City affixed thereto or imprinted thereon. If any officer whose signature or facsimile thereof appears on the Bonds ceases to be such officer before the delivery of such Bond, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if such Person had remained in office until delivery. Any Bond may be signed by such Persons as at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such Persons may not have been such officers.

(b) The Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in **Exhibit C** hereof, which shall be manually executed by the Trustee. No Bond shall be entitled to any security or benefit under this Indenture or shall be valid or obligatory for any purposes until such Certificate of Authentication has been duly executed by the Trustee. The executed Certificate of Authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Certificate of Authentication on any Bond shall be deemed to have been duly executed if signed by any authorized signatory of the Trustee.

Section 206. Registration, Transfer and Exchange of Bonds.

(a) The Trustee shall keep books for the registration and for the transfer of Bonds as provided in this Indenture.

(b) The Bonds may be transferred only upon the books kept for the registration and transfer of Bonds upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or such Owner's attorney or legal representative in such form as shall be satisfactory to the Trustee. In connection with any such transfer of the Bonds, the City and the Trustee shall receive an executed representation letter signed by the proposed assignee in substantially the form of **Exhibit D** hereto. Upon any such transfer, the City shall execute and the Trustee shall authenticate and deliver in exchange for such Bond a new fully registered Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this Indenture, in an aggregate principal amount equal to the outstanding principal amount of such Bond, of the same maturity and bearing interest at the same rate.

(c) In all cases in which Bonds are exchanged or transferred hereunder the provisions of any legend restrictions on the Bonds shall be complied with and the City shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be cancelled by the Trustee. The City or the Trustee may make a reasonable charge for every such exchange or transfer of Bonds sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, and such charge shall be paid before any such new Bond shall be delivered. Neither the City nor the Trustee shall be required to make any such exchange or transfer of Bonds during the 15 days immediately preceding a Payment Date on the Bonds or, in the case of any proposed redemption of Bonds, during the 15 days immediately preceding the selection of Bonds for such redemption or after such Bonds or any portion thereof has been selected for redemption.

(d) If any Owner fails to provide a certified taxpayer identification number to the Trustee, the Trustee may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure, which amount may be deducted by the Trustee from amounts otherwise payable to such Owner under such Owner's Bond.

Section 207. Persons Deemed Owners of Bonds. As to any Bond, the Person in whose name the same is registered as shown on the bond registration books required by **Section 206** hereof shall be deemed and regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and interest on any such Bond shall be made only to or upon the order of the Owner thereof or a legal representative thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

Section 208. Authorization of the Bonds.

(a) The Bonds are authorized in the aggregate maximum principal amount of \$144,023,000,000 for the purpose of providing funds to pay the costs of the Project Equipment, which Bonds shall be designated "City of Independence, Missouri, Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026." The Bonds shall be dated as provided in **Section 203(b)** hereof, shall become due on **December 1, 2046** (subject to prior redemption as provided in **Article III** hereof) and shall bear interest as specified in **Section 208(f)** hereof, payable on the dates specified in **Section 208(f)** hereof.

(b) The Trustee is hereby designated as the Paying Agent. The Owners of a majority of Bonds then Outstanding may designate a different Paying Agent upon written notice to the City and the Trustee.

(c) The Bonds shall be executed without material variance from the form and in the manner set forth in **Exhibit C** hereto and delivered to the Trustee for authentication. Prior to or simultaneously with the authentication and delivery of the Bonds by the Trustee, there shall be filed with the Trustee electronic copies of the following:

(1) The ordinance passed by the City Council authorizing the issuance of the Bonds and the execution of this Indenture, the Performance Agreement, the Bond Purchase Agreement and the Lease;

(2) Fully executed counterparts of this Indenture, the Lease, the Performance Agreement and the Bond Purchase Agreement;

(3) A representation letter from the Purchaser in substantially the form attached as **Exhibit D** hereto;

(4) A request and authorization to the Trustee on behalf of the City, executed by the Authorized City Representative, to authenticate the Bonds and deliver the same to or at the direction of the Purchaser upon payment to the Trustee, for the account of the City, of the purchase price thereof specified in the Bond Purchase Agreement. The Trustee shall be entitled to conclusively rely upon such request and authorization as to names of the purchaser and the amount of such purchase price;

(5) An opinion of counsel nationally recognized on the subject of municipal bonds to the effect that the Bonds constitute valid and legally binding limited and special revenue obligations of the City; and

(6) Such other certificates, statements, receipts, opinions and documents as the Trustee shall reasonably require for the delivery of the Bonds.

(d) When the documents specified in subsection (c) of this Section have been filed with the Trustee, and when the Bonds have been executed and authenticated as required by this Indenture, either:

(1) The Purchaser shall pay the Closing Price to the Trustee, and the Trustee shall endorse the Bonds in an amount equal to the Closing Price and then either hold the Bonds in trust or if so directed in writing deliver the Bonds to or upon the order of the Purchaser; or

(2) The Company shall submit a requisition certificate in accordance with **Section 4.4** of the Lease, in an amount equal to the Closing Price, and the Trustee shall authenticate and endorse the Bonds in an amount equal to the Closing Price and then either hold the Bonds in trust or if so directed in writing deliver the Bonds to the Company (or another purchaser designated by the Company).

In either case, the Purchaser shall be deemed to have paid over to the Trustee, and the Trustee shall be deemed to have deposited into the Project Fund, an amount equal to the Closing Price.

(e) Following the initial issuance and delivery of the Bonds, the Company may submit additional requisition certificates in accordance with **Section 4.4** of the Lease, and the Trustee shall, based solely of the amount set forth in the requisition, endorse the Bonds in an amount equal to the amount set forth in each requisition certificate. The Trustee shall be entitled to rely upon a written waiver of receipt and payment of such amounts as long as the Company and the Owner are the same entity. The date of endorsement of each Principal Amount Advanced (as defined in subsection (g) below) as set forth on **Schedule I** to the Bonds shall be the date of the City's approval of each requisition certificate. The Trustee shall keep a record of the total requisitions submitted, and shall notify the City if the requisitions submitted exceed the maximum Cumulative Outstanding Principal Amount of the Bonds permitted hereunder.

(f) The Bonds shall bear interest at the rate of **7.00%** per annum on the Cumulative Outstanding Principal Amount of the Bonds. Such interest shall be payable in arrears on each December 1, commencing on December 1, 2026, and continuing thereafter until the Cumulative Outstanding Principal Amount is paid in full; provided that the aggregate maximum principal amount shall not exceed \$144,023,000,000 and further provided that the Bonds shall be paid in full no later than **December 1, 2046**. Interest shall be calculated on the basis of a year of 360 days consisting of twelve months of 30 days each.

(g) The Trustee shall keep and maintain a record of the amount deposited or deemed to be deposited into the Project Fund pursuant to the terms of this Indenture as "Principal Amount Advanced" and shall enter the aggregate principal amount of the Bonds then Outstanding on its records as the "Cumulative Outstanding Principal Amount." On each date upon which a portion of the Cumulative Outstanding Principal Amount is paid to the Owners, pursuant to the redemption provisions of this Indenture, the Trustee shall enter on its records the principal amount paid on the Bonds as "Principal Amount Redeemed," and shall enter the then Outstanding principal amount of the Bonds as "Cumulative Outstanding Principal Amount." The records maintained by the Trustee as to amounts deposited into the Project Fund or principal amounts paid on the Bonds shall be the official records of the Cumulative Outstanding Principal Amount for all purposes, absent manifest error, and shall be in substantially the form of the Table of Cumulative Outstanding Principal Amount as set out in the form of Bonds in **Exhibit C** hereto. If any moneys are deposited by the Trustee into the Project Fund, then the Trustee shall provide a statement of receipts and disbursements with respect thereto to the City and the Company upon written request. After the Project Equipment installation has been completed and the certificate of payment of all costs is filed as provided in **Section 504** hereof, the Trustee, upon written request, to the

extent it has not already done so pursuant to this Section or **Section 1012** hereof, shall file a final statement of receipts and disbursements with respect thereto with the City and the Company.

Section 209. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond becomes mutilated, or is lost, stolen or destroyed, the City shall execute and the Trustee shall authenticate and deliver a new Bond of like series, date and tenor as the Bond mutilated lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the City and the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity satisfactory to the Trustee to save each of the City and the Trustee harmless. If any such Bond has matured, instead of delivering a substitute Bond, the Trustee may pay the same without surrender thereof. Upon the issuance of any substitute Bond, the City and the Trustee may require the payment of an amount sufficient to reimburse the City and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 210. Cancellation and Destruction of Bonds Upon Payment.

(a) All Bonds which have been paid or redeemed or which the Trustee has purchased or which have otherwise been surrendered to the Trustee under this Indenture, either at or before maturity shall be cancelled by the Trustee immediately upon the payment, redemption or purchase of such Bonds and the surrender thereof to the Trustee.

(b) All Bonds cancelled under any of the provisions of this Indenture shall be destroyed by the Trustee. The Trustee shall execute a certificate describing the Bonds so destroyed, and shall file executed counterparts of such certificate with the City and the Company.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds.

(a) The Bonds are subject to redemption and payment at any time before the stated maturity thereof, at the option of the City, upon written instructions from the Company, (1) in whole, if the Company exercises its option to purchase the Project Equipment and deposits an amount sufficient to effect such purchase pursuant to the Lease on the applicable redemption date, or (2) in part, if the Company prepays additional Basic Rent pursuant to the Lease. If only a portion of the Bonds are to be redeemed, (1) Bonds aggregating at least 10% of the maximum aggregate principal amount of Bonds authorized hereunder shall not be subject to redemption and payment before the stated maturity thereof, and (2) the Trustee shall keep a record of the amount of Bonds to remain Outstanding following such redemption. Any redemption of Bonds pursuant to this paragraph shall be at a redemption price equal to the par value thereof being redeemed, plus accrued interest thereon, without premium or penalty, to the redemption date.

(b) The Bonds are subject to mandatory redemption, in whole or in part, to the extent of amounts deposited in the Bond Fund pursuant to **Sections 9.1** or **9.2** of the Lease, in the event of substantial damage to or destruction or condemnation of substantially all of the Project Equipment. Bonds to be redeemed pursuant to this paragraph shall be called for redemption by the Trustee on the

earliest practicable date for which timely notice of redemption may be given as provided hereunder. Any redemption of Bonds pursuant to this paragraph shall be at a redemption price equal to the par value thereof being redeemed, plus accrued interest thereon, without premium or penalty, to the redemption date. Before giving notice of redemption to the Owners pursuant to this paragraph (b), money in an amount equal to the redemption price shall have been deposited in the Bond Fund.

(c) In connection with a redemption under paragraphs (a) or (b) of this Section, at its option, the Company may deliver to the Trustee for cancellation any Bonds owned by the Company and not previously paid, and the Company shall receive a credit against the amounts payable by the Company for the redemption of such Bonds in an amount equal to the principal amount of the Bonds so tendered for cancellation, plus accrued interest.

Section 302. Effect of Call for Redemption. Before or on the date fixed for redemption, funds, Government Securities, or a combination thereof, shall be placed with the Trustee which are sufficient to pay the Bonds called for redemption and accrued interest thereon, if any, to the redemption date. Upon the happening of the above conditions and appropriate written notice having been given, the Bonds or the portions of the principal amount of Bonds thus called for redemption shall cease to bear interest on the specified redemption date, and shall no longer be entitled to the protection, benefit or security of this Indenture and shall not be deemed to be Outstanding under the provisions of this Indenture. If the Bonds are fully redeemed before maturity and an amount of money equal to the Trustee's and the Paying Agent's agreed to fees and expenses hereunder accrued and to accrue in connection with such redemption is paid or provided for, the City shall, at the Company's direction, deliver to the Company the items described in **Section 11.2** of the Lease.

Section 303. Notice of Redemption. If the Bonds are to be called for redemption as provided in **Section 301(a)** hereof, the Company shall deliver written notice to the City and the Trustee that it has elected to direct the City to redeem all or a portion of the Bonds at least 40 days (10 days if the Company is the Owner) prior to the scheduled redemption date. The Trustee shall then deliver written notice to the Owners at least 30 days (five days if the Company is the Owner) prior to the scheduled redemption date by facsimile and by first-class mail stating the date upon which the Bonds will be redeemed and paid, unless such notice period is waived by the Owners in writing.

ARTICLE IV

FORM OF BONDS

Section 401. Form Generally. The Bonds and the Trustee's Certificate of Authentication to be endorsed thereon shall be issued in substantially the forms set forth in **Exhibit C** hereto. The Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirements of law with respect thereto.

ARTICLE V

CUSTODY AND APPLICATION OF BOND PROCEEDS

Section 501. Creation of Funds. There are hereby created and ordered to be established in the custody of the Trustee the following special trust funds in the name of the City:

- (a) “City of Independence, Missouri, Project Fund (Nebius Project - Equipment)” (herein called the “Project Fund”);
- (b) “City of Independence, Missouri, Costs of Issuance Fund (Nebius Project - Equipment)” (herein called the “Costs of Issuance Fund”); and
- (c) “City of Independence, Missouri, Bond Fund (Nebius Project - Equipment)” (herein called the “Bond Fund”).

Section 502. Deposits into the Project Fund. The proceeds of the sale of the Bonds (whether actually paid or deemed paid under **Section 208** hereof), including Additional Payments provided for in the Bond Purchase Agreement, when received, excluding such amounts required to be paid into the Bond Fund pursuant to **Section 601** hereof, shall be deposited by the Trustee into the Project Fund. Any money received by the Trustee from any other source for the purpose of acquiring and installing the Project Equipment shall pursuant to any directions from the Person depositing such moneys also be deposited into the Project Fund.

Section 503. Disbursements from the Project Fund.

(a) The moneys in the Project Fund shall be disbursed by the Trustee for the payment of, or reimbursement to the Company (or any other party that has made payment on behalf of the Company) for payment of, Project Costs upon receipt of requisition certificates signed by the Company in accordance with the provisions of **Article IV** of the Lease. The Trustee hereby covenants and agrees to disburse such moneys in accordance with such provisions.

(b) If, pursuant to **Section 208** hereof, the Trustee is deemed to have deposited into the Project Fund the amount specified in the requisition certificates submitted by the Company in accordance with the provisions of **Article IV** of the Lease, the Trustee shall upon endorsement of the Bonds in an equal amount be deemed to have disbursed such funds from the Project Fund to the Company (or such other purchaser designated by the Company) in satisfaction of the requisition certificate.

(c) In paying any requisition under this Section, the Trustee may rely as to the completeness and accuracy of all statements in such requisition certificate if such requisition certificate is signed by the Authorized Company Representative. If the City so requests in writing, a copy of each requisition certificate submitted to the Trustee for payment under this Section shall be promptly provided by the Trustee to the City. The City hereby authorizes and directs the Trustee to make disbursements in the manner and as provided for by the aforesaid provisions of the Lease.

Section 504. Completion of the Project Equipment. The completion of the acquisition and installation of the Project Equipment and payment of all costs and expenses incident thereto shall be evidenced by the filing with the Trustee of the certificate required by the provisions of **Section 4.5** of the Lease. As soon as practicable after the Completion Date any balance remaining in the Project Fund shall

without further authorization be transferred by the Trustee to the Bond Fund and applied as provided in **Section 4.6** of the Lease.

Section 505. Deposits into and Disbursements from the Costs of Issuance Fund. Money deposited by the Company in the Costs of Issuance Fund shall be used solely to pay costs of issuing the Bonds or refunded to the Company as hereinafter provided. The Trustee shall without further authorization disburse from the Costs of Issuance Fund, to the extent available, money sufficient to pay the amounts shown in a closing memorandum or requisition certificate provided to the Trustee on or before the date of delivery of the Bonds, which shall have attached thereto the statements, invoices and related items described in said closing memorandum or requisition certificate. The Trustee may rely conclusively on the amounts due as shown in the closing memorandum or requisition certificate and will not be required to make any independent inspection or investigation in connection therewith. Any of such money not used to pay costs of issuance by the date that is six months after the date of this Indenture shall be refunded to the Company.

Section 506. Disposition Upon Acceleration. If the principal of the Bonds has become due and payable pursuant to **Section 902** hereof, upon the date of payment by the Trustee of any moneys due as provided in **Article IX** hereof, any balance remaining in the Project Fund shall without further authorization be deposited in the Bond Fund by the Trustee, with advice to the City and to the Company of such action.

ARTICLE VI

REVENUES AND FUNDS

Section 601. Deposits Into the Bond Fund.

(a) The Trustee shall deposit into the Bond Fund, as and when received, (a) all accrued interest on the Bonds, if any, paid by the Purchaser; (b) all Basic Rent payable by the Company to the City specified in **Section 5.1** of the Lease; (c) any Additional Rent payable by the Company specified in **Section 5.2** of the Lease that is not payable to the City; (d) any amount in the Project Fund to be transferred to the Bond Fund pursuant to **Section 504** hereof upon completion of the Project Equipment or pursuant to **Section 506** hereof upon acceleration of the Bonds; (e) the balance of any Net Proceeds (as defined in the Lease) of condemnation awards or insurance received by the Trustee pursuant to **Article IX** of the Lease; (f) the amounts to be deposited in the Bond Fund pursuant to **Sections 9.1(f)** and **9.2(c)** of the Lease; (g) all interest and other income derived from investments of Bond Fund moneys as provided in **Section 702** hereof; and (h) all other moneys received by the Trustee under and pursuant to any of the provisions of the Lease when accompanied by directions from the Person depositing such moneys that such moneys are to be paid into the Bond Fund.

(b) The Trustee shall notify the Company in writing, at least 15 days before each date on which a payment is due under **Section 5.1** of the Lease, of the amount that is payable by the Company pursuant to such Section.

Section 602. Application of Moneys in the Bond Fund.

(a) Except as provided in **Section 604** and **Section 908** hereof or in **Section 4.6(a)** of the Lease, moneys in the Bond Fund shall be expended solely for the payment of the principal of and the

interest on the Bonds as the same mature and become due or upon the redemption thereof before maturity; provided, however, that any amounts received by the Trustee as Additional Rent under **Section 5.2** of the Lease and deposited to the Bond Fund as provided in **Section 601** above, shall be expended by the Trustee for such items of Additional Rent as they are received or due without further authorization from the City.

(b) The City hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay the principal of and the interest on the Bonds as the same become due and payable and to make said funds so withdrawn available to the Paying Agent for the purpose of paying said principal and interest. To the extent the Company is the Owner of all of the Bonds Outstanding, payment may be made via transaction entry on the trust records held by Trustee.

(c) Whenever the amount in the Bond Fund from any source whatsoever is sufficient to redeem all of the Bonds Outstanding and to pay interest to accrue thereon before such redemption, the City covenants and agrees, upon request of the Company, to take and cause to be taken the necessary steps to redeem all such Bonds on the next succeeding redemption date for which the required redemption notice may be given or on such later redemption date as may be specified by the Company. The Trustee may use any moneys in the Bond Fund to redeem a part of the Bonds Outstanding in accordance with and to the extent permitted by **Article III** hereof so long as the Company is not in default with respect to any payments under the Lease and to the extent said moneys are in excess of the amount required for payment of Bonds theretofore matured or called for redemption and past due interest, if any, in all cases when such Bonds have not been presented for payment.

(d) After payment in full of the principal of and interest, if any, on the Bonds (or provision has been made for the payment thereof as provided in this Indenture), and the fees, charges and expenses of the Trustee, the City and any Paying Agent and any other amounts required to be paid under this Indenture, the Lease, and the Performance Agreement, all amounts remaining in the Bond Fund shall be paid to the Company upon the expiration or sooner termination of the Lease.

Section 603. Payments Due on Days Other than Business Days. In any case where the date of maturity of principal of or interest, if any, on the Bonds or the date fixed for redemption of any Bonds is not a Business Day, then payment of principal or interest, if any, need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest, if any, shall continue to accrue for the period after such date.

Section 604. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the City to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond. If any Bond is not presented for payment within one year following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall without liability for interest thereon repay to the Company the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Company, and the Owner thereof shall be entitled to look only to the Company for

payment, and then only to the extent of the amount so repaid, and the Company shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 605. Repayment to the Company from the Bond Fund. After payment in full of the principal of and interest on the Bonds (or provision has been made for the payment thereof as provided in this Indenture), and the reasonable fees, charges and expenses of the Trustee and the City and any other amounts required to be paid under this Indenture and the Lease, all amounts remaining in the Bond Fund shall be paid to the Company upon the expiration or sooner termination of the Lease.

ARTICLE VII

SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 701. Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee for account of the Bond Fund or the Project Fund under any provision of this Indenture, and all moneys deposited with or paid to any Paying Agent under any provision of this Indenture, shall be held by the Trustee or Paying Agent in trust and shall be applied only in accordance with the provisions of this Indenture and the Lease, and, until used or applied as herein provided, shall constitute part of the Trust Estate and be subject to the lien hereof. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon in writing.

Section 702. Investment of Moneys in Project Fund and Bond Fund. Moneys held in the Project Fund and the Bond Fund shall, pursuant to written direction of the Company, signed by the Authorized Company Representative, be separately invested and reinvested by the Trustee in Investment Securities which mature or are subject to redemption by the Owner before the date such funds will be needed. Moneys in the Costs of Issuance fund shall be held un-invested. If the Company fails to provide written directions concerning investment of moneys held in the Project Fund and the Bond Fund, the Trustee shall invest in such Investment Securities specified in paragraph (e) of the definition of Investment Securities, provided they mature or are subject to redemption before the date such funds will be needed. The Trustee is specifically authorized to implement its automated cash investment system to assure that cash on hand is invested and to charge its normal cash management fees and cash sweep account fees, which may be deducted from income earned on investments; provided that any such fees shall not exceed the interest income on the investment. Any such Investment Securities shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund in which such moneys are originally held, and the interest accruing thereon and any profit realized from such Investment Securities shall be credited to such fund, and any loss resulting from such Investment Securities shall be charged to such fund. After the Trustee has notice pursuant to **Section 1001(h)** hereof of the existence of an Event of Default, the Trustee shall direct the investment of moneys in the Bond Fund and the Project Fund. The Trustee shall sell and reduce to cash a sufficient amount of such Investment Securities whenever the cash balance in any Fund is insufficient for the purposes of such Fund. In determining the balance in any Fund, investments in such Fund shall be valued at the lower of their original cost or their fair market value as of the most recent Payment Date. The Trustee may make any and all investments permitted by the provisions of this Section through its own bond department or any affiliate or short-term investment department.

Section 703. Record Keeping. The Trustee shall maintain records designed to show compliance with the provisions of this Article and with the provisions of **Article VI** hereof for at least six years after the payment of all of the Outstanding Bonds.

ARTICLE VIII

GENERAL COVENANTS AND PROVISIONS

Section 801. Payment of Principal and Interest. The City covenants and agrees that it will, but solely from the rents, revenues and receipts derived from the Project Equipment and the Lease(excluding the Unassigned Rights) as described herein, deposit or cause to be deposited in the Bond Fund sufficient sums payable under the Lease promptly to meet and pay the principal of and the interest on the Bonds as they become due and payable at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof. Nothing herein shall be construed as requiring the City to operate the Project Equipment 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 Equipment.

Section 802. Authority to Execute Indenture and Issue Bonds. The City covenants that it is duly authorized under the Constitution and laws of the State to execute this Indenture, to issue the Bonds and to pledge and assign the Trust Estate in the manner and to the extent herein set forth; that all action on its part for the execution and delivery of this Indenture and the issuance of the Bonds has been duly and effectively taken; that the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the City according to the import thereof.

Section 803. Performance of Covenants. The City covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in the Bonds and in all proceedings of its governing body pertaining thereto. The Trustee may take such action as it deems appropriate to enforce all such covenants, undertakings, stipulations and provisions of the City hereunder.

Section 804. Instruments of Further Assurance. The City covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments, financing statements and other documents as the Trustee may reasonably require for the better pledging and assigning unto the Trustee the property and revenues herein described to the payment of the principal of and interest, if any, on the Bonds. The City covenants and agrees that, except as herein and in the Lease provided, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Project Equipment or the rents, revenues and receipts derived therefrom or from the Lease, or of its rights under the Lease.

Section 805. Recordings and Filings. The City shall file or cause to be kept and filed all financing statements, and hereby authorizes the Trustee to file or cause to be kept and filed continuation statements with respect to such originally filed financing statements related to this Indenture in order to fully preserve and protect the security of the Owners and the rights of the Trustee hereunder provided a copy of the originally filed financing statement is timely delivered to the Trustee. Unless otherwise notified in writing by the Company or City, the Trustee may conclusively rely upon any originally filed financing statements in filing any continuation statements hereunder. The City will cooperate in causing this Indenture and all Supplemental Indentures, the Lease and all Supplemental Leases and all other security instruments to be recorded and filed in such manner and in such places as may be required by law in order to fully preserve and protect the security of the Owners and the rights of the Trustee hereunder.

Section 806. Inspection of Project Books. The City covenants and agrees that all books and documents in its possession relating to the Project Equipment and the rents, revenues and receipts derived from the Project Equipment shall at all times be open to inspection by such accountants or other agencies as the Trustee may from time to time designate.

Section 807. Enforcement of Rights Under the Lease. The City covenants and agrees that it will enforce all of its rights and all of the obligations of the Company (at the expense of the Company) under the Lease to the extent necessary to preserve the Project Equipment in good repair and reasonably safe operating condition, and to protect the rights of the Trustee and the Owners hereunder with respect to the pledge and assignment of the rents, revenues and receipts coming due under the Lease; provided that, the City and the Trustee, as its assignee, shall refrain from enforcing any such right or obligation (except for the Unassigned Rights, any other rights of the City or the Trustee to receive payments owing to either of them for their own account under the Indenture, the Lease, and the Performance Agreement, or any other agreement related to the Bonds or for their rights of indemnification or to be protected from liabilities by insurance policies required by the Lease) if so directed in writing by the Owners of 100% of the Outstanding Bonds. The City agrees that the Trustee, as assignee of the rentals and other amounts to be received by the City and paid by the Company under the Lease, or in its name or in the name of the City, may enforce all rights of the City to receive such rentals and other amounts and all obligations of the Company to pay such rentals and other amounts under and pursuant to the Lease for and on behalf of the Owners, whether or not the City is in default hereunder. So long as not otherwise provided in this Indenture, the Company shall be permitted to possess, use and enjoy the Project Equipment and appurtenances so as to carry out its obligations under the Lease.

ARTICLE IX

DEFAULT AND REMEDIES

Section 901. Events of Default; Notice; Opportunity to Cure. If any of the following events occur, it is hereby defined as and declared to be and to constitute an “Event of Default”:

- (a) Default in the due and punctual payment of the principal on any Bond, whether at the stated maturity or accelerated maturity thereof, or at any date fixed for redemption thereof;
- (b) Default in the due and punctual payment of the interest on any Bond, whether at the stated maturity or accelerated maturity thereof, or at any date fixed for redemption thereof;
- (c) Default as specified in **Section 12.1** of the Lease has occurred; or
- (d) Default in the performance, or breach, of any other covenant or agreement under this Indenture.

No default specified above shall constitute an Event of Default until the City, the Trustee or the Owners of 25% in aggregate principal amount of all Bonds Outstanding has given actual notice of such default by registered or certified mail to the Company, and the Company has had 30 days after receipt of such notice to correct said default or cause said default to be corrected and has not corrected said default or caused said default to be corrected within such period; provided, however, if any such default (other than a default in the payment of any money) is such that it cannot be corrected within such period, it shall

not constitute an Event of Default if corrective action is instituted by the Company or the City (as the case may be) within such period and diligently pursued until the default is corrected.

Section 902. Acceleration of Maturity in Event of Default; Rescission. If an Event of Default has occurred and is continuing after the notice and cure period described in **Section 901** elapses, the Trustee may, and upon the written request of the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding, shall, by notice in writing delivered to the City and the Company, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. At any time after such a declaration of acceleration has been made, but before any judgment or decree for payment of money due on any Bonds has been obtained by the Trustee as provided in this Article, the owners of a majority in principal amount of the Bonds Outstanding may, by written notice to the Company and Trustee but with the written consent of the City, rescind and annul such declaration and its consequences if: (a) there is deposited with the Trustee a sum sufficient to pay: (1) all overdue installments of interest on all Bonds; (2) the principal of (and premium, if any, on) any Bonds which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Bonds; and (3) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and (b) all events of default, other than the non-payment of the principal of Bonds which have become due solely by such declaration of acceleration, have been cured or have been waived as provided in **Section 910** of this Indenture.

Section 903. Surrender of Possession of Trust Estate; Rights and Duties of Trustee in Possession. If an Event of Default has occurred and is continuing after the notice and cure period described in **Section 901** hereof elapses, the City, upon demand of the Trustee, shall forthwith surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers and accounts of the City pertaining thereto, and including the rights and the position of the City under the Lease, and to hold, operate and manage the same, and from time to time make all needful repairs and improvements. The Trustee may lease the Project Equipment (excluding the Unassigned Rights) or any part thereof, in the name and for account of the City, and collect, receive and sequester the rents, revenues and receipts therefrom, and out of the same and any moneys received from any receiver of any part thereof pay, and set up proper reserves for the payment of all proper costs and expenses of so taking, holding and managing the same, including without limitation (a) reasonable compensation to the Trustee, its agents and counsel, (b) any reasonable charges of the Trustee hereunder, (c) any taxes and assessments and other charges having a lien that is senior to the lien of this Indenture, (d) all expenses of such repairs and improvements and (e) any amounts payable under the Performance Agreement. The Trustee shall apply the remainder of the moneys so received in accordance with the provisions of **Section 908** hereof. Whenever all that is due upon the Bonds has been paid and all defaults cured, the Trustee shall surrender possession of the Trust Estate to the City, its successors or assigns, the same right of entry, however, to exist upon any subsequent Event of Default. While in possession of such property, the Trustee shall render annually to the City and the Company a summarized statement of receipts and expenditures in connection therewith.

Section 904. Appointment of Receivers in Event of Default. If an Event of Default has occurred and is continuing after the notice and cure period described in **Section 901** elapses, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a

receiver or receivers of the Trust Estate or any part thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 905. Exercise of Remedies by the Trustee.

(a) Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of and interest on the Bonds then Outstanding and all other amounts due hereunder, and to enforce and compel the performance of the duties and obligations of the City or the Company as herein set forth or as set forth in the Lease, respectively.

(b) If an Event of Default has occurred and is continuing after the notice and cure period described in **Section 901** elapses, and if requested to do so by (1) the City (in the case of an Event of Default pursuant to **Section 12.1(b), (c), (d), (e) or (f)** of the Lease), or (2) the Owners of 25% in aggregate principal amount of Bonds then Outstanding and indemnified as provided in subsection (l) of **Section 1001** hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel, shall deem most expedient and in the interests of the City or the Owners, as the case may be.

(c) All rights of action under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without necessity of joining as plaintiffs or defendants any Owners, and any recovery of judgment shall, subject to the provisions of **Section 908** hereof, be for the equal benefit of all the Owners of the Outstanding Bonds.

Section 906. Limitation on Exercise of Remedies by Owners. No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred of which the Trustee has been notified as provided in **Section 1001(h)** hereof or of which by said subsection the Trustee is deemed to have notice, (b) such default has become an Event of Default, (c) the Owners of 25% in aggregate principal amount of Bonds then Outstanding have made written request to the Trustee, have offered it reasonable opportunity either to proceed for such reasonable period not to exceed 60 days following such notice and to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and have offered to the Trustee indemnity as provided in **Section 1001(l)** hereof, and (d) the Trustee thereafter fails or refuses to exercise the powers herein granted or to institute such action, suit or proceeding in its own name; such notification, request and offer of indemnity are hereby declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more Owners shall have any right in any manner whatsoever to affect, disturb or prejudice this Indenture by their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Owners of all Bonds then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Owner to payment of the principal of and interest on any Bond at and after the maturity thereof or the obligation of the City to pay the principal of and interest on each of the Bonds issued hereunder to the respective Owners thereof at the time, place, from the source and in the manner herein and in the Bonds expressed.

Section 907. Right of Owners to Direct Proceedings.

(a) The Owners of a majority in aggregate principal amount of Bonds then Outstanding may, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture, including **Section 1001(l)** hereof.

(b) Notwithstanding any provision in this Indenture to the contrary, including paragraph (a) of this Section, the Owners shall not have the right to control or direct any remedies hereunder upon an Event of Default under **Section 12.1(b)** through **(f)** of the Lease.

Section 908. Application of Moneys in Event of Default.

(a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of any obligations outstanding under the Lease and the Performance Agreement, of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances incurred or made by the Trustee (including any attorneys fees and expenses) or amounts to be paid pursuant to **Section 903** hereof, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund shall be applied as follows:

(1) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST -- To the payment to the Persons entitled thereto of all installments of interest, if any, then due and payable on the Bonds, in the order in which such installments of interest became due and payable, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege;

SECOND -- To the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment, ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege.

(2) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest, if any, then due and unpaid on all of the Bonds, without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Person entitled thereto, without any discrimination or privilege.

(3) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of **Section 910** hereof, then, subject to the provisions of subsection (2) of this Section in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of subsection (1) of this Section.

(b) Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available and which may become available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be a Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue.

(c) Whenever all of the Bonds and interest thereon, if any, have been paid under the provisions of this Section, and all fees, expenses and charges of the City and the Trustee and any other amounts required to be paid under this Indenture and the Lease have been paid (including any amounts payable under the Performance Agreement), any balance remaining in the Bond Fund shall be paid to the Company as provided in **Section 602** hereof.

Section 909. Remedies Cumulative. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Owners hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. If the Trustee has proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry, or otherwise, and such proceedings have been discontinued or abandoned for any reason, or have been determined adversely, then and in every such case the City, the Company, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 910. Waivers of Events of Default. The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest, if any, on Bonds, and only upon the written request of the Owners of at least 50% in aggregate principal amount of all the Bonds then Outstanding, provided, however, that (1) there shall not be waived without the consent of the City an Event of Default hereunder arising from an Event of Default under **Section 12.1(b), (c), (d) (e) or (f)** of the Lease, and (2) there shall not be waived without the consent of the Owners of all the Bonds Outstanding (a) any Event of Default in the payment of the principal of any Outstanding Bonds when due (whether at the date of maturity or redemption specified therein), or (b) any Event of Default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of interest, or all arrears of payments of principal when due, as the case may be, and all reasonable expenses of the Trustee and the City (including reasonable attorneys' fees and expenses), in connection with such default, shall have been paid or provided for. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the City, the Company, the Trustee and the Owners shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default,

or impair any right consequent thereon, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

ARTICLE X

THE TRUSTEE

Section 1001. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee, before the occurrence of an Event of Default and after the curing or waiver of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If any Event of Default has occurred and is continuing, subject to **Section 1001(i)** hereof, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in their exercise, as a prudent Person would exercise or use under the circumstances in the conduct of its own affairs.

(b) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, affiliates, attorneys or receivers and shall not be responsible for any misconduct or negligence on the part of any agent, attorney or receiver appointed or chosen by it with due care. The Trustee may conclusively rely upon and act or refrain from acting upon any opinion or advice of counsel, who may be counsel to the City or to the Company, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of counsel addressed to the City and the Trustee.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the Certificate of Authentication of the Trustee endorsed on the Bonds), or except as provided in the Lease and particularly **Section 10.8** thereof, for the recording or rerecording, filing or refiling of this Indenture or any security agreement in connection therewith (excluding the continuation of Uniform Commercial Code financing statements), or for insuring the Project Equipment or collecting any insurance moneys, or for the validity of the execution by the City of this Indenture or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency of the security of the Bonds. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with **Article VII** hereof.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated and delivered hereunder. The Trustee, in its individual or any other capacity, may become the Owner or pledgee of Bonds with the same rights that it would have if it were not Trustee. The Trustee shall not be accountable for the use or application by the City or the Company of the proceeds of any of the Bonds or of any money paid to or upon the order of the City or Company under any provision of this Indenture.

(e) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, affidavit, letter, telegram or other paper or document provided for under this Indenture believed by it to be genuine and correct and to have been signed, presented or sent by the proper Person or Persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any Person who, at the time of making such request or giving such authority or consent is an Owner, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or upon transfer or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, or whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Trustee shall be entitled to rely upon a certificate signed by the Authorized City Representative or an Authorized Company Representative as sufficient evidence of the facts therein contained, and before the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section or of which by said subsection it is deemed to have notice, the Trustee shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee is under no duty to perform an independent investigation as to any statement or fact contained in any such certificate, opinion or advice it obtains regarding the accuracy or truth of any statement or correctness of any opinion. The Trustee shall not be liable for any action or inaction taken in good faith in reliance on such a certificate or any advice received from counsel, and the Trustee may conclusively rely as to the truth of the statements and the correctness of the opinions or statements expressed therein.

(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. In no event shall the Trustee be liable for consequential damages. The Trustee shall not be liable for any act or omission, in the absence of bad faith, when the Trustee reasonably believes the act or failure to act is authorized and within its powers to perform under the Indenture.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the City to cause to be made any of the payments to the Trustee required to be made in **Article VI** hereof, unless the Trustee is specifically notified in writing of such default by the City or by the Owners of at least 25% in aggregate principal amount of all Bonds then Outstanding.

(i) At any and all reasonable times and subject to the Company's reasonable and standard security procedures, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives may, but shall not be required to, inspect any and all of the Project Equipment, and all books, papers and records of the City pertaining to the Project Equipment and the Bonds, and to take such memoranda from and in regard thereto as may be desired. The Trustee shall treat all proprietary information of the Company as confidential.

(j) The Trustee shall not be required to give any bond or surety in respect to the execution of its trusts and powers hereunder or otherwise in respect of the Project Equipment.

(k) The Trustee may, but shall not be required to, demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the City to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) Notwithstanding anything in the Indenture or the Lease to the contrary, before taking any action under this Indenture other than the payments from moneys on deposit in the Project Fund or the Bond Fund, as provided herein, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all costs and expenses to which it may be put and to protect it against all liability which it may incur in or by reason of such action, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(m) Notwithstanding any other provision of this Indenture to the contrary, any provision relating to the conduct of, 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.

(n) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(o) None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

Section 1002. Fees, Charges and Expenses of the Trustee. The Trustee shall be entitled to payment of and/or reimbursement for reasonable fees for its ordinary services rendered hereunder and all advances, agent and counsel fees and other ordinary expenses reasonably made or incurred by the Trustee in connection with such ordinary services. If it becomes necessary for the Trustee to perform extraordinary services, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the neglect or willful misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent for the Bonds. Pursuant to the provisions of **Section 5.2** of the Lease, the Company has agreed to pay to the Trustee all reasonable fees, charges and expenses of the Trustee under this Indenture. The Trustee agrees that the City shall have no liability for any reasonable fees, charges and expenses of the Trustee, and the Trustee agrees to look only to the Company for the payment of all reasonable fees, charges and expenses of the Trustee and any Paying Agent as provided in the Lease. Upon the occurrence of an Event of Default and during its continuance, the Trustee shall have a lien with right of payment before payment on account of principal of or interest on any Bond, upon all moneys in its possession under any provisions hereof for the foregoing reasonable advances, fees, costs and expenses incurred. The Trustee's right to compensation

and indemnification relating to period during which it serves as Trustee hereunder shall survive the satisfaction and discharge of this Indenture or its resignation or removal hereunder and payment in full of the Bonds.

Section 1003. Notice to Owners if Default Occurs. If a default occurs of which the Trustee is by **Section 1001(h)** hereof required to take notice or if notice of default is given as in said subsection (h) provided, then the Trustee shall give written notice thereof to the last known Owners of all Bonds then Outstanding as shown by the bond registration books required by **Section 206** hereof to be kept at the corporate trust office of the Trustee.

Section 1004. Intervention by the Trustee. In any judicial proceeding to which the City is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners, the Trustee may intervene on behalf of Owners and, subject to the provisions of **Section 1001(l)** hereof, shall do so if requested in writing by the Owners of at least 25% of the aggregate principal amount of Bonds then Outstanding.

Section 1005. Successor Trustee Upon Merger, Consolidation or Sale. With the prior written consent of the Company, any corporation or association into which the Trustee may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder and shall be vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

Section 1006. Resignation of Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving 30 days' written notice to the City, the Company and the Owners, and such resignation shall take effect at the end of such 30 days, or upon the earlier appointment of a successor Trustee by the Owners or by the City; provided, however, that in no event shall the resignation of the Trustee or any successor trustee become effective until such time as a successor trustee has been appointed and has accepted the appointment. If no successor has been appointed and accepted the appointment within 30 days after the giving of such notice of resignation, the Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee. The Trustee's rights to indemnity and to any fees, charges or other amounts due and payable to it shall survive such resignation.

Section 1007. Removal of Trustee. The Trustee may be removed at any time, with or without cause, by an instrument or concurrent instruments in writing (a) delivered to the Trustee, the City and the Company and signed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding, or (b) so long as no Event of Default under this Indenture or the Lease shall have occurred and be continuing, delivered to the Trustee, the Company and the Owners and signed by the City. The Trustee's rights to indemnity and to any fees, charges or other amounts due and payable to it shall survive such removal.

Section 1008. Appointment of Successor Trustee. If the Trustee hereunder resigns or is removed, or otherwise becomes incapable of acting hereunder, or if it is taken under the control of any public officer or officers or of a receiver appointed by a court, a successor Trustee (a) reasonably acceptable to the City may be appointed by the Company (so long as no Event of Default has occurred and is continuing), or (b) reasonably acceptable to the City and the Company may be appointed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or

concurrent instruments in writing; provided, nevertheless, that in case of such vacancy, the City, by an instrument executed and signed by its Mayor or (Interim) City Manager and attested by its City Clerk under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed in the manner above provided. Any such temporary Trustee so appointed by the City shall immediately and without further acts be superseded by the successor Trustee so appointed as provided above. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank in good standing and qualified to accept such trust with a corporate trust office in the State, and having, or whose obligations are guaranteed by a financial institution having, a reported capital, surplus and undivided profits of not less than \$50,000,000. If no successor Trustee has been so appointed and accepted appointment in the manner herein provided, the Trustee or any Owner may petition any court of competent jurisdiction for the appointment of a successor Trustee, until a successor shall have been appointed as above provided.

Section 1009. Vesting of Trusts in Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City and the Company an instrument in writing accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed or conveyance, become fully vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of its predecessor and the duties and obligations of such predecessor hereunder shall thereafter cease and terminate; but such predecessor shall, nevertheless, on the written request of the City, execute and deliver an instrument transferring to such successor Trustee all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of such predecessor hereunder; every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the City be required by any predecessor or successor Trustee for more fully and certainly vesting in such successor the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereby vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

Section 1010. Right of Trustee to Pay Taxes and Other Charges. If any tax, assessment or governmental or other charge upon, or insurance premium with respect to, any part of the Project Equipment is not paid as required herein or in the Lease, the Trustee may pay such tax, assessment or governmental charge or insurance premium, without prejudice, however, to any rights of the Trustee or the Owners hereunder arising in consequence of such failure; any amount at any time so paid under this Section, with interest thereon from the date of payment at the rate of 10% per annum, shall become an additional obligation secured by this Indenture, and the same shall be given a preference in payment over any payment of principal of or interest on the Bonds, and shall be paid out of the proceeds of rents, revenues and receipts collected from the Project Equipment, if not otherwise caused to be paid; but the Trustee shall be under no obligation to make any such payment unless it shall have been requested to do so by the Owners of at least 25% of the aggregate principal amount of Bonds then Outstanding and shall have been provided adequate funds for the purpose of such payment.

Section 1011. Trust Estate May be Vested in Co-Trustee.

(a) It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the State) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Lease, and in particular in case of the enforcement of either this Indenture or the Lease upon the occurrence of an Event of Default or if the Trustee deems that by reason of any present or future law of any jurisdiction it cannot exercise any of the powers, rights or remedies herein granted to the Trustee, or take any other action which may be desirable or necessary in connection

therewith, it may be necessary or desirable that the Trustee appoint an additional individual or institution as a co-trustee or separate trustee, and the Trustee is hereby authorized to appoint such co-trustee or separate trustee.

(b) If the Trustee appoints an additional individual or institution as a co-trustee or separate trustee (which appointment shall be subject to the approval of the Company), each and every remedy, power, right, claim, demand, cause of action, immunity, title, interest and lien expressed or intended by this Indenture to be exercised by the Trustee with respect thereto shall be exercisable by such co-trustee or separate trustee but only to the extent necessary to enable such co-trustee or separate trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such co-trustee or separate trustee shall run to and be enforceable by either of them.

(c) Should any deed, conveyance or instrument in writing from the City be required by the co-trustee or separate trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to such co-trustee such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

(d) If any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, all the properties, rights, powers, trusts, duties and obligations of such co-trustee or separate trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a successor to such co-trustee or separate trustee.

Section 1012. Accounting. The Trustee shall render an annual accounting for the period ending December 31 of each year, within 90 days following the end of such year, to the City, the Company and to any Owner requesting the same and, upon the request of the City, the Company or any Owner, a monthly accounting to any such party, showing in reasonable detail all financial transactions relating to the Trust Estate during the accounting period and the balance in any funds or accounts created by this Indenture as of the beginning and close of such accounting period.

Section 1013. Performance of Duties Under the Lease. The Trustee hereby accepts and agrees to perform all duties and obligations assigned to it under the Lease.

ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 1101. Supplemental Indentures Not Requiring Consent of Owners. The City and the Trustee may from time to time, without the consent of or notice to any of the Owners, enter into such Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Indenture, or to make any other change which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Owners (provided the Trustee is entitled to receive and may conclusively rely upon an opinion of counsel in exercising such judgment);

(b) To grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners or the Trustee or either of them;

(c) To more precisely identify any portion of the Project Equipment or to add additional property thereto;

(d) To conform the Indenture to amendments to the Lease made by the City and the Company; or

(e) To subject to this Indenture additional revenues, properties or collateral.

Section 1102. Supplemental Indentures Requiring Consent of Owners.

(a) Exclusive of Supplemental Indentures covered by **Section 1101** hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding may, from time to time, anything contained in this Indenture to the contrary notwithstanding, consent to and approve the execution by the City and the Trustee of such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary and desirable by the City for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided, however, that without the consent of the Owners of 100% of the principal amount of the Bonds then Outstanding, nothing in this Section contained shall permit or be construed as permitting (1) an extension of the maturity or a shortening of the redemption date of the principal of or the interest, if any, on any Bond issued hereunder, or (2) a reduction in the principal amount of any Bond or the rate of interest thereon, if any, or (3) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (4) a reduction in the aggregate principal amount of Bonds the Owners of which are required for consent to any such Supplemental Indenture.

(b) If at the time the City requests the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be mailed to each Owner as shown on the bond registration books required by **Section 206** hereof. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Owners. If within 60 days or such longer period as may be prescribed by the City following the mailing of such notice, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof.

Section 1103. Company's Consent to Supplemental Indentures. Anything herein to the contrary notwithstanding, a Supplemental Indenture under this Article that 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. The Trustee shall cause notice of the proposed execution and delivery of any Supplemental Indenture (regardless of whether it affects the Company's rights) together with a copy of the proposed Supplemental Indenture to be mailed to the Company at least 15 days prior to the proposed date of execution and delivery of the Supplemental Indenture.

Section 1104. Opinion of Counsel. In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee and the City shall receive, and, shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture and will, upon the execution and delivery thereof, be a valid and binding obligation of the City. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's rights, duties or immunities under this Indenture or otherwise.

ARTICLE XII

SUPPLEMENTAL LEASES

Section 1201. Supplemental Leases Not Requiring Consent of Owners. The City and the Trustee shall, without the consent of or notice to the Owners, consent to the execution of any Supplemental Lease or Supplemental Leases by the City and the Company as may be required (a) by the provisions of the Lease and this Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission in the Lease, (c) so as to more precisely identify the Project Equipment or add additional property thereto or (d) in connection with any other change therein which, in the judgment of the Trustee, does not materially and adversely affect the Trustee or security for the Owners (provided the Trustee is entitled to receive and may conclusively rely upon an opinion of counsel in exercising such judgment).

Section 1202. Supplemental Leases Requiring Consent of Owners. Except for Supplemental Leases as provided for in **Section 1201** hereof, neither the City nor the Trustee shall consent to the execution of any Supplemental Lease or Supplemental Leases by the City or the Company without the mailing of notice and the obtaining of the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and obtained as provided in **Section 1102** hereof. If at any time the City and the Company shall request the consent of the Trustee to any such proposed Supplemental Lease, the Trustee shall cause notice of such proposed Supplemental Lease to be mailed in the same manner as provided in **Section 1102** hereof with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed Supplemental Lease and shall state that copies of the same are on file in the corporate trust office of the Trustee for inspection by all Owners. If within 60 days or such longer period as may be prescribed by the City following the mailing of such notice, the Owners of not less than 50% in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Lease shall have consented to and approved the execution thereof as herein provided, no Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof.

Section 1203. Opinion of Counsel. In executing or consenting to any Supplemental Lease permitted by this Article, the City and the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed to the Trustee and the City stating that the executing of such Supplemental Lease is authorized or permitted by the Lease and this Indenture and the applicable law and will upon the execution and delivery thereof be valid and binding obligations of the parties thereof.

ARTICLE XIII

SATISFACTION AND DISCHARGE OF INDENTURE

Section 1301. Satisfaction and Discharge of this Indenture.

(a) When the principal of and interest on all the Bonds have been paid in accordance with their terms or provision has been made for such payment, as provided in **Section 1302** hereof, and provision also made for paying all other sums payable hereunder and under the Lease and the Performance Agreement, including the reasonable fees and expenses of the Trustee, the City and Paying Agent to the date of retirement of the Bonds, then the right, title and interest of the Trustee in respect hereof shall thereupon cease, determine and be void. Thereupon, the Trustee shall cancel, discharge and release this Indenture and shall upon the written request of the City or the Company execute, acknowledge and deliver to the City such instruments of satisfaction and discharge or release as shall be required to evidence such release and the satisfaction and discharge of this Indenture, and shall assign and deliver to the City (subject to the City's obligations under **Section 11.2** of the Lease) any property at the time subject to this Indenture which may then be in its possession, except amounts in the Bond Fund required to be paid to the Company under **Section 602** hereof and except funds or securities in which such funds are invested held by the Trustee for the payment of the principal of and interest on the Bonds.

(b) The City is hereby authorized to accept a certificate by the Trustee that the whole amount of the principal and interest, if any, so due and payable upon all of the Bonds then Outstanding has been paid or such payment provided for in accordance with **Section 1302** hereof as evidence of satisfaction of this Indenture, and upon receipt thereof shall cancel and erase the inscription of this Indenture from its records.

Section 1302. Bonds Deemed to be Paid.

(a) Bonds shall be deemed to be paid within the meaning of this Article when payment of the principal of and interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture, or otherwise), either (1) have been made or caused to be made in accordance with the terms thereof, or (2) have been provided for by depositing with the Trustee or other commercial bank or trust company having full trust powers and authorized to accept trusts in the State in trust and irrevocably set aside exclusively for such payment (i) moneys sufficient to make such payment or (ii) Government Securities maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, or (3) have been provided for by surrendering the Bonds to the Trustee for cancellation. At such time as Bonds are deemed to be paid hereunder, as aforesaid, they shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of such payment from such moneys or Government Securities.

(b) Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed before the stated maturities thereof, no deposit under clause (2) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until, as to all such Bonds which are to be redeemed before their respective stated maturities, proper notice of such redemption shall have been given in accordance with **Article III** hereof or irrevocable instructions shall have been given to the Trustee to give such notice.

(c) Notwithstanding any provision of any other section of this Indenture which may be contrary to the provisions of this Section, all moneys or Government Securities set aside and held in trust

pursuant to the provisions of this Section for the payment of Bonds shall be applied to and used solely for the payment of the particular Bonds, with respect to which such moneys and Government Securities have been so set aside in trust.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 1401. Consents and Other Instruments by Owners.

(a) Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in Person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds (other than the assignment of ownership of a Bond) if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

(i) The fact and date of the execution by any Person of any such instrument may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the Person signing such instrument acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

(ii) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the registration books of the City maintained by the Trustee pursuant to **Section 206** hereof.

(b) In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Bonds owned by the Company shall be disregarded and deemed not to be Outstanding under this Indenture, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded; provided, the foregoing provisions shall not be applicable if the Company is the only Owner of the Bonds. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and the pledgee is not the Company or any affiliate thereof.

Section 1402. Limitation of Rights Under this Indenture. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give any Person other than the parties hereto, and the Owners, if any, any right, remedy or claim under or in respect to this Indenture, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Owners, as herein provided.

Section 1403. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Indenture to be given or filed with the City, the Trustee, the Company or Owners if the same is duly mailed, postage prepaid, sent by overnight delivery or other delivery service, as follows:

(a) To the City:

City of Independence, Missouri
111 E. Maple Ave.
Independence, MO, 64050
Attention: City Manager

(b) To the Trustee:

BOKF, N.A.
2405 Grand Blvd, Ste 840
Kansas City, MO 64108
Attn: Corporate Trust Department

(c) To the Company:

Nebius, Inc.

Attention: _____

with a copy to:

Rouse Frets White Goss Gentile Rhodes, P.C.
801 W. 47th Street, Suite 500
Kansas City, Missouri 64112
Attention: Mark R. Coulter

(d) To the Owners if the same is duly mailed by first class, registered or certified mail addressed to each of the Owners of Bonds at the time Outstanding as shown by the bond registration books required by **Section 206** hereof to be kept at the corporate trust office of the Trustee.

All notices given by certified or registered mail as aforesaid shall be deemed fully given as of the date they are so mailed, provided that any of the foregoing given to the Trustee shall be effective only upon receipt. All notices given by overnight delivery or other delivery service shall be deemed fully given as of the date when received. A duplicate copy of each notice, certificate or other communication given hereunder by either the City or the Trustee to the other shall also be given to the Company. The City, the Company and the Trustee may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

Section 1404. Severability. If any provision of this Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

Section 1405. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1406. Governing Law. This Indenture shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 1407. Electronic Storage. The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 1408. Electronic Notice to Trustee. The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent in writing or by electronic notice, provided, however, that such instructions or directions shall be signed by an Authorized Company Representative. If the Company elects to give the instructions by electronic notice, the Trustee may deem such instructions controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. Pursuant to the Lease, the Company agrees to assume all risks arising out of the use of such electronic notice to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, City of Independence, Missouri, has caused this Indenture to be signed in its name and behalf by its (Interim) City Manager and the seal of the City to be hereunto affixed and attested by the City Clerk, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this Indenture to be signed in its name and behalf by a duly authorized officer, all as of the date first above written.

CITY OF INDEPENDENCE, MISSOURI

By: _____
Name: Lisa Reynolds
Title: Interim City Manager

[SEAL]

ATTEST:

By: _____
Name: Susanne Holland
Title: City Clerk

BOKF, N.A.,
as Trustee

By _____
Name:
Title:

[SEAL]

ATTEST:

By _____
Name:
Title:

EXHIBIT A

PROJECT SITE

The following described real estate located in Jackson County, Missouri:

[**INSERT LEGAL DESCRIPTION**]

EXHIBIT B

PROJECT EQUIPMENT

The Project Equipment consists of the following, to the extent located at the Project Site and paid for in whole with Bond proceeds:

Data servers, specialized mechanical, electrical and plumbing systems, HVAC systems, and data center support equipment sufficient to operate a data center of at least 800 megawatts.

EXHIBIT C

FORM OF BONDS

***THIS BOND OR ANY PORTION HEREOF MAY BE TRANSFERRED, ASSIGNED OR
NEGOTIATED ONLY AS PROVIDED IN THE HEREIN DESCRIBED INDENTURE.***

No. 1

Not to Exceed
\$144,023,000,000

UNITED STATES OF AMERICA
STATE OF MISSOURI

CITY OF INDEPENDENCE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BOND
(NEBIUS PROJECT - EQUIPMENT)
SERIES 2026

Interest Rate

7.00%

Maturity Date

December 1, 2046

Dated Date

____ __, 2026

OWNER:

NEBIUS, INC.

MAXIMUM PRINCIPAL AMOUNT:

NOT TO EXCEED ONE HUNDRED
FORTY-FOUR BILLION, TWENTY-
THREE MILLION DOLLARS

THE CITY OF INDEPENDENCE, MISSOURI, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri (the "City"), for value received, promises to pay, but solely from the source hereinafter referred to, to the Owner named above, or registered assigns thereof, on the Maturity Date shown above, the principal amount shown above, or such lesser amount as may be outstanding hereunder as reflected on **Schedule I** hereto held by the Trustee as provided in the hereinafter referred to Indenture. The City agrees to pay such principal amount to the Owner in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and in like manner to pay to the Owner hereof, either by check or draft mailed to the Owner at a stated address as it appears on the bond registration books of the City kept by the Trustee under the within mentioned Indenture or, in certain situations authorized in the Indenture, by internal bank transfer or by wire transfer to an account in a commercial bank or savings institution located in the continental United States. Interest on the Cumulative Outstanding Principal Amount (as hereinafter defined) at the per annum Interest Rate stated above, payable in arrears on each December 1, commencing on December 1, 2026, and continuing thereafter until the earlier of the date on which said Cumulative Outstanding Principal Amount is paid in full or the Maturity Date. Interest on each advancement of the principal amount of this Bond shall accrue from the date that such advancement is made, computed on the basis of a year of 360 days consisting of 12 months of 30 days each.

As used herein, the term “Cumulative Outstanding Principal Amount” means all Bonds outstanding under the terms of the hereinafter-defined Indenture, as reflected on **Schedule I** hereto maintained by the Trustee.

THIS BOND is one of a duly authorized series of Bonds of the City designated “City of Independence, Missouri, Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026,” in the maximum aggregate principal amount of \$144,023,000,000 (the “Bonds”), to be issued for the purpose of acquiring and installing certain equipment (the “Project Equipment”) on a site located at and surrounding 501 North Bly Road in the City (the “Project Site”). The City will lease the Project Equipment to a company (the “Company”), under the terms of a Lease Agreement dated as of February 1, 2026 (said Lease Agreement, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Lease”), between the City and the Company, all pursuant to the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution, the statutes of the State of Missouri, including particularly the Act, the charter of the City and pursuant to proceedings duly had by the Council of the City.

THE BONDS are issued under and are equally and ratably secured and entitled to the protection given by a Trust Indenture dated as of February 1, 2026 (said Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Indenture”), between the City and BOKF, N.A., Kansas City, Missouri, as trustee (the “Trustee”). *Capitalized terms not defined herein shall have the meanings set forth in the Indenture.*

Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the City, the Trustee and the Owners, and the terms upon which the Bonds are issued and secured.

THE BONDS are subject to redemption and payment prior to maturity as provided in the Indenture.

THE BONDS, including interest thereon, are special obligations of the City and are payable solely out of the rents, revenues and receipts derived by the City from the Project Equipment and the Lease and not from any other fund or source of the City, and are secured by a pledge and assignment of the Project Equipment and of such rents, revenues and receipts, including all rentals and other amounts to be received by the City under and pursuant to the Lease, all as provided in the Indenture. The Bonds do not constitute a general obligation of the City or the State of Missouri, and neither the City nor said State shall be liable thereon, and the Bonds shall not constitute an indebtedness within the meaning of any constitutional, charter or statutory debt limitation or restriction, and are not payable in any manner by taxation. Pursuant to the provisions of the Lease, rental payments sufficient for the prompt payment when due of the principal of and interest on the Bonds are to be paid by the Company directly to the Trustee for the account of the City and deposited in a special fund created by the City and designated the “City of Independence, Missouri, Bond Fund (Nebius Project - Equipment)”.

THE OWNER of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest

accrued thereon. Modifications or alterations of this Bond or the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

THIS BOND is transferable, as provided in the Indenture, only upon the books of the City kept for that purpose at the above-mentioned office of the Trustee by the Owner hereof in Person or by such Person's duly authorized agent, upon surrender of this Bond together with a written instrument of transfer reasonably satisfactory to the Trustee duly executed by the Owner or such Person's duly authorized attorney, and thereupon a new fully registered Bond or Bonds, in the same aggregate principal amounts, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The City, the Trustee and any Paying Agent may deem and treat the Person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

THE BONDS are issuable in the form of one fully-registered Bond in the maximum principal amount of \$144,023,000,000.

THIS BOND shall not be valid or become obligatory for any purposes or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Missouri.

IN WITNESS WHEREOF, the City of Independence, Missouri has caused this Bond to be executed in its name by the manual or facsimile signature of its Mayor or (Interim) City Manager, attested by the manual or facsimile signature of its City Clerk and its corporate seal to be affixed hereto or imprinted hereon, and has caused this Bond to be dated the date set forth above.

CERTIFICATE OF AUTHENTICATION

CITY OF INDEPENDENCE, MISSOURI

This Bond is one of the Bonds
of the issue described in the
within-mentioned Indenture.

By: _____
Interim City Manager

Registration Date: _____

BOKF, N.A.,
as Trustee

ATTEST: _____ (Seal)

By _____
Authorized Signatory

City Clerk

SCHEDULE I

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

**CITY OF INDEPENDENCE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BOND
(NEBIUS PROJECT - EQUIPMENT)
SERIES 2026**

Date	Principal Amount Advanced	Principal Amount Redeemed	Cumulative Outstanding Principal Amount	Notation Made By

FORM OF ASSIGNMENT

(NOTE RESTRICTIONS ON TRANSFERS)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Typewrite Name, Address and Social Security or
other Taxpayer Identification Number of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent 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.

Place medallion guarantee below:

EXHIBIT D

FORM OF REPRESENTATION LETTER

City of Independence, Missouri
111 E. Maple Ave.
Independence, MO, 64050
Attention: City Manager

BOKF, N.A., as Trustee
2405 Grand Blvd, Ste 840
Kansas City, MO 64108
Attn: Corporate Trust Department

Re: \$144,023,000,000 Maximum Principal Amount of Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026 of the City of Independence, Missouri

Ladies and Gentlemen:

In connection with the purchase of the above-referenced Bonds (the “Bonds”), the undersigned purchaser of the Bonds (the “Purchaser”) hereby represents, warrants and agrees as follows:

1. The Purchaser fully understands that (a) the Bonds have been issued under and pursuant to a Trust Indenture dated as of February 1, 2026 (the “Indenture”), between the City of Independence, Missouri (the “City”) and BOKF, N.A., Kansas City, Missouri, as trustee (the “Trustee”), and (b) the Bonds are payable solely out of certain rents, revenues and receipts to be derived from the leasing or sale of the Project Equipment (as defined in the Indenture) to Nebius, Inc., a Delaware corporation (the “Company”), under a Lease Agreement dated as of February 1, 2026 (the “Lease”), between the City and the Company, with certain of such rents, revenues and receipts being pledged and assigned by the City to the Trustee under the Indenture to secure the payment of the principal of and interest on the Bonds.

2. The Purchaser understands that the Bonds have not been registered under the Securities Act of 1933, as amended (the “1933 Act”), or the securities laws of any state and will be sold to the Purchaser in reliance upon certain exemptions from registration and in reliance upon the representations and warranties of the Purchaser set forth herein.

3. The Purchaser understands that the Bonds are transferable only in the manner provided for in the Indenture and discussed below and warrants that it is acquiring the Bonds for its own account with the intent of holding the Bonds as an investment, and the acquisition of the Bonds is not made with a view toward their distribution or for the purpose of offering, selling or otherwise participating in a distribution of the Bonds.

4. The Purchaser agrees not to attempt to offer, sell, hypothecate or otherwise distribute the Bonds to others unless authorized by the terms of the Indenture and upon receipt of any required opinion of counsel acceptable to the City, the Company, the Trustee and the Purchaser that all registration and disclosure requirements of the Securities and Exchange Commission and all other appropriate federal and Missouri securities laws and the securities law of any other applicable state are complied with.

5. The Company has (a) furnished to the Purchaser such information about itself as the Purchaser deems necessary in order for it to make an informed investment decision with respect to the purchase of the Bonds, (b) made available to the Purchaser, during the course of this transaction, ample opportunity to ask questions of, and to receive answers from, appropriate officers of the City and the terms and conditions of the offering of the Bonds, and (c) provided to the undersigned all additional information which it has requested.

6. The Purchaser acknowledges that no offering document has been prepared in connection with the sale of the Bonds. The Purchaser further acknowledges that it has timely received in satisfactory form and manner all proceedings, certificates, opinions, letters and other documents required to be submitted to the Purchaser pursuant to the Bond Purchase Agreement prior to or on the date of the delivery of and payment for the Bonds, and that the City and the Company have in all respects complied with and satisfied all of their respective obligations to the Purchaser which are required under the Bond Purchase Agreement to be complied with and satisfied on or before such date.

7. The Purchaser is now, and was when it agreed to purchase the Bonds, familiar with the operations of the Company and fully aware of terms and risks of the Bonds and that the Purchaser is relying on its own knowledge and investigation of facts and circumstances relating to the purchase of the Bonds. The Purchaser believes that the Bonds being acquired are a security of the type that the Purchaser wishes to purchase and hold for investment and that the nature and amount thereof are consistent with its investment program.

8. The Purchaser is fully aware of and satisfied with (i) the current status of the ownership of the Project Equipment and any issues related thereto and (ii) the terms, amounts and providers of the insurance maintained pursuant to **Article VII** of the Lease, and the undersigned is purchasing the Bonds with full knowledge of such matters.

9. The Purchaser understands and agrees that the interest on the Bonds *is* subject to federal and state income taxation.

10. The Purchaser hereby directs the Trustee to hold the Bonds in trust for the undersigned pursuant to **Section 208** of the Indenture.

Dated: _____, 20__

[PURCHASER OF BONDS]

By: _____
Name: _____
Title: _____

**CITY OF INDEPENDENCE, MISSOURI,
As Lessor,**

AND

**NEBIUS, INC.,
As Lessee**

LEASE AGREEMENT

Dated as of February 1, 2026

Relating to:

**\$144,023,000,000
(Aggregate Maximum Principal Amount)
City of Independence, Missouri
Taxable Industrial Development Revenue Bonds
(Nebius Project - Equipment)
Series 2026**

Certain rights of the City of Independence, Missouri (the “City”), in this Lease Agreement have been pledged and assigned to BOKF, N.A., Kansas City, Missouri, as Trustee under the Trust Indenture dated as of February 1, 2026, between the City and the Trustee. Such pledge and assignment does not include the Unassigned Rights (defined in the Indenture).

LEASE AGREEMENT

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LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of February 1, 2026 (the “Lease”), is between the **CITY OF INDEPENDENCE, MISSOURI**, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri, as lessor (the “City”), and **NEBIUS, INC.**, a Delaware corporation, as lessee, and its successors or assigns, as permitted hereunder (the “Company”);

RECITALS:

1. The City is authorized under Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200 of the Revised Statutes of Missouri, as amended (the “Act”), to purchase, construct, extend, improve and equip certain “projects” (as defined in the Act) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, warehousing, office industry and industrial development purposes upon such terms and conditions as the City shall deem advisable.

2. Pursuant to the Act, the City Council passed an ordinance (the “Ordinance”) on _____, 2026, authorizing the City to issue its Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026, in the maximum principal amount of \$144,023,000,000 (the “Bonds”), for the purpose of acquiring and installing certain equipment (the “Project Equipment,” as more fully described on **Exhibit B** hereto) at a site located at and surrounding 501 North Bly Road in the City (the “Project Site,” as more fully described on **Exhibit A** hereto).

3. Pursuant to the Ordinance, the City is authorized to enter into a Trust Indenture of even date herewith (the “Indenture”) with BOKF, N.A., Kansas City, Missouri, as Trustee (the “Trustee”), for the purpose of issuing and securing the Bonds, as therein provided, and to enter into this Lease with the Company under which the City will acquire and install the Project Equipment and lease the Project Equipment to the Company in consideration of rental payments by the Company that will be sufficient to pay the principal of and interest on the Bonds.

4. In consideration of the terms and conditions of this Lease, the Ordinance, issuance of the Bonds and certain other agreements, the City and the Company have concurrently herewith entered into a Performance Agreement of even date herewith (the “Performance Agreement”), pursuant to which the Company has agreed to make certain payments in lieu of taxes.

5. Pursuant to the foregoing, the City desires to lease the Project Equipment to the Company and the Company desires to lease the Project Equipment from the City, for the rentals and upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the City and the Company do hereby represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. In addition to any words and terms defined elsewhere in this Lease and the words and terms defined in **Section 101** of the Indenture which definitions are hereby incorporated herein by reference, and terms defined, the following words and terms as used in this Lease shall have the following meanings:

“Additional Rent” means the additional rental described in **Sections 5.2** and **6.2** of this Lease.

“Basic Rent” means the rental described in **Section 5.1** of this Lease.

“Certificate of Insurance Compliance” means a certificate in substantially the form set forth on **Exhibit D** hereto evidencing the Company’s compliance with the insurance requirements set forth in **Article VII** hereto, fully executed by the Authorized Company Representative and upon which the Trustee may conclusively rely without further investigation or inquiry.

“City Code” means the City’s Code of Ordinances published most recently in 2021, as the same may be amended by the City from time to time.

“Completion Certificate” means a certificate in substantially the form set forth on **Exhibit E** hereto evidencing the Completion Date as set forth in **Article IV** hereto, fully executed by the Authorized Company Representative and upon which the Trustee may conclusively rely without further investigation or inquiry.

“Environmental Law” means and includes the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act, the Superfund Amendments and Reauthorization Act of 1986, any other “Superfund” or “Superlien” law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous materials, as now or at any time hereafter in effect.

“Financing Document” means any loan agreement, credit agreement, indenture, security agreement, mortgage, participation agreement, lease agreement, sublease, ground lease, hedging agreement or other document executed by or on behalf of a Financing Party.

“Financing Party” means any Person providing debt, lease or equity financing or other financing (including equity contributions or commitments) or hedging arrangements, or any renewal, extension or refinancing of any such financing or hedging arrangements, or any guarantee, insurance, letters of credit or credit support for or in connection with such financing or hedging arrangements, in connection with the ownership, purchase, lease, operation or maintenance of the Project Equipment or interests or rights in the Lease, or any part thereof, including any trustee or agent acting on any such Person’s behalf.

“Full Insurable Value” means the actual replacement cost of the Project Equipment less physical depreciation as determined in accordance with **Section 7.1(a)** hereof.

“Lease Term” means the period from the effective date of this Lease until the expiration thereof pursuant to **Section 3.2** hereof.

“Leasehold Security Agreement” means any leasehold security agreement, mortgage, leasehold deed of trust, assignment of rents and leases, security agreement or other agreement relating to the Project Equipment permitted pursuant to the provisions of **Section 10.4** hereof.

“Net Proceeds” means, when used with respect to any insurance or condemnation award with respect to the Project Equipment, the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including reasonable attorneys’ fees, trustee’s fees and any extraordinary expenses of the City and the Trustee) incurred in the collection of such gross proceeds.

“Permitted Encumbrances” means, as of any particular time, as the same may encumber the Project Equipment, (a) liens for ad valorem taxes and special assessments not then delinquent, (b) the Indenture, this Lease, and the Performance Agreement, (c) liens or security interests granted pursuant to any Leasehold Mortgage or any Financing Documents, and (d) liens or security interests granted pursuant to any Leasehold Security Agreement or any Financing Documents.

“Project Equipment” means the personal property to be acquired and installed at the Project Site pursuant to **Article IV** of this Lease and paid for in whole or in part from the proceeds of Bonds, as described in **Exhibit B** attached hereto.

“Project Site” means the location described in **Exhibit A** attached hereto and by this reference made a part hereof.

“Real Property Lease” means the Lease Agreement relating to the Project Site and improvements to be located on the Project Site between the City and the Real Property Lessee.

“Real Property Lessee” means Missouri ADC Holdings, LLC, and its successors and assigns as permitted under the Real Property Lease.

Section 1.2. Rules of Interpretation.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(b) Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing Persons shall include firms, associations and corporations, including governmental entities, as well as natural Persons.

(c) Wherever in this Lease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

(d) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other subdivision.

(e) The Table of Contents and the Article and Section headings of this Lease shall not be treated as a part of this Lease or as affecting the true meaning of the provisions hereof.

(f) Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

Section 1.3. Acceptance of Indenture. The Company acknowledges that it has received an executed copy of the Indenture and that it is familiar with the terms and conditions of the Indenture. The Company further covenants that it will comply with all the conditions and covenants contained in the Indenture relating to the Company and the Project Equipment, and that it will not take any action which would cause a default thereunder or jeopardize the rights of the Trustee, the City or the Bondowners.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by the City. The City makes the following representations as the basis for the undertakings on its part herein contained:

(a) The City is a constitutional charter city and municipal corporation duly organized and validly existing under the laws of the State of Missouri. Under the provisions of the Act, the City has lawful power and authority to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder. By proper action of its governing body, the City has been duly authorized to execute and deliver this Lease, acting by and through its duly authorized officers;

(b) The City agrees to cause the Project Equipment to be acquired and installed on the Project Site. The City agrees to lease the Project Equipment to the Company and sell the Project Equipment to the Company if the Company exercises its option to purchase the Project Equipment or upon termination of this Lease as provided for herein, all for the purpose of furthering the public purposes of the Act;

(c) The acquisition and installation of the Project Equipment and the leasing of the Project Equipment by the City to the Company will further the public purposes of the Act;

(d) To the City’s knowledge, no member of the City Council or any other officer of the City has any significant or conflicting interest, financial, employment or otherwise, in the Company or in the transactions contemplated hereby;

(e) To finance the costs of the Project Equipment, the City proposes to issue the Bonds which will be scheduled to mature as set forth in **Article II** of the Indenture and will be subject to redemption prior to maturity in accordance with the provisions of **Article III** of the Indenture;

(f) The Bonds are to be issued under and secured by the Indenture, pursuant to which the Project Equipment and the net earnings therefrom, including all rents, revenues and receipts to be derived by the City from the leasing or sale of the Project Equipment (except for the Unassigned Rights), will be pledged and assigned to the Trustee as security for payment of the principal of and interest on the Bonds and amounts owing pursuant to the Lease;

(g) The City will not grant security interests in or take any affirmative action that would permit a lien to be placed on the Project Equipment or pledge the revenues derived therefrom for any bonds or other obligations, other than the Bonds, except at the request of or with the written consent of the Authorized Company Representative; and

(h) The City shall have no authority to operate the Project Equipment as a business or in any other manner except as the lessor thereof or potentially as lessee of a portion thereof, except subsequent to an Event of Default hereunder.

Section 2.2. Representations by the Company. The Company makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is in good standing under the laws of and authorized to do business in the State of Missouri;

(b) The Company has lawful power and authority to enter into this Lease and to carry out its obligations hereunder and by proper action of its members the Company has been duly authorized to execute and deliver this Lease, acting by and through its duly authorized officers and representatives;

(c) The execution and delivery of this Lease, the consummation of the transactions contemplated hereby, and the performance of or compliance with the terms and conditions of this Lease by the Company will not, to the best of the Company's knowledge, conflict with or result in a material breach of any of the terms, conditions or provisions of, or constitute a material default under, any mortgage, deed of trust, lease or any other restrictions or any agreement or instrument to which the Company is a party or by which it or any of its property is bound, or the Company's organizational documents, or any order, rule or regulation applicable to the Company or any of its property of any court or governmental body, or constitute a material default under any of the foregoing, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Company under the terms of any instrument or agreement to which the Company is a party;

(d) The Project Equipment will comply in all material respects with all presently applicable building and zoning, health, environmental and safety orders and laws and all other applicable laws, rules and regulations, including the City Code; and

(e) The Project Equipment will be located on the Project Site.

ARTICLE III

GRANTING PROVISIONS

Section 3.1. Granting of Leasehold Estate. The City hereby exclusively rents, leases and lets the Project Equipment to the Company, and the Company hereby rents, leases and hires the Project Equipment from the City, subject to Permitted Encumbrances for the rentals and upon and subject to the terms and conditions herein contained.

Section 3.2. Lease Term. This Lease shall become effective upon its delivery, and subject to sooner termination pursuant to the provisions of this Lease, shall have a term commencing as of the date of this Lease and terminating on **December 1, 2046**.

Section 3.3. Possession and Use of the Project Equipment.

(a) The City covenants and agrees that as long as neither the City nor the Trustee has exercised any of the remedies set forth in **Section 12.2(b)** following the occurrence and continuance of an Event of Default, the Company shall have sole and exclusive possession of the Project Equipment (subject to Permitted Encumbrances and the City's and the Trustee's right of access pursuant to **Section 10.3** hereof) and shall and may peaceably and quietly have, hold and enjoy the Project Equipment during the Lease Term. The City covenants and agrees that it will not take any action, other than expressly pursuant to **Article XII** hereof, to prevent the Company from having quiet and peaceable possession and enjoyment of the Project Equipment during the Lease Term and will, at the request and expense of the Company, cooperate with the Company in order that the Company may have quiet and peaceable possession and enjoyment of the Project Equipment and will defend the Company's enjoyment and possession thereof against all parties. The City will, at the request of the Company, reasonably cooperate with the Company in obtaining financing for Project Equipment, as detailed in **Section 10.4** of this Lease.

(b) Subject to the provisions of this Section, the Company shall have the right to use the Project Equipment for any lawful purpose contemplated by the Act, this Lease, and the Performance Agreement. The Company shall comply in all material respects with all statutes, laws, ordinances, codes, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Project Equipment as to the manner of use or the condition of the Project Equipment. In the event of demonstrated noncompliance with such statutes, laws, ordinances, codes, orders, judgments, decrees, regulations, directions and requirements the Company will take all reasonable steps to comply with such statutes, laws, ordinances, codes, orders, judgments, decrees, regulations, directions and requirements. The Company shall also comply with the mandatory requirements, rules and regulations of all insurers under the policies carried under the provisions of **Article VII** hereof. The Company shall pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of the Company to comply with the provisions of this Section. Notwithstanding any provision contained in this Section, however, the Company shall have the right, at its own cost and expense, to contest or review by legal or other appropriate procedures the validity or legality of any such governmental statute, law, ordinance, code, order, judgment, decree, regulation, direction or requirement, or any such requirement, rule or regulation of an insurer, and during such contest or review the Company may refrain from complying therewith.

Section 3.4. Title to the Project Equipment. Subject to the terms herein, the City shall be the sole owner of the Project Equipment during the Lease Term.

ARTICLE IV

ACQUISITION AND INSTALLATION OF THE PROJECT EQUIPMENT

Section 4.1. Issuance of the Bonds. The City agrees that, upon request of the Company, it will issue, sell and cause to be delivered the Bonds to the purchaser thereof in accordance with the provisions of the Indenture and the Bond Purchase Agreement. The proceeds of the sale of the Bonds, when received, shall be paid over to the Trustee for the account of the City. The Trustee shall promptly

deposit such proceeds, when received, as provided in the Indenture, to be used and applied as hereinafter provided in this Lease and in the Indenture. Alternatively, the Trustee may, (pursuant to **Section 208(d)** of the Indenture) endorse the Bonds in an amount equal to the requisition certificates submitted pursuant to **Section 4.4** below. In that event, the purchaser of the Bonds shall be deemed to have deposited funds with the Trustee in an amount equal to the amount stated in the requisition certificate.

Section 4.2. Acquisition and Installation of the Project Equipment. The City and the Company agree that the Company, as the agent of the City, shall, but solely from the Project Fund, acquire and install the Project Equipment as follows:

(a) [Reserved].

(b) The Company will purchase and install the Project Equipment at the Project Site. The Company shall transfer title to the Project Equipment to the City from time to time by bills of sale or other instruments of transfer. Each bill of sale or other instrument of transfer and each personal property declaration form shall be of sufficient specificity so as to enable Jackson County's officials (including representatives of the Assessor's office) to determine which personal property as reported on the annual personal property declaration constitutes Project Equipment (and therefore is owned by the City) and which personal property does not constitute Project Equipment (and therefore is owned by the Company). The City and the Company agree that, pursuant to **Section 4.8**, property purchased in whole or in part by the Company with its own funds, and not Bond proceeds, shall not constitute part of the Project Equipment and shall remain the property of the Company and therefore subject to taxation (and the Company shall report such property to Jackson County as taxable). On or before March 1 of each year, the Company shall provide to the City the report required by **Section 3.2** of the Performance Agreement. On **December 31, 2046**, title to all personal property comprising the Project Equipment shall be, and hereby is, conveyed to the Company, without further act of the City or the Company.

(c) In the event such acquisition and installation commences prior to the receipt of proceeds from the sale of the Bonds, the Company agrees to advance all funds necessary for such purpose.

Section 4.3. Project Costs. The City hereby agrees to pay for, but solely from the Project Fund, and hereby authorizes and directs the Trustee to pay for, but solely from the Project Fund, all Project Costs upon receipt by the Trustee of a certificate pursuant to **Section 4.4** hereof. The Company may not submit any requisition certificates for Project Costs incurred after the Completion Date. The Company must submit all requisitions for Project Costs incurred before the Completion Date within three months after the Completion Date.

Section 4.4. Payment for Project Costs. All Project Costs as specified in **Section 4.3** hereof shall be paid by the Trustee from the Project Fund as more fully provided in the Indenture, and the City hereby irrevocably authorizes and directs the Trustee to make disbursements from the Project Fund, upon receipt by the Trustee of certificates in substantially the form attached hereto as **Exhibit C**, 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.

The Company shall make good faith efforts to submit disbursements certificates (as described in the paragraph above) for all Project Costs within 90 days after incurring such Project Costs, but in no case later than December 31 of the year in which the Project Costs were incurred. In connection with each disbursement certificate submitted to the Trustee, and within 10 days of submittal thereof, the Company shall pay an issuance fee to the City in an amount equal to 0.01236% of the total Project Costs contained in such disbursement certificate, which amount shall be reported to the Trustee and added to the Cumulative Outstanding Principal Amount of the Bonds.

Section 4.5. Establishment of Completion Date. The Completion Date shall be evidenced to the Trustee by the delivery of a Completion Certificate. The Company and the City agree to cooperate in causing such certificate to be furnished to the Trustee.

Section 4.6. Surplus or Deficiency in Project Fund.

(a) Upon receipt of the certificate described in Section 4.5 hereof, the Trustee shall, as provided in **Section 504** of the Indenture, transfer any remaining moneys then in the Project Fund to the Bond Fund to be applied as directed by the Company solely to (1) the payment of principal and premium, if any, of the Bonds through the payment (including regularly scheduled principal payments, if any) or redemption thereof at the earliest date permissible under the terms of the Indenture, or (2) at the option of the Company, to the purchase of Bonds at such earlier date or dates as the Company may elect. Any amount so deposited in the Bond Fund may be invested as permitted by **Section 702** of the Indenture.

(b) If the Project Fund shall be insufficient to pay fully all Project Costs and to complete the acquisition and installation of the Project Equipment free of liens and encumbrances other than Permitted Encumbrances, the Company shall pay, in cash, the full amount of any such deficiency by making payments thereof directly to the contractors and to the suppliers of materials and services as the same shall become due, and the Company shall save the City and the Trustee whole and harmless from any obligation to pay such deficiency.

Section 4.7. Project Equipment Property of City. The Project Equipment, which the Company desires to convey to the City, including anything under this Lease which becomes, is deemed to be, or constitutes a part of the Project Equipment, and the Project Equipment as repaired, rebuilt, rearranged, restored or replaced by the Company under the provisions of this Lease, except as otherwise specifically provided herein, shall immediately when installed become the absolute property of the City, subject only to this Lease, the Indenture, Permitted Encumbrances and the Leasehold Security Agreement or Financing Documents, if any.

Section 4.8. Non-Project Improvements, Machinery and Equipment Property of the Company. Any improvements or items of machinery or equipment which do not constitute part of the Project Equipment and the entire purchase price of which is paid for by the Company with the Company's own funds, and no part of the purchase price of which is paid for from funds deposited pursuant to the terms of this Lease in the Project Fund, shall be the property of the Company and shall not constitute a part of the Project Equipment for purposes of **Section 6.4** hereof and therefore are subject to taxation, to the extent otherwise provided by law.

Section 4.9. Environmental Matters. The Company acknowledges that it is responsible for maintaining the Project Equipment in compliance with all Environmental Laws. In the event that the Company fails to undertake to comply with any final, non-appealable order issued by any local, state or federal authority under applicable Environmental Law, the City or the Trustee, immediately after notice to the Company, may elect (but shall not be required) to undertake such compliance. Any moneys expended

by the City or the Trustee in efforts to comply with any applicable Environmental Law (including the reasonable cost of hiring consultants, undertaking sampling and testing, performing any cleanup necessary or useful in the compliance process and reasonable attorneys' fees) shall be due and payable as Additional Rent hereunder with interest thereon at the average rate of interest per annum on the Bonds, plus two (2) percentage points, from the date such cost is incurred. There shall be unlimited recourse to the Company to the extent of any liability incurred by the City or the Trustee with respect to any breaches of the provisions of this section.

The Company shall and does hereby indemnify the City and the Trustee and agrees to defend and hold them harmless from and against all loss, cost, damage and expense (including, without limitation, reasonable attorneys' fees and costs associated incurred in the investigation, defense and settlement of claims) that they may incur, directly or indirectly, as a result of or in connection with the assertion against them or any of them of any claim relating to the presence on, escape or removal from the Project Equipment during the term of this Lease of any hazardous substance or other material regulated by any applicable Environmental Law, or compliance with any applicable Environmental Law, whether such claim is raised before, during or after the term of this Lease, including claims relating to personal injury or damage to property; provided, however, this indemnity shall only relate to claims resulting from the City's ownership of the Project Equipment and the Trustee's acceptance of its duties as Trustee hereunder.

ARTICLE V

RENT PROVISIONS

Section 5.1. Basic Rent. The Company covenants and agrees to pay to the Trustee in same day funds for the account of the City during this Lease Term, for deposit in the Bond Fund on or before 10:00 a.m., Trustee's local time, on or before each December 1, commencing **December 1, 2026** and continuing until the principal of and interest on the Bonds which are then outstanding and have not been subject to early redemption shall have been fully paid, an amount which, when added to any collected funds then on deposit in the Bond Fund and available on such Payment Date, shall be equal to the total amount payable on each December 1 as interest on the Bonds. On **December 1, 2046** (or such earlier date as the Company may elect to redeem the Bonds), the Company shall also pay an amount equal to all principal then due on the Bonds in connection with such maturity or redemption. All payments of Basic Rent provided for in this Section shall be paid directly to the Trustee and shall be deposited in accordance with the provisions of the Indenture into the Bond Fund and shall be used and applied by the Trustee in the manner and for the purposes set forth in this Lease and the Indenture, provided that if the Company is the Owner of all the Bonds Outstanding, payment of Basic Rent as provided for in this Section may be made via a transaction entry on the trust records held by the Trustee and the Paying Agent consistent with **Section 204** of the Indenture. Any Basic Rent paid by the Company which exceeds the total amount payable on such payment dates shall be immediately paid to the Company by wire transfer. At its option, on the final Payment Date, the Company may deliver to the Trustee for cancellation Bonds not previously paid and the Company shall receive a credit against the Basic Rent payable by the Company in an amount equal to the principal amount of the Bonds so tendered for cancellation plus accrued interest thereon.

Section 5.2. Additional Rent. The Company shall pay as Additional Rent, within 30 days after receiving an itemized invoice therefor, the following amounts as and when the same become due:

(a) all reasonable fees, charges and expenses, including agent and counsel fees, of the City or the Trustee incurred under the Indenture, this Lease, or any other document entered into in connection with the Bonds, as and when the same become due. The annual administrative fee of the City shall be capped at \$_____. The Trustee fees due hereunder shall be capped at \$_____ annually. The parties agree that the aggregate fees under this subsection shall be limited to \$5,000;

(b) all costs incident to the payment of the principal of and interest on the Bonds as the same becomes due and payable, including all costs and expenses in connection with the call, redemption and payment of all outstanding Bonds;

(c) all reasonable costs which are reasonably incurred and actually made in connection with the enforcement of any rights against the Company or the Project Equipment or in connection with a failure of the Company to perform its obligations under this Lease, the Indenture, or the Performance Agreement by the City, the Trustee or the Bondowners, including counsel fees and expenses;

(d) all amounts payable under the Performance Agreement; or

(e) all other payments of whatever nature which Company has agreed to pay or assume under the provisions of this Lease.

Section 5.3. Obligations of Company Absolute and Unconditional.

(a) The obligation of the Company to pay Basic Rent and Additional Rent are in consideration of the City's obligation to issue the Bonds and comply with the Trust Indenture. The obligations of the Company under this Lease to make payments of Basic Rent and Additional Rent on or before the date the same become due, and to perform all of its other obligations, covenants and agreements hereunder shall be absolute and unconditional, without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the acquisition and installation of the Project Equipment has been started or completed, or whether the City's title thereto or to any part thereof is defective or nonexistent, and notwithstanding any damage to, loss, theft or destruction of, the Project Equipment or any part thereof, any failure of consideration or frustration of commercial purpose, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Project Equipment, legal curtailment of the Company's use thereof, the eviction or constructive eviction of the Company, any change in the tax or other laws of the United States of America, the State of Missouri or any political subdivision thereof, any change in the City's legal organization or status, or any default of the City hereunder, and regardless of the invalidity of any action of the City; provided, however, that nothing in this **Section 5.3(a)** or **Section 5.3(b)** is intended or shall be deemed to affect or impair in anyway the rights of the Company to tender Bonds for redemption in satisfaction of Basic Rent as provided in **Section 5.1** and **Section 5.4** hereof, nor the right of the Company to terminate this Lease and repurchase the Project Equipment as provided in **Article XI** hereof.

(b) Nothing in this Lease shall be construed to release the City from the performance of any agreement on its part herein contained or as a waiver by the Company of any rights or claims the

Company may have against the City under this Lease or otherwise, but any recovery upon such rights and claims shall be had from the City separately, it being the intent of this Lease that the Company shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Lease (including the obligation to pay Basic Rent and Additional Rent) for the benefit of the Owners and the City. The Company may, however, at its own cost and expense and in its own name or in the name of the City, prosecute or defend any action or proceeding or take any other action involving third Persons which the Company deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event the City hereby agrees to cooperate fully with the Company and to take all action necessary to effect the substitution of the Company for the City in any such action or proceeding if the Company shall so request.

Section 5.4. Prepayment of Basic Rent. The Company may at any time and from time to time prepay a portion of the Basic Rent provided for hereunder (subject to the limitations of **Section 301(a)** of the Indenture relating to the redemption of the Bonds). During such times as the amount held by the Trustee in the Bond Fund shall be sufficient to pay, at the time required, the principal of and interest on all the Bonds then remaining unpaid, the Company shall not be obligated to make payments of Basic Rent under the provisions of this Lease.

Subject to **Section 301(a)** of the Indenture relating to the redemption of Bonds, the Company, at its option, may deliver to the Trustee for cancellation Bonds owned by the Company and not previously paid, and the Company shall receive a credit against amounts payable by the Company for the redemption of Bonds in an amount equal to the principal amount of the Bonds so tendered for cancellation, plus accrued interest thereon.

ARTICLE VI

MAINTENANCE, TAXES AND UTILITIES

Section 6.1. Maintenance and Repairs. Throughout the Lease Term the Company shall, at its own expense, keep the Project Equipment in as reasonably safe condition as the operation thereof will permit, and keep the Project Equipment in good repair and in good operating condition, making from time to time all necessary repairs thereto and renewals and replacements thereof it determines to be necessary. Without limiting the generality of the foregoing, the Company shall at all times remain in compliance with all provisions of the City Code relating to maintenance and appearance.

Section 6.2. Taxes, Assessments and Other Governmental Charges.

(a) Subject to the Performance Agreement and subsection (b) of this Section, the Company shall promptly pay and discharge, as the same become due, all taxes and assessments, general and special, and other governmental charges of any kind whatsoever that may be lawfully taxed, charged, levied, assessed or imposed upon or against or be payable for or in respect of the Project Equipment, or any part thereof or interest therein (including the leasehold estate of the Company therein), or the income therefrom, including any new taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against personal property, and further including all utility charges, assessments and other general governmental charges and impositions whatsoever, foreseen or unforeseen, which if not paid when due would materially impair the security of the Bonds or materially encumber the City's title to the Project Equipment; provided that with respect to any special assessments or other governmental

charges that are lawfully levied and assessed which may be paid in installments, the Company shall be obligated to pay only such installments thereof as become due and payable during the Lease Term.

(b) The Company may, in its own name or in the City's name, contest the validity or amount of any tax, assessment or other governmental charge which the Company is required to bear, pay and discharge pursuant to the terms of this Article by appropriate legal proceedings instituted before the tax, assessment or other governmental charge complained of becomes delinquent if and provided (1) the Company, before instituting any such contest, gives the City and the Trustee written notice of its intention to do so, (2) the Company diligently prosecutes any such contest, at all times effectively stays or prevents any official or judicial sale therefor, under execution or otherwise, and (3) the Company promptly pays any final judgment enforcing the tax, assessment or other governmental charge so contested and thereafter promptly procures record release or satisfaction thereof. The City agrees to cooperate fully with the Company in connection with any and all administrative or judicial proceedings related to any tax, assessment or other governmental charge. The Company shall save and hold harmless the City and the Trustee from any costs and expenses the City and the Trustee may incur related to any of the above.

(c) Nothing in this Lease shall be construed to require the Company to make duplicate tax payments. The Company shall receive a credit against any payments in lieu of taxes due under the Performance Agreement to the extent of any ad valorem taxes imposed and paid by the Company with respect to the Project Equipment paid pursuant to this Section.

Section 6.3. Utilities. All utilities and utility services used by the Company in, on or about the Project Equipment shall be paid for by the Company and shall be contracted for by the Company in the Company's own name (or the name(s) of its Affiliates), and the Company shall, at its sole cost and expense, procure any and all permits, licenses or authorizations necessary in connection therewith. The Company recognizes that the cost of utilities includes payments in lieu of tax charged by the City to its City-operated utilities under Section 16.07.001 of the City Code.

Section 6.4. Tax Exemptions.

(a) The City and the Company agree that while the Project Equipment is owned by the City and is subject to this Lease, the Project Equipment and the leasehold interest of the Company in the Project Equipment will be exempt from all current and future *ad valorem* property taxes by reason of such ownership (during the period in which the Project Equipment is owned by the City), and the City agrees that it will (at the expense of the Company) cooperate with the Company to defend such exemption against all parties in accordance with the Performance Agreement attached hereto as *Appendix I*. Notwithstanding the foregoing, Company will annually pay to the City the payments with respect to the Project Equipment set forth in the Performance Agreement.

(b) No sales tax exemption is being provided by the City in connection with the Project Equipment.

ARTICLE VII

INSURANCE

Section 7.1. Title Commitment or Report. [Reserved.]

Section 7.2. Property Insurance.

(a) The Company shall at its sole cost and expense obtain and shall maintain throughout the Lease Term, a policy or policies of insurance to keep the Project Equipment constantly insured against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State of Missouri in an amount equal to the Full Insurable Value thereof (subject to reasonable loss deductible provisions). The insurance required pursuant to this Section shall be maintained with a generally recognized responsible insurance company or companies authorized to do business in the State of Missouri or generally recognized international insurers or reinsurers with an A.M. Best rating of B+ or the equivalent thereof or better as may be selected by the Company. All such policies of insurance pursuant to this Section, and all renewals thereof, shall name the Company as insured and the City and the Trustee shall be named as loss payees, as their respective interests may appear, and shall contain a provision that the issuer of such insurance will provide at least 10 days' advance written notice to, the Company of the cancellation of such insurance. Company agrees it shall immediately forward any notice of cancellation it receives from the issuer of such insurance to the City and Trustee. The Company shall provide the City and the Trustee, on an annual basis, commencing on December 1, 2026 with a Certificate of Insurance Compliance, in the form of **Exhibit D** attached hereto, certifying compliance with this Section and containing copies of the insurance policies required under this Section, or certificates thereof. The Trustee shall be entitled to conclusively rely upon such certificate as to the Company's compliance with the insurance requirements. The Trustee makes no representation as to, and shall have no responsibility for the sufficiency or adequacy of, the insurance.

(b) In the event of loss or damage to the Project Equipment, the Net Proceeds of property insurance carried pursuant to this Section shall be applied as provided in **Article IX** of this Lease, or as may be directed by, or on behalf of, the Owners of 100% in principal amount of the Bonds outstanding.

Section 7.3. Commercial General Liability Insurance.

(a) The Company shall at its sole cost and expense maintain or cause to be maintained at all times during the Lease Term general accident and commercial general liability insurance under which the City, the Company and the Trustee shall be named as additional insureds, properly protecting and indemnifying the City and the Trustee, in an amount not less than the limits of liability set by Section 537.610 of the Revised Statutes of Missouri (subject to loss deductible clauses not to exceed \$100,000). The policies of said insurance shall contain a provision that the issuer of such insurance will provide at least 10 days' advance written notice to the Company of the cancellation of such insurance. The Company agrees it shall immediately forward any notice of cancellation it receives from the issuer of such insurance to the City and Trustee. The Company shall provide the City and the Trustee, on an annual basis, commencing on December 1, 2026 with a Certificate of Insurance Compliance, in the form of **Exhibit D** attached hereto, certifying compliance with this Section and containing copies of the insurance policies required under this Section, or certificates thereof. The Trustee shall be entitled to conclusively rely upon such certificate as to the Company's compliance with the insurance requirements. The Trustee makes no representation as to, and shall have no responsibility for the sufficiency or adequacy of, the insurance.

(b) In the event of a public liability occurrence, the Net Proceeds of liability insurance carried pursuant to this Section shall be applied toward the extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Section 7.4. Workers' Compensation. The Company agrees throughout the Lease Term to maintain or cause to be maintained the Workers' Compensation coverage required by the laws of the State of Missouri.

Section 7.5. Blanket Insurance Policies; Self-Insurance. The Company may satisfy any of the insurance requirements set forth in this Article by using blanket policies of insurance, provided each and all of the requirements and specifications of this Article respecting insurance are complied with. Nothing in this Lease shall be construed from prohibiting the Company from self-insuring provided the Company, or in combination with its parent corporation, has a net worth in excess of \$200,000,000, as determined by accounting principles generally accepted in the United States of America.

ARTICLE VIII

ALTERATION OF THE PROJECT EQUIPMENT

Section 8.1. Additions, Modifications and Improvements to the Project Equipment. The Company shall have and is hereby given the right, at its sole cost and expense, to make such additions, modifications and improvements in and to any part of the Project Equipment as the Company from time to time may deem necessary or desirable for its business purposes. All additions, modifications and improvements made by the Company pursuant to the authority of this Section shall (a) be made in workmanlike manner and will comply in all material respects with all laws and ordinances applicable thereto, (b) when commenced, be prosecuted to completion with due diligence, and (c) when completed, be deemed a part of the Project Equipment; *provided, however*, that additions of machinery and equipment installed on the Project Site by the Company not purchased or acquired from Bond proceeds deposited with the Trustee hereunder and not constituting repairs or replacements due to damage of the Project Equipment shall remain the property of the Company, may be removed by the Company, and shall be subject to *ad valorem* taxes.

Section 8.2. Removal of Project Equipment.

(a) The Company may, if no uncured Event of Default exists and is continuing, remove from the Project Site without responsibility or accountability to the City or the Trustee with respect thereto, any items of machinery and equipment, or parts thereof, which constitute a part of the Project Equipment or indicate to the City that it wishes to remove such machinery or equipment from the property constituting Project Equipment while it remains located at the Project Site. Within 90 days after such removal, the Company shall deliver to the City and the Trustee a certificate signed by an Authorized Company Representative containing a complete description of the machinery or equipment that the Company has so removed. Upon request by the Company, the City will execute and deliver a bill of sale that transfers full and complete title to the Company of the Project Equipment so removed. The City agrees to execute and promptly return to the Company a bill of sale upon request and in any event within 15 days after receiving notice of the request. Any request for such bill of sale shall be accompanied by an estimate of the value of the property being removed and a request to the Trustee to reduce the Cumulative Outstanding Principal Amount of the Bonds by the amount of such estimated value. Notwithstanding anything contained herein to the contrary, title to any item of the Project Equipment removed from the Project Site shall automatically vest in the Company without further instrument or action, and such vesting of title shall be self-operative effective upon removal. Any Project Equipment removed from the Project Site shall no longer be entitled to the tax exemption afforded by virtue of the City's ownership thereof.

(b) In all cases, the Company shall pay all of the costs and expenses of any such removal. The Company's right under this Section to remove machinery and equipment constituting a part of the Project Equipment is intended only to permit the Company to maintain an efficient operation by the removal of machinery and equipment that is no longer suitable for any of the reasons set forth in this Section, and such right is not to be construed to permit a removal under any other circumstances and

specifically is not to be construed to permit the Company to make a wholesale removal of the Project Equipment.

Section 8.3. Permits and Authorizations. The Company shall not do or permit others under its control to do any work on the Project Equipment related to any repair, rebuilding, restoration, replacement, modification or addition to the Project Equipment, or any part thereof, unless all requisite municipal and other governmental permits and authorizations shall have been first procured. All such work shall be done in a good and workmanlike manner and in material compliance with all applicable building, zoning and other laws, ordinances, codes and governmental regulations. In the event of demonstrated noncompliance with such laws, ordinances, codes, governmental regulations and requirements the Company will take all reasonable steps to comply with laws, ordinances, codes, governmental regulations and requirements.

Section 8.4. Mechanics' Liens.

(a) The Company will not directly or indirectly create, incur, assume or suffer to exist any lien on or with respect to the Project Equipment, except Permitted Encumbrances, and the Company shall promptly notify the City of the imposition of such lien of which the Company is aware and shall promptly, at its own expense, take such action as may be necessary to fully discharge or release any such lien. Whenever and as often as any mechanics' or other similar lien is filed against the Project Equipment, or any part thereof, purporting to be for or on account of any labor done or materials or services furnished in connection with any work in or about the Project Equipment, the Company shall discharge the same of record within 90 days after the date of filing. Notice is hereby given that the City shall not be liable for any labor or materials furnished the Company or anyone claiming by, through or under the Company upon credit, and that, except as otherwise stated in a memorandum of this Lease recorded with the recorder of deeds, no mechanics' or other similar lien for any such labor, services or materials shall attach to or affect the reversionary or other estate of the City in and to the Project Equipment or any part thereof.

(b) Notwithstanding paragraph (a) above, the Company may contest any such mechanics' or other similar lien if the Company (1) within said 90-day period stated above notifies the City and the Trustee in writing of its intention so to do, (2) diligently prosecutes such contest, (3) at all times effectively stays or prevents any official or judicial sale of the Project Equipment, or any part thereof or interest therein, under execution or otherwise, (4) promptly pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim and (5) thereafter promptly procures record release or satisfaction thereof. The Company may permit the lien so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Company is notified by the City that, in the opinion of counsel, by nonpayment of any such items, the interest of the City in the Project Equipment will be subject to loss or forfeiture. In that event, the Company shall promptly, at its own expense, take such action as may be reasonably necessary to duly discharge or remove any such security interest, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The Company shall save and hold harmless the City from any loss, costs or expenses the City may incur related to any such contest. The Company shall reimburse the City for any expense incurred by it in connection with the imposition of any such lien or in order to discharge or remove any such security interest, pledge, lien, charge, encumbrance or claim. The City shall cooperate fully with the Company in any such contest.

ARTICLE IX

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 9.1. Damage or Destruction.

(a) If the Project Equipment is damaged or destroyed by fire or any other casualty, whether or not covered by insurance, the Company, as promptly as practicable, shall either (i) make the determination described in subsection (f) below, or (ii) repair, restore or replace the same as nearly as may be practicable to their condition and character immediately prior to such damage or destruction, and so that upon completion of such repairs, restoration or replacement the Project Equipment is of a value not less than the value thereof immediately before the occurrence of such damage or destruction.

If the Company elects to repair, restore or replace the Project Equipment, for all purposes of this Lease, any reference to the words "Project Equipment" shall be deemed to also include any such new machinery and equipment.

Unless the Company makes the determination described in subsection (f) below, the Net Proceeds of casualty insurance required by **Article VII** hereof received with respect to such damage or loss to the Project Equipment shall be used to pay the cost of repairing, restoring or replacing the Project Equipment or any part thereof. Insurance monies in an amount less than \$5,000,000 may be paid to or retained by the Company to be held in trust and used as provided herein. Insurance monies in any amount of \$5,000,000 or more shall be (i) paid to the Trustee and deposited in the Project Fund and shall be disbursed as provided in **Section 4.4** hereof to pay the cost of repairing, restoring or replacing the Project Equipment or any part thereof, or (ii) if determined by the Owners of 100% in principal amount of the Bonds Outstanding, applied as directed by, or on behalf of, such Owners of 100% in principal amount of the Bonds Outstanding. If the Company makes the determination described in subsection (f) below, the Net Proceeds shall be deposited with the Trustee and used to redeem Bonds as provided in subsection (f).

(b) If any of the insurance monies paid by the insurance company as hereinabove provided remain after the completion of such repairs, restoration or replacement, and this Lease has not been terminated, the excess shall be deposited in the Bond Fund, subject to the rights of any leasehold security interest holder or Financing Party. Completion of such repairs, restoration or replacement shall be evidenced by a certificate of completion in accordance with the provisions of **Section 4.5** hereof. If the Net Proceeds are insufficient to pay the entire cost of such repairs, restoration or replacement, the Company shall pay the deficiency.

(c) Except as otherwise provided in this Lease, in the event of any such damage by fire or any other casualty, the provisions of this Lease shall be unaffected and the Company shall remain and continue liable for the payment of all Basic Rent and Additional Rent and all other charges required hereunder to be paid by the Company, as though no damage by fire or any other casualty has occurred.

(d) The City and the Company agree that they will cooperate with each other, to such extent as such other party may reasonably require, in connection with the prosecution or defense of any action or proceeding arising out of, or for the collection of any insurance monies that may be due in the event of, any loss or damage, and that they will execute and deliver to such other parties such instruments as may be required to facilitate the recovery of any insurance monies.

(e) The Company agrees to give prompt notice to the City and the Trustee with respect to all fires and any other casualties occurring in, on, at or about the Project Site which damages a material portion of the Project Equipment.

(f) If the Company determines that repairing, restoring or replacing the Project Equipment is not practicable or desirable, or if the Company does not have the right under the Leasehold Security Agreement (if any) or Financing Documents (if any) to use any Net Proceeds for repair or restoration of the Project Equipment, any Net Proceeds of casualty insurance required by **Article VII** hereof received with respect to such damage or loss shall, after payment of all Additional Rent then due and payable, be paid into the Bond Fund and shall be used to redeem Bonds on the earliest practicable redemption date or to pay the principal of any Bonds as the same become due, all subject to rights of the secured party under the Leasehold Security Agreement (if any) and the Financing Party under the Financing Documents (if any). The Company agrees to be reasonable in exercising its judgment pursuant to this subsection (f). Alternatively, if the Company is the sole owner of the Bonds and it has determined that repairing, restoring or replacing the Project Equipment is not practicable or desirable, it may tender Bonds to the Trustee for cancellation in a principal amount equal to the Net Proceeds of the casualty insurance, and retain such proceeds for its own account.

(g) The Company shall not, by reason of its inability to use all or any part of the Project Equipment during any period in which the Project Equipment is damaged or destroyed or is being repaired, restored or replaced, nor by reason of the payment of the costs of such repairing, restoring or replacing, be entitled to any reimbursement from the City, the Trustee or the Owners or to any abatement or diminution of the rentals payable by the Company under this Lease or of any other obligations of the Company under this Lease except as expressly provided in this Section.

Section 9.2. Condemnation.

(a) If during the Lease Term, title to, or the temporary use of, all or any part of the Project Equipment is condemned by or sold under threat of condemnation to any authority possessing the power of eminent domain, to such extent that the claim or loss resulting from such condemnation is greater than \$1,000,000, the Company shall, within 90 days after the date of entry of a final order in any eminent domain proceedings granting condemnation or the date of sale under threat of condemnation, notify the City, the Trustee, the secured party under the Leasehold Security Agreement (if any) and the Financing Party under the Financing Documents (if any) in writing as to the nature and extent of such condemnation or loss of title and whether it is practicable and desirable to acquire and install substitute equipment.

(b) If the Company determines that such substitution is practicable and desirable, the Company shall proceed promptly with and complete with reasonable dispatch the acquisition and installation of such substitute equipment, so as to place the Project Equipment in substantially the same condition as existed before the exercise of the said power of eminent domain, including the acquisition and installation of other equipment suitable for the Company's operations at the Project Site (which equipment will be deemed a part of the Project Equipment and available for use by the Company without the payment of any rent other than herein provided, to the same extent as if such other equipment were specifically described herein and demised hereby); provided, that such equipment will be acquired by the City subject to no liens, security interests or encumbrances before the lien and/or security interest afforded by the Indenture and this Lease other than Permitted Encumbrances. In such case, any Net Proceeds received from any award or awards with respect to the Project Equipment or any part thereof made in such condemnation or eminent domain proceedings, or of the sale proceeds, shall be applied in the same manner as provided in **Section 9.1** hereof (with respect to the receipt of casualty insurance proceeds).

(c) If the Company determines that it is not practicable or desirable to acquire and install substitute equipment, any Net Proceeds of condemnation awards received by the Company shall, after

payment of all Additional Rent then due and payable, be paid into the Bond Fund and shall be used to redeem Bonds on the earliest practicable redemption date or to pay the principal of any Bonds as the same becomes due and payable, provided that if the Company is the sole owner of the Bonds and it has determined that acquiring and installing substitute equipment is not practicable or desirable, it may tender Bonds to the Trustee for cancellation in a principal amount equal to the Net Proceeds of the condemnation awards, and retain such proceeds for its own account, all subject to the rights of the secured party under the Leasehold Security Agreement (if any) and Financing Party under the Financing Documents (if any).

(d) The Company shall not, by reason of its inability to use all or any part of the Project Equipment during any such period of restoration or acquisition nor by reason of the payment of the costs of such restoration or acquisition, be entitled to any reimbursement from the City, the Trustee or the Owners or to any abatement or diminution of the rentals payable by the Company under this Lease nor of any other obligations hereunder except as expressly provided in this Section.

(e) The City shall cooperate fully with the Company in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Project Equipment or any part thereof, and shall, to the extent it may lawfully do so, permit the Company to litigate in any such proceeding in the name and on behalf of the City. In no event will the City voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project Equipment or any part thereof without the prior written consent of the Company.

Section 9.3. Bondowner Approval. Notwithstanding anything to the contrary contained in this **Article IX**, the proceeds of any insurance received subsequent to a casualty or of any condemnation proceedings (or threats thereof) may prior to the application thereof by the City or the Trustee be applied as directed by the Owners of 100% of the principal amount of Bonds outstanding, subject and subordinate to the rights of the City and the Trustee to be paid all their expenses (including reasonable attorneys' fees, trustee's fees and any extraordinary expenses of the City and the Trustee) incurred in the collection of such gross proceeds. For purposes of this Section only, any person to whom Bonds have been pledged in good faith shall be deemed to be the Owner of the Bonds.

ARTICLE X

SPECIAL COVENANTS

Section 10.1. No Warranty of Condition or Suitability by the City; Exculpation and Indemnification. The City makes no warranty, either express or implied, as to the condition of the Project Equipment or that it will be suitable for the Company's purposes or needs. The Company releases the City and the Trustee from, agrees that the City and the Trustee shall not be liable for and agrees to hold the City and the Trustee harmless against, any loss or damage to property or any injury to or death of any Person that may be occasioned by any cause whatsoever pertaining to the Project Equipment or the Company's use thereof, unless such loss is the result of the City's or the Trustee's gross negligence or willful misconduct. This provision shall survive termination of this Lease.

Section 10.2. Surrender of Possession. Upon accrual of the City's right of re-entry to the extent provided in **Section 12.2(b)** hereof, the Company shall peacefully surrender possession of the Project Equipment to the City in good condition and repair, ordinary wear and tear excepted; provided, however, the Company may within 90 days (or such later date as the City may agree to) after the termination of this Lease remove from the Project Site any furniture, trade fixtures, machinery and

equipment owned by the Company and not constituting part of the Project Equipment. All repairs to and restorations of the Project Equipment required to be made because of such removal shall be made by and at the sole cost and expense of the Company, and during said 90-day (or extended) period the Company shall bear the sole responsibility for and bear the sole risk of loss for said furniture, trade fixtures, machinery and equipment owned by the Company and not constituting part of the Project Equipment. All furniture, trade fixtures, machinery and equipment owned by the Company and which are not so removed from the Project Equipment before the expiration of said period shall be the separate and absolute property of the City.

Section 10.3. City's Right of Access to the Project Equipment. Subject to the confidentiality and security requirements of the Company and its end clients, the Company agrees that the City and the Trustee and their duly authorized agents shall have the right at reasonable times during regular business hours, subject to five business days advance written notice except in the event of an emergency and the Company's usual business proprietary, safety and security requirements, to enter upon the Project Site (a) to examine and inspect the Project Equipment without interference or prejudice to the Company's operations or to the acquisition and installation of the Project Equipment, (b) as may be reasonably necessary to cause to be completed the purchase and installation provided for in **Section 4.2** hereof, (c) performing such work in and about the Project Site made necessary by reason of the Company's default under any of the provisions of this Lease for which notice and an opportunity to cure have been provided, and (d) following an Event of Default, exhibiting the Project Equipment to prospective purchasers, lessees or trustees. The Company shall have the right to have representatives present during any such examination or inspection.

Section 10.4. Granting of Licenses; Leasehold Security Interests and Financing Arrangements.

(a) Subject to **Sections 10.4(c)** and **(d)**, if no Event of Default under this Lease has happened and is continuing, the Company may at any time or times (i) grant subleases (as permitted in **Section 13.1** hereof), licenses and other rights or privileges that are for the direct use of the Project Equipment, or part thereof, by the grantee, (ii) release or terminate existing subleases, licenses and other rights or privileges, all with or without consideration and upon such terms and conditions as the Company shall reasonably determine, or (iii) incur Permitted Encumbrances. The Company may take such actions and may execute any applicable documents in the Company's own name. No separate signature of or authorization from the City shall be required for the execution and delivery of any such document, although the City agrees to execute and deliver such confirming documents as are described below, under the procedures described below, if the Company chooses to make such a request. All third parties entering into agreements with the Company or receiving delivery of or the benefit of such agreements or documents shall be entitled to rely upon the same as having been executed and delivered by the City, unless such third party has actual or constructive notice, expressly in writing, that the agency herein granted by the City to the Company has been terminated by the City because of an uncured Event of Default hereunder. The City agrees that it will execute and deliver and will cause and direct the Trustee to execute and deliver any instrument necessary or appropriate to confirm and grant, release or terminate any such sublease, license or other right or privilege or any such agreement or other arrangement, upon receipt by the City and the Trustee of: (i) a copy of the instrument of grant, release or termination or of the agreement or other arrangement, (ii) a written application signed by an Authorized Company Representative requesting such instrument, and (iii) a certificate executed by an Authorized Company Representative stating that such grant or release is not detrimental to the proper conduct of the business of the Company, will not impair the effective use or interfere with the efficient and economical operation of the Project Equipment, will not materially adversely affect the security intended to be given by or under the Indenture and will be a

Permitted Encumbrance. If no Event of Default has happened and is continuing beyond any applicable grace period, any payments or other consideration received by the Company for any such grant or with respect to or under any such agreement or other arrangement shall be and remain the property of the Company; but, subject to **Sections 10.4(c) and (d)**, upon (i) termination of this Lease for any reason other than the redemption of the Bonds and/or the purchase of the Project Equipment by the Company or (ii) the occurrence and continuance of an Event of Default by the Company, all rights then existing of the Company with respect to or under such grant shall inure to the benefit of and be exercisable by the City and the Trustee.

(b) The Company may grant security interests in the leasehold estate created by this Lease, with prior notice to but without the consent of the City, provided and upon condition that a duplicate original or certified copy or photostatic copy of each such security agreement, and the note or other obligation secured thereby, is delivered to the City within thirty (30) days after the execution thereof.

(c) The City acknowledges and agrees that the Company may finance and refinance its rights and interests in the Project Equipment, this Lease, and the leasehold estate created hereby with prior notice to but without the consent of the City, and may collaterally assign its interest in the Lease and the agreements evidencing or relating to the Bonds, provided and upon condition that a duplicate original or certified copy or photostatic copy of each such Financing Document is delivered to the City within thirty (30) days after the execution thereof. The Company may require the City to grant security interests in the City's ownership interest in the Project Equipment held by the City with prior notice to but without the consent of the City and the City agrees that it will execute any documents necessary or appropriate to grant such security interests as may be reasonably requested by the Company or any Financing Party. In either case, in connection therewith, the Company shall have the right to assign this Lease, the leasehold estate, any sublease, and any rights in connection therewith, and/or grant liens or security interests therein, to any Financing Party and the City will reasonably cooperate with such Financing Party and the Company. Any further sublease or assignment by any Financing Party shall be subject to the provisions of **Section 13.1**.

(d) Upon notice by the Company to the City in writing that it has executed one or more Financing Documents under which it has granted rights in this Lease to a Financing Party, which includes the name and address of such Financing Party, then the following provisions shall apply in respect of each such Financing Party:

(1) there shall be no merger of this Lease or of the leasehold estate created hereby with the title to the Project Equipment, notwithstanding that this Lease or said leasehold estate and said title shall be owned by the same Person or Persons, without the prior written consent of such Financing Party;

(2) the City shall serve upon each such Financing Party (at the address, if any, provided to the City) a copy of each notice of the occurrence of an Event of Default and each notice of termination given to the Company under this Lease, at the same time as such notice is served upon the Company. No such notice to the Company shall be effective unless a copy thereof is thus served upon each Financing Party;

(3) each Financing Party shall have the same period of time which the Company has, after the service of any required notice upon it, within which to remedy or cause to be remedied any payment default under this Lease which is the basis of the notice plus thirty (30) days, and the City shall accept performance by such Financing Party as timely performance by the Company;

(4) the City may exercise any of its rights or remedies with respect to any other Event of Default by the Company, subject to the rights of the Financing Parties under this **Section 10.4(d)** as to such other events of default;

(5) upon the occurrence and continuance of an Event of Default by the Company under this Lease, other than a default in the payment of money, the City shall take no action to effect a termination of this Lease by service of a notice or otherwise, without first giving notice thereof to each such Financing Party and permitting such Financing Party (or its designee, nominee, assignee or transferee) a reasonable time within which to remedy such default in the case of an Event of Default which is susceptible of being cured (provided that the period to remedy such event of default shall continue beyond any period set forth in the Lease to effect said cure so long as the Financing Party (or its designee, nominee, assignee or transferee) is diligently prosecuting such cure); provided that the Financing Party (or its designee, nominee, assignee or transferee) shall pay or cause to be paid to the City and the Trustee all expenses, including reasonable counsel fees, court costs and disbursements incurred by the City or the Trustee in connection with any such default;

(6) the Financing Parties (and their designees, nominees, assignees or transferees) shall have the right to enter, possess and use the Project Equipment at such reasonable times and manner as are necessary or desirable to effectuate the remedies and enforce their respective rights under the Financing Documents;

(7) any indemnification of the City and Trustee pursuant to **Section 4.9** shall also apply to the Financing Party; and

(8) Any notice sent by the Company to the City and the Trustee pursuant to any provision of this Lease shall also be sent to the Financing Party.

(e) The City will cooperate with the Company in efforts to document and meet the requirements of any Financing Party for financing for the Project Equipment. In connection with the execution of one or more Financing Documents, upon the request of the Company, the City agrees to execute such documents as shall be reasonably requested by a Financing Party and which are usual and customary in connection with the closing of the financing or refinancing pursuant to the Financing Documents. The Company agrees to reimburse the City for any and all costs and expenses incurred by the City pursuant to this Section, including reasonable attorneys' fees and expenses, in complying with such request.

(f) Notwithstanding anything in this Lease to the contrary, (1) the City shall not be required to sign any document that causes it to undertake any duties or payment obligations and shall make only such representations as it deems appropriate in its sole discretion, (2) the City shall not be required to expend any funds in connection with any Financing Documents or in connection with its cooperation with respect to requests of any Financing Party or undertake any investigation in connection therewith, and (3) any costs (including fees of counsel to the City) that are incurred by the City related to a request under this Section shall be reimbursed to the City by the Company.

(g) Nothing in this Lease shall, or shall be deemed to, subordinate any obligation to, lien or security interests in favor of, or other right of, any Financing Party under any Financing Document to this Lease or the obligations of the Company hereunder. The Company shall not be required to subordinate its

obligations, liens or security interests under any Financing Document to this Lease or its obligations hereunder.

Section 10.5. Indemnification of City and Trustee. The Company shall indemnify and save and hold harmless the City and the Trustee and their governing body members, officers, agents and employees (collectively, the “Indemnified Parties”) from and against all claims, demands, costs, liabilities, damages or expenses, including attorneys’ fees, by or on behalf of any person, firm or corporation arising from the issuance of the Bonds and the execution of this Lease, the Indenture or any other documents entered into in connection with the Bonds and from the conduct or management of, or from any work or thing done in or on the Project Equipment or the Project Site during the Lease Term, and against and from all claims, demands, costs, liabilities, damages or expenses, including attorneys’ fees, arising during the Lease Term from (a) any condition of the Project Equipment or the Project Site, (b) any Event of Default on the part of the Company for which notice and an opportunity to cure has been provided, in the performance of any of its obligations under this Lease or any related document, (c) any contract entered into by the Company in connection with the acquisition or installation of the Project Equipment (including any failure to comply with Section 107.170 of the Missouri Revised Statutes, as amended, with respect to such contract), (d) any act of negligence of the Company or of any of its agents, contractors, servants, employees or licensees relating to the Project Equipment, (e) unless the Company has been released from liability pursuant to **Section 13.1**, any act of negligence of any assignee or sublessee of the Company, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of the Company, and (f) any claim relating to the presence on, escape or removal from the Project Equipment during the term of the Lease of any hazardous substance or other material regulated by any applicable Environmental Law, or compliance with any applicable Environmental Law, whether such claim arises before, during or after the term of this Lease, including claims relating to personal injury or damage to property; provided, however, the indemnification contained in this **Section 10.5** shall not (i) extend to the City if such claims, demands, costs, liabilities, damages or expenses, including attorneys’ fees, are the result of work being performed at the Project Equipment or the Project Site by employees of the City or the result of negligence or willful misconduct by the City (unless relating to a failure to comply with Section 107.170 of the Missouri Revised Statutes, as amended), or (ii) extend to the Trustee if such claims, demands, costs, liabilities, damages or expenses, including attorneys’ fees, are the result of the negligence or willful misconduct of the Trustee or (iii) the performance or failure to perform by the City or the Trustee of its obligations under this Lease, the Performance Agreement, or any related documents. Upon notice from the City or the Trustee, the Company shall defend them or either of them in any such action or proceeding. This **Section 10.5** shall survive any termination of this Lease or the satisfaction and discharge of the Indenture.

In case any action shall be brought against one or more of the Indemnified Parties based upon the foregoing indemnification and in respect of which indemnity may be sought against the Company, the Indemnified Parties shall promptly notify the Company in writing and the Company shall promptly assume the defense thereof, including the employment of counsel, the payment of all reasonable expenses and the right to negotiate and consent to settlement. If the Company shall have wrongfully failed to assume the defense of such action, the reasonable fees and expenses of counsel retained by the Indemnified Party shall be paid by the Company. If any of the Indemnified Parties is advised by counsel retained by the Company to defend such action that there may be legal defenses available to it which are adverse to or in conflict with those available to the Company or any other Indemnified Party, and that the defense of such Indemnified Party should be handled by separate counsel, the Company shall not have the right to assume the defense of such Indemnified Party, but shall be responsible for the reasonable fees and expenses of counsel retained by such Indemnified Party in assuming its own defense, provided, such counsel shall be acceptable to the Company. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees

and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties. The Company shall not be liable for any settlement of any such action effected without its consent by any of the Indemnified Parties, but if settled with the consent of the Company or if there be a final judgment for the plaintiff in any such action against the Company or any of the Indemnified Parties, with or without the consent of the Company, the provided that the Company was given prompt written notice and the ability to assume the defense thereof as required by this paragraph, the Company agrees to indemnify and hold harmless the Indemnified Parties to the extent provided herein.

Section 10.6. Depreciation, Investment Tax Credit and Other Tax Benefits. The City agrees that any depreciation, investment tax credit or any other tax benefits with respect to the Project Equipment or any part thereof shall be made available to the Company, and the City will fully cooperate with the Company in any effort by the Company to avail itself of any such depreciation, investment tax credit or other tax benefits.

Section 10.7. Company to Maintain its Corporate Existence. The Company agrees that until the Bonds are paid or payment is provided for in accordance with the terms of the Indenture, it will maintain its corporate existence, and will not dissolve or otherwise dispose of all or substantially all of its assets; provided, however, that the Company may, without violating the agreement contained in this Section, consolidate with or merge into another domestic corporation (i.e., a corporation incorporated and existing under the laws of one of the states of the United States) or permit one or more other domestic corporations to consolidate with or merge into it, or may sell or otherwise transfer to another domestic corporation all or substantially all of its assets as an entirety and thereafter dissolve, provided, the surviving, resulting or transferee corporation either (A) becomes, in connection with the consolidation, merger or sale of assets becomes the Owner of 100% in principal amount of the Bonds outstanding and expressly assumes in writing all of the obligations of the Company contained in this Lease and the Performance Agreement, or (B) if not the Owner of 100% in principal amount of the Bonds outstanding, expressly assumes in writing all the obligations of the Company contained in this Lease and the Performance Agreement; and, further provided, that if not the Owner of 100% in principal amount of the Bonds outstanding, the surviving, resulting or transferee corporation, as the case may be, has a consolidated net worth (after giving effect to said consolidation, merger or transfer) at least (i) equal to or greater than that of the Company immediately prior to said consolidation, merger or transfer, or (ii) \$100,000,000. The term “net worth,” as used in this Section, shall mean the difference obtained by subtracting total liabilities (not including as a liability any capital or surplus item) from total assets of the Company and all of its subsidiaries. In any such consolidation, merger or transfer the Company shall comply with the provisions of **Section 13.1** hereof to the extent applicable.

Section 10.8. Security Interests. At the written request of the Company or the Owner of the Bonds, the City agrees to enter into statements of continuation necessary and requested by the Company or the Owner of the Bonds for continuance of the perfection of the security interests granted by the City in favor of the Trustee in the Project Equipment. Upon the written instructions of the Owner of the Bonds, the Trustee, at the Company’s expense, shall file all statements of continuation the Owner of the Bonds shall deem necessary to be filed and shall continue or cause to be continued the liens of such instruments for so long as the Bonds shall be Outstanding. The City and the Company shall cooperate with the Trustee in this regard by executing such continuation statements and providing such information as the Trustee may require to renew such liens.

Section 10.9. Data Center Specific Covenants and Agreements.

(a) All cooling systems constructed or installed as part of the Project Equipment must be closed-loop systems that do not continually draw water from the City’s water supply system.

(b) The Project Equipment must at all times comply with the City Code's requirements for noise (Article 7.10 of the City Code) and lighting (Section 14-508 of the City Code).

(c) The Company shall maintain compliance with the electrical services agreement entered into with respect to the delivery of electricity to the Project Site or shall cause the Real Property Lessee to do so.

(d) During the term of this Lease, the Company shall maintain contact with and take suggestions from the community through the operation of an advisory board. The board shall consist of 5 to 10 members to be appointed by City Council to such terms as may be stated by City Council. The City will make space available for meetings of the advisory board in a municipal building. Meetings shall occur quarterly during the initial 5 year term of this Lease and annually thereafter, at such times as are determined by the members of the advisory board and the Company. The requirements of this subsection shall not survive the Lease Term. The Company shall send at least one representative of the Company to each meeting of the advisory board. The implementation of any suggestions shall be subject to the Company's discretion.

(e) If there is a cessation of data center operations at the Project Site, other than temporary closures customary in the industry, then the Company shall remove the Project Equipment and all property owned by the Company or its affiliates, with the exception of property subject to the Real Property Lease, which shall be dealt with under the applicable provisions of the Real Property Lease (referred to as "Decommissioning") within two years of such cessation. Additionally, items of Project Equipment that have not been in use for a period of one year shall be subject to such Decommissioning requirement. If the Decommissioning is not complete by the time stated above, the City may undertake or may engage a third party to undertake, the Decommissioning at the expense of the Company. The Company shall be responsible to repair any damage to roads resulting from the Decommissioning process. "Cessation of data center operations" for the purpose of this paragraph means the Project Site has not been operated as a data center for a period of one year after initial operations have commenced, unless the Project Equipment has been subject to a casualty and the Company is intending to rebuild the Project Equipment or the Company's interest in this Agreement has been transferred pursuant to the provisions hereof and the Project Equipment continues in operation thereafter. This subsection (e) shall survive the termination of this Lease.

ARTICLE XI

OPTION AND OBLIGATION TO PURCHASE THE PROJECT EQUIPMENT

Section 11.1. Option to Purchase the Project Equipment. The Company shall have, and is hereby granted, the option to purchase the Project Equipment at any time, upon payment in full of all Bonds then outstanding or provision for their payment having been made pursuant to **Article XIII** of the Indenture. To exercise such option the Company shall give written notice to the City and to the Trustee, and shall specify therein the date of closing such purchase, which date shall be not less than 15 nor more than 90 days from the date such notice is mailed unless otherwise agreed by the Company, the City and the Trustee, and in case of a redemption of the Bonds in accordance with the provisions of the Indenture, the Company shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. Notwithstanding the forgoing, if the City or the Trustee provides notice of its intent to exercise its remedies hereunder (a "Remedies Notice"), the Company shall be deemed to have exercised its repurchase option under this Section on the 29th day following the issuance of the Remedies Notice without any further action by the Company; provided said notice has not been rescinded by such date

(such option to take place on the 29th day following the issuance of the Remedies Notice). The Company may rescind such exercise by providing written notice to the City and the Trustee on or prior to the 29th day following the issuance of the Remedies Notice and by taking such action as may be required to cure the default that led to the giving of the Remedies Notice. The purchase price payable by the Company in the event of its exercise of the option granted in this Section shall be the sum of the following:

(a) an amount of money which, when added to the amount then on deposit in the Bond Fund, will be sufficient to redeem all the then outstanding Bonds on the earliest redemption date next succeeding the closing date, including, without limitation, principal and interest to accrue to said redemption date and redemption expense; plus

(b) an amount of money equal to the Trustee's agreed to and reasonable fees, charges and expenses under the Indenture accrued and to accrue until such redemption of the Bonds; plus

(c) an amount of money equal to all payments due and payable pursuant to the Performance Agreement through the end of the calendar year in which the date of purchase occurs; plus

(d) the sum of \$10.00.

At its option, to be exercised at least 5 days prior to the date of closing such purchase, the Company may deliver to the Trustee for cancellation Bonds not previously paid, and the Company shall receive a credit against the purchase price payable by the Company in an amount equal to 100% of the principal amount of the Bonds so delivered for cancellation, plus the accrued interest thereon.

Section 11.2. Conveyance of the Project Equipment. At the closing of the purchase of the Project Equipment pursuant to this Article, the City will upon receipt of the purchase price deliver to the Company the following:

(a) If the Indenture shall not at the time have been satisfied in full, a release from the Trustee of the Project Equipment from the lien and/or security interest of the Indenture and this Lease and appropriate termination of financing statements as required under the Uniform Commercial Code; and

(b) Documents, including without limitation a bill of sale as to the Project Equipment, conveying to the Company legal title to the Project Equipment, as it then exists, subject to the following: (i) those liens and encumbrances, if any, to which title to the Project Equipment was subject when conveyed to the City; (ii) those liens and encumbrances created by the Company or to the creation or suffering of which the Company consented; (iii) those liens and encumbrances resulting from the failure of the Company to perform or observe any of the agreements on its part contained in this Lease; (iv) Permitted Encumbrances other than the Indenture and this Lease; and (v) if the Project Equipment or any part thereof is being condemned, the rights and title of any condemning authority.

Section 11.3. Relative Position of Option and Indenture. The options and obligation to purchase the Project Equipment granted to the Company in this Article shall be and remain prior and superior to the Indenture and may be exercised whether or not the Company is in default under this Lease, or the Indenture or the Performance Agreement, provided that such default will not result in nonfulfillment of any condition to the exercise of any such option and further provided that all options herein granted shall terminate upon the termination of this Lease.

Section 11.4. Obligation to Purchase the Project Equipment. As additional consideration for the Company's use of the Project Equipment, the Company hereby agrees to purchase, and the City hereby agrees to sell, the Project Equipment upon the occurrence of (a) the expiration of the Lease Term following full payment of the Bonds or provision for payment thereof having been made in accordance with the provisions of the Indenture, and (b) the final payments due under the Performance Agreement. The amount of the purchase price under this Section shall be \$10 plus an amount sufficient to redeem all the then Outstanding Bonds, plus accrued interest and the reasonable fees and expenses of the City and the Trustee.

If the Company fails to complete the purchase of the Project Equipment at the time required by this Section, the City is specifically authorized to convey the Project Equipment back to the Company with or without terminating this Lease and, in such case, may unilaterally terminate this Lease by an instrument signed by the City alone.

ARTICLE XII

DEFAULTS AND REMEDIES

Section 12.1. Events of Default. If any one or more of the following events shall occur and be continuing, it is hereby defined as and declared to be and to constitute an "Event of Default" or "default" under this Lease:

(a) Default in the due and punctual payment of Basic Rent for a period of 10 days following written notice to the Company by the City or the Trustee; or

(b) Default in the due and punctual payment of Additional Rent for a period of 60 days following written notice to the Company by the City or the Trustee; or

(c) Default in the due observance or performance of any other covenant, agreement, obligation or provision of this Lease on the Company's part to be observed or performed, and such default shall continue for 60 days after the City or the Trustee has given the Company written notice specifying such default (or such longer period as shall be reasonably required to cure such default; provided that (1) the Company has commenced such cure within said 60 day period, and (2) the Company diligently prosecutes such cure to completion); or

(d) The Company: (1) admits in writing its inability to pay its debts as they become due; or (2) files a petition in bankruptcy or for reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Bankruptcy Code as now or in the future amended or any other similar present or future federal or state statute or regulation, or files a pleading asking for such relief; or (3) make an assignment for the benefit of creditors pursuant to Section 426.010 et seq RSMo; or (4) consents to the appointment of a trustee, receiver or liquidator for all or a major portion of its property or fails to have the appointment of any trustee, receiver or liquidator made without the Company's consent or acquiescence, vacated or set aside; or (5) is finally adjudicated as bankrupt or insolvent under any federal or state law; or (6) is subject to any proceeding, or suffers the entry of a final and non-appealable court order, under any federal or state law appointing a trustee, receiver or liquidator for all or a major part of its property or ordering the winding-up or liquidation of its affairs, or approving a petition filed against it under the Bankruptcy Code, as now or in the future amended, which order or

proceeding, if not consented to by it, is not dismissed, vacated, denied, set aside or stayed within 90 days after the day of entry or commencement; or (7) suffers a writ or warrant of attachment or any similar process to be issued by any court against all or any substantial portion of its property, and such writ or warrant of attachment or any similar process is not contested, stayed, or is not released within 60 days after the final entry, or levy or after any contest is finally adjudicated or any stay is vacated or set aside; or

(e) the Project Equipment or any material portion thereof remains uncared for and abandoned for a period of 180 consecutive days which is not due to a casualty event which is in the process of remediation; or

(f) The occurrence and continuance of an event of default giving rise to the enforcement of remedies under the Performance Agreement or the Real Property Lease, following any applicable notices and grace periods provided in the applicable document.

Section 12.2. Remedies on Default. If any Event of Default referred to in **Section 12.1** hereof has occurred and continues beyond any applicable grace period provided to cure, then the City may at the City's election (subject, however, to any restrictions against acceleration of the maturity of the Bonds or termination of this Lease in the Indenture), then or at any time thereafter, and while such Event of Default shall continue beyond any applicable grace period, take any one or more of the following actions, in addition to pursuing any other remedies available by law:

(a) cause all amounts payable with respect to the Bonds for the remainder of the term of this Lease to become due and payable after giving 60 days prior written notice thereof to the Company, as provided in the Indenture; or

(b) give the Company written notice of the City's intention to terminate this Lease on a date specified therein, which date shall not be earlier than 60 days after such notice is given, and if all defaults have not then been cured, on the date so specified, the Owners shall tender or be deemed to have tendered the outstanding principal amount of the Bonds for cancellation with instruction that such tender is in lieu of payment in accordance with **Section 11.1** hereof and this Lease shall thereupon be terminated, and the City will promptly convey the Project Equipment in accordance with **Section 11.2** hereof.

Section 12.3. Survival of Obligations. The Company covenants and agrees with the City and Owners that those of its obligations under this Lease which by their nature require performance after the end of the term of this Lease, or which are expressly stated herein as intended to survive expiration or termination of this Lease, shall survive the cancellation and termination of this Lease, for any cause.

Section 12.4. Performance of the Company's Obligations by the City. If an Event of Default occurs as a result of any failure by the Company, then the City, or the Trustee in the City's name, may (but shall not be obligated so to do) upon the continuance of such failure on the Company's part for 30 days after written notice of such failure is given to the Company by the City or the Trustee, and without waiving or releasing the Company from any obligation hereunder, as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all reasonable sums so paid by the City or the Trustee and all necessary incidental reasonable costs and expenses incurred by the City or the Trustee (including, without limitation, attorneys' fees and expenses incurred by the City or the Trustee) in performing such obligations shall be deemed Additional Rent and shall be paid to the City or the Trustee on demand, and if not so paid by the Company, the City or the Trustee shall have the same

rights and remedies provided for in **Section 12.2** hereof in the case of default by the Company in the payment of Basic Rent.

Section 12.5. Rights and Remedies Cumulative. The rights and remedies reserved by the Trustee, the City and the Company hereunder and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. The Trustee, the City and the Company shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Lease, notwithstanding availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity.

Section 12.6. Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by the Company of any covenant, agreement or undertaking by the Company, the Trustee or the City may nevertheless accept from the Company any payment or payments hereunder without in any way waiving the Trustee or the City's right to exercise any of its rights and remedies provided for herein with respect to any such breach or breaches of the Company which were in existence at the time such payment or payments were accepted by the Trustee or the City.

Section 12.7. Trustee's Exercise of the City's Remedies. Whenever any Event of Default shall have occurred and be continuing, the Trustee may, but except as otherwise provided in the Indenture shall not be obliged to, exercise any or all of the rights of the City under this Article (except with respect to the Unassigned Rights), upon notice as required of the City unless the City has already given the required notice. In addition, the Trustee shall have available to it all of the remedies prescribed by the Indenture.

ARTICLE XIII

ASSIGNMENT AND SUBLEASE

Section 13.1. Assignment; Sublease.

(a) The Company may assign, transfer, encumber or dispose of this Lease or any interest therein or part thereof for any lawful purpose under the Act. With respect to any assignment, the Company shall comply with the following conditions:

(1) Such assignment shall be in writing, duly executed and acknowledged by the assignor;

(2) Such assignment shall include the entire then unexpired term of this Lease; and

(3) A duplicate original of such assignment shall be delivered to the City and the Trustee within 10 days after the execution thereof, together with an assumption agreement, duly executed and acknowledged by the assignee in proper form for recording, by which the assignee shall assume all of the terms, covenants and conditions of this Lease on the part of the Company to be performed and observed.

For any assignment of this Lease (except (i) as otherwise allowed under **Section 10.4** with respect to financing arrangements), (ii) any assignment to any Financing Party or (iii) any affiliate or successor to the Company by reason of a merger or consolidation, reorganization, combination, division, transfer or sale of assets or any similar transaction by operation of law or otherwise, to the extent permitted by **Section 10.7** (the transactions covered by clauses (i), (ii) and (iii), “Permitted Assignments”), the Company shall obtain the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed. Permitted Assignments shall not require notice to, or consent of, the City, except as described in **Section 13.1(a)(3)**. The City may require that any assignee for which consent is required demonstrate to the City’s reasonable satisfaction that it has sufficient financial, management, property ownership and operation capabilities, and that it is interested in the long-term viability of the Project Equipment. Any assignee of all the rights of the Company shall agree to be bound by the terms of this Lease and any other documents related to the issuance of the Bonds. Upon such assignment of all the rights of the Company and agreement by the assignee to be bound by the terms of this Lease and any other documents related to the Bonds, the Company shall be released from and have no further obligations under this Lease or any agreement related to the issuance of the Bonds.

(b) The Company shall have the right to sublet all or any part of the Project Equipment to a single entity for any lawful purpose under the Act. The Company shall, within 10 days after the delivery thereof, furnish or cause to be furnished to the City and the Trustee a true and correct copy of each such sublease. The Company may redact any and all financial terms therein. Any sublease may provide, at the Company’s option, that the City’s consent shall not be required in respect of any further subletting thereunder if such further subletting is for a similar purpose as the original sublease and is for a purpose permissible under the Act. For the avoidance of doubt, a lease agreement is concurrently entered into between the City and Missouri ADC Holdings LLC for the lease of real property and improvements, which the City acknowledges and approves.

Section 13.2. Assignment of Revenues by City. The City shall assign and pledge any rents, revenues and receipts receivable under this Lease, to the Trustee pursuant to the Indenture as security for payment of the principal of, interest and premium, if any, on the Bonds and the Company hereby consents to such pledge and assignment. The City and the Company recognize that the Trustee is a third party creditor beneficiary of this Lease.

Section 13.3. Prohibition Against Certain Security Interests in Project Equipment. With the exception of security interests permitted pursuant to **Section 10.4(c)** at the request and direction of the Company, the City shall not grant security interests in its ownership interest in the Project Equipment, but may assign its interest in and pledge any moneys receivable under this Lease to the Trustee pursuant to the Indenture as security for payment of the principal of and interest on the Bonds.

Section 13.4. Restrictions on Sale or Encumbrance of Project Equipment by City. During this Lease Term, the City agrees that, except to secure the Bonds to be issued pursuant to the Indenture, and except as permitted pursuant to **Section 10.4(c)**, it will not sell, assign, encumber, transfer or convey the Project Equipment or any interest therein, but may assign its interest in and pledge any moneys receivable under this Lease to the Trustee pursuant to the Indenture as security for payment of the principal of and interest on the Bonds.

ARTICLE XIV

AMENDMENTS, CHANGES AND MODIFICATIONS

Section 14.1. Amendments, Changes and Modifications. Except as otherwise provided in this Lease or in the Indenture, subsequent to the issuance of Bonds and prior to the payment in full of the Bonds (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Lease may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the Trustee, given in accordance with the provisions of the Indenture.

ARTICLE XV

MISCELLANEOUS PROVISIONS

Section 15.1. Notices. All notices, certificates or other communications required or desired to be given hereunder shall be in writing and shall be governed by **Section 1403** of the Indenture.

Section 15.2. City Shall Not Unreasonably Withhold Consents and Approvals. Wherever in this Lease it is provided that the City shall, may or must give its approval or consent, or execute supplemental agreements or schedules, unless stated that such matter is in the City's sole discretion, the City shall not unreasonably, arbitrarily or unnecessarily withhold or refuse to give such approvals or consents or refuse to execute such supplemental agreements or schedules; provided, however, that nothing in this Lease shall be interpreted to affect the City's rights to approve or deny any additional project or matter unrelated to the Project Equipment subject to zoning, building permit or other regulatory approvals by the City.

Section 15.3. Net Lease. The parties hereto agree (a) that this Lease shall be deemed and construed to be a net lease, (b) that the payments of Basic Rent are designed to provide the City and the Trustee funds adequate in amount to pay all principal of and interest accruing on the Bonds as the same become due and payable, (c) that to the extent that the payments of Basic Rent are not sufficient to provide the City and the Trustee with funds sufficient for the purposes aforesaid, the Company shall be obligated to pay, and it does hereby covenant and agree to pay, upon demand therefor, as Additional Rent, such further sums of money, in cash, as may from time to time be required for such purposes, and (d) that if after the principal of and interest on the Bonds and all costs incident to the payment of the Bonds (including the fees and expenses of the City and the Trustee) have been paid in full the Trustee or the City holds unexpended funds received in accordance with the terms hereof such unexpended funds shall, after payment therefrom of all sums then due and owing by the Company under the terms of this Lease, and except as otherwise provided in this Lease and the Indenture, become the absolute property of and be paid over forthwith to the Company.

Section 15.4. Limitation on Liability of City. No provision, covenant or agreement contained in this Lease, the Indenture or the Bonds, or any obligation herein or therein imposed upon the City, or the breach thereof, shall constitute or give rise to or impose upon the City a pecuniary liability or a charge upon the general credit or taxing powers of the City or the State of Missouri.

Section 15.5. Governing Law. This Lease shall be construed in accordance with and governed by the laws of the State of Missouri.

Section 15.6. Binding Effect. This Lease shall be binding upon and shall inure to the benefit of the City and the Company and their respective successors and assigns.

Section 15.7. Severability. If for any reason any provision of this Lease shall be determined to be invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected thereby.

Section 15.8. Execution in Counterparts. This Lease may be executed in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 15.9. Electronic Storage and Notice. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. If the Company elects to give instructions by electronic notice to the Trustee, the Trustee may deem such instructions controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Company agrees to assume all risks arising out of the use of such electronic notice to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 15.10 Complete Agreement. THE COMPANY AND THE CITY UNDERSTAND THAT ORAL OR UNEXECUTED AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT THE COMPANY AND THE CITY FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS THE COMPANY AND THE CITY REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS LEASE AND THE PERFORMANCE AGREEMENT, WHICH ARE THE COMPLETE AND EXCLUSIVE STATEMENTS OF THE AGREEMENT BETWEEN THE COMPANY AND THE CITY, EXCEPT AS THE COMPANY AND THE CITY MAY LATER AGREE IN WRITING TO MODIFY THIS LEASE OR THE PERFORMANCE AGREEMENT.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed in their respective names by their duly authorized signatories, all as of the date first above written.

CITY OF INDEPENDENCE, MISSOURI

By: _____
Name: Lisa Reynolds
Title: Interim City Manager

[SEAL]

ATTEST:

By: _____
Name: Susanne Holland
Title: City Clerk

NEBIUS, INC.,
a Delaware corporation

By: _____
Name:
Title:

Lease Agreement
Independence, Missouri / Nebius Project - Equipment

EXHIBIT A

PROJECT SITE

The following described real estate located in Jackson County, Missouri:

[**INSERT LEGAL DESCRIPTION**]

EXHIBIT B

PROJECT EQUIPMENT

The Project Equipment consists of the following, to the extent located at the Project Site and paid for in whole with Bond proceeds:

Data servers, specialized mechanical, electrical and plumbing systems, HVAC systems, and data center support equipment sufficient to operate a data center of at least 800 megawatts.

EXHIBIT C

FORM OF REQUISITION CERTIFICATE

Requisition No. _____
Date: _____

REQUISITION CERTIFICATE

TO: BOKF, N.A., AS TRUSTEE UNDER A TRUST INDENTURE DATED AS OF FEBRUARY 1, 2026, BETWEEN CITY OF INDEPENDENCE, MISSOURI, AND THE TRUSTEE, AND THE LEASE AGREEMENT DATED AS OF FEBRUARY 1, 2026, BETWEEN CITY OF INDEPENDENCE, MISSOURI AND NEBIUS, INC.

The undersigned Authorized Company Representative hereby states and certifies that:

1. A total of \$_____ is requested to pay for Project Costs (as defined in the Indenture) of the Project Equipment. The total amount of this requisition and all prior requisitions are as follows:

<u><i>Date of Project Costs</i></u>	<u><i>Amount Submitted in this Requisition</i></u>	<u><i>Requisitions Submitted to Date (Including this Requisition)</i></u>

2. Said Project Costs shall be paid in whole from Bond proceeds in such amounts, to such payees and for such purposes as set forth on **Schedule 1** hereto.

3. Each of the items for which payment is requested are or were desirable and appropriate in connection with the purchase and installation of the Project Equipment (as defined in the Trust Indenture), have been properly incurred and are a proper charge against the Project Fund, and have been paid by the Company 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.

4. As of this date, except for the amounts referred to above, to the best of my knowledge there are no outstanding disputed statements for which payment is requested for labor, wages, materials, supplies or services in connection with the purchase and installation of the Project Equipment which, if unpaid, might become the basis of a vendors', mechanics', laborers' or materialmen's statutory or similar lien upon the Project Equipment or any part thereof.

5. With respect to this disbursement, the undersigned (i) certifies it has reviewed any wire instructions set forth herein to confirm such wire instructions are accurate, and (ii) agrees it will not seek

recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with its instructions herein.

6. With respect to all personal property described in this Requisition Certificate and for which Project Costs are disbursed pursuant to this Requisition Certificate, in consideration of such disbursement, such personal property is hereby BARGAINED and SOLD, and the Company by these presents does now GRANT and CONVEY, unto the CITY OF INDEPENDENCE, MISSOURI, and its successors and assigns, all of its right, title and interest, if any, in and to such personal property, and such personal property shall constitute a portion of the "Project Equipment" as defined under the Lease Agreement dated as of February 1, 2026, between the Company and the City. The property is being conveyed "as is," "where is" and "with all faults" as of the date of this Requisition Certificate, without any representation or warranty whatsoever as to its condition, fitness for any particular purpose, merchantability, or any other warranty, express or implied.

NEBIUS, INC.

By: _____
Authorized Company Representative

SCHEDULE 1 TO REQUISITION CERTIFICATE

PROJECT COSTS

<u>Payee and Address</u>	<u>Description</u>	<u>Amount</u>
--------------------------	--------------------	---------------

EXHIBIT D

FORM OF CERTIFICATE OF INSURANCE COMPLIANCE

The undersigned, being the Authorized Company Representative for Nebius, Inc., as tenant (the "Company"), under a certain Lease Agreement dated as of February 1, 2026, between the City of Independence, Missouri (the "City"), and the Company (the "Lease"), and as beneficiary of the City's Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026, issued pursuant to a certain Trust Indenture dated as of February 1, 2026 (the "Indenture"), hereby certifies pursuant to Article VII of Lease:

1. All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings set forth in the Lease.

2. The policies of insurance required to in place pursuant to Article VII of the Lease are effective and the premiums with respect thereto have been paid in full as of the date set forth below. Such policies comply with the terms and provisions set forth in Article VII, and the Company is in compliance with the provisions of Article VII.

3. The undersigned will notify the Trustee 10 days prior to any cancellation or material change to such policies; the policies currently in effect have an expiration date of _____, 20__.

4. The Trustee may conclusively rely on this Certificate of Insurance Compliance without further investigation.

5. Attached hereto are insurance certificates showing compliance with the liability and casualty insurance requirements of Article VII of the Lease.

IN WITNESS WHEREOF, the undersigned Authorized Company Representative has signed this Certificate, and the statements of fact made in this Certificate are true and correct.

Authorized Company Representative

Date: _____

ATTACHMENTS:

1. Liability insurance certificate(s)
2. Casualty insurance certificate(s)

Note: all insurance certificates must show the City and the Trustee as additional insureds.

EXHIBIT E

FORM OF COMPLETION CERTIFICATE

The undersigned, being the Authorized Company Representative for Nebius, Inc., as tenant (the "Company"), under a certain Lease Agreement dated as of February 1, 2026, between the City of Independence, Missouri (the "City"), and the Company (the "Lease"), and as beneficiary of the City's Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026, issued pursuant to a certain Trust Indenture dated as of February 1, 2026 (the "Indenture"), hereby certifies pursuant to Article IV of the Lease:

1. All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings set forth in the Lease.
2. The acquisition and installation of the Project Equipment has been completed.
3. All costs and expenses incurred in the acquisition and installation of the Project Equipment have been paid except costs and expenses the payment of which is not yet due or is being retained or contested in good faith by the Company.
4. The Trustee is retaining \$_____ for the payment of amounts with respect to item (3) above.
5. The Trustee may conclusively rely on this Certificate without further investigation.
6. This Certificate is given without prejudice to any rights against third parties which exist at the date hereof or which may subsequently come into being.

IN WITNESS WHEREOF, the undersigned Authorized Company Representative has signed this Certificate, and the statements of fact made in this Certificate are true and correct.

Authorized Company Representative

Date: _____

APPENDIX I
PERFORMANCE AGREEMENT

(See Tab No. 4)

\$144,023,000,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
CITY OF INDEPENDENCE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(NEBIUS PROJECT - EQUIPMENT)
SERIES 2026

DATED AS OF FEBRUARY 1, 2026

BOND PURCHASE AGREEMENT

Mayor and City Council
Independence, Missouri

Ladies and Gentlemen:

On the basis of the representations, and covenants and upon the terms and conditions contained in this Bond Purchase Agreement, Nebius, Inc., a Delaware corporation (the “Purchaser”), offers to purchase from the City of Independence, Missouri (the “City”), the above-referenced series of Taxable Industrial Development Revenue Bonds (the “Bonds”), to be issued by the City, under and pursuant to an Ordinance passed by the governing body of the City on _____, 2026 (the “Ordinance”) and a Trust Indenture dated as of February 1, 2026 (the “Indenture”), by and between the City and BOKF, N.A., as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings set forth in **Section 101** of the Indenture.

SECTION 1. REPRESENTATIONS AND AGREEMENTS

(a) By the City’s acceptance hereof, the City hereby represents to the Purchaser that:

(1) The City is a constitutional charter city and municipal corporation duly organized and validly existing under the laws of the State of Missouri. The City is authorized under Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200 of the Revised Statutes of Missouri, as amended, and its Charter to authorize, issue and deliver the Bonds and to consummate all transactions contemplated by this Bond Purchase Agreement, the Ordinance, the Indenture, the Lease, the Performance Agreement and any and all other agreements relating thereto. The proceeds of the Bonds shall be used to finance the acquisition and installation of Project Equipment for Nebius, Inc., a Delaware corporation (the “Company”), and to pay for the costs incurred in connection with the issuance of the Bonds;

(2) There is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the City or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act leading up to the issuance of the Bonds or the constitutionality or validity of the indebtedness represented by the Bonds or the validity of the Bonds, the Ordinance, the Lease, the Indenture, or the Performance Agreement; and

(3) Any certificate signed by an authorized representative of the City and delivered to the Purchaser shall be deemed a representation and warranty by the City to such party as to the statements made therein.

(b) The Purchaser represents as follows:

(1) The Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is in good standing under the laws of and authorized to do business in the State of Missouri;

(2) The execution, delivery and performance of this Bond Purchase Agreement by the Purchaser has been duly authorized by all necessary action of the Purchaser and does not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, its organizational documents, any law, court or administrative regulation, decree or order applicable to or binding upon the Purchaser, or, to the best of its knowledge, any agreement, indenture, mortgage, lease or instrument to which the Purchaser is a party or by which it is bound;

(3) When executed and delivered by the Purchaser, this Bond Purchase Agreement will be, and is, a legal, valid and binding obligation, enforceable in accordance with its terms, subject, as to enforcement, to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally and further subject to the availability of equitable remedies; and

(4) Any certificate signed by an authorized officer or agent of the Purchaser and delivered to the City shall be deemed a representation and warranty by the Purchaser to such party as to the statements made therein.

SECTION 2. PURCHASE, SALE AND DELIVERY OF THE BONDS

On the basis of the representations and covenants contained herein and in the other agreements referred to herein, and subject to the terms and conditions herein set forth and in the Indenture, the Purchaser agrees to purchase from the City and the City agrees to sell to the Purchaser the Bonds on the terms and conditions set forth herein.

The Bonds shall be sold to the Purchaser by the City on the Closing Date (hereinafter defined) upon payment of an amount equal to the Closing Price (hereinafter defined) for the Bonds, which amount shall be deposited in the Project Fund as provided in **Section 502** of the Indenture and shall thereafter on the Closing Date immediately be applied to the payment of Project Costs as provided in **Section 4.4** of the Lease. From time to time after the Closing Date as additional Project Costs are incurred, the Purchaser may make additional payments with respect to the Bonds ("Additional Payments") to the Trustee, which Additional Payments shall be deposited in the Project Fund and applied to the payment of Project Costs at the outstanding principal amount of the Bonds shall increase by each such Additional Payment; provided that the sum of the Closing Price and all such Additional Payments for the Bonds shall not, in the aggregate, exceed \$144,023,000,000.

As used herein, the term "Closing Date" shall mean February __, 2026, or such other date as shall be mutually agreed upon by the City and the Purchaser; the term "Closing Price" shall mean, with respect to the Bonds, that certain amount specified in writing by the Purchaser and agreed to by the City as the amount required to fund the initial disbursement from the Project Fund on the Closing Date.

The Bonds shall be issued under and secured as provided in the Ordinance, the Indenture and the Lease authorized thereby and the Bonds shall have the maturity, interest rate and shall be subject to redemption as set forth therein. The delivery of the Bonds shall be made in definitive form as a fully registered bond in the maximum aggregate principal denomination of \$144,023,000,000; provided, that the principal amount of the Bonds outstanding at any time shall be that amount recorded in the official bond registration records of the Trustee and further provided that interest shall be payable on the Bonds only on the outstanding principal amount of the Bonds, as more fully provided in the Indenture.

The Company agrees to indemnify and hold harmless the City, the Trustee, and any member, officer, official or employee of the City or of the Trustee and any person controlling the Trustee within the meaning of Section 15 of the Securities Act of 1933, as amended (collectively, the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses whatsoever to the extent caused by any violation by the Company of, or failure by the Company to comply with, any federal or state securities laws in connection with the Bonds; provided, however, the indemnification contained in this paragraph shall not extend to such Indemnified Party if such loss, claim, damage, liability or expense is (a) the result of the Indemnified Party's negligence or willful misconduct, or (b) the Indemnified Party is not following the written instructions of the Owner of the Bonds.

In case any action shall be brought against one or more of the Indemnified Parties based upon the foregoing indemnification and in respect of which indemnity may be sought against the Company, the Indemnified Parties shall promptly notify the Company in writing and the Company shall promptly assume the defense thereof, including the employment of counsel, the payment of all expenses and the right to negotiate and consent to settlement. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties unless employment of such counsel has been specifically authorized by the Company. The Company shall not be liable for any settlement of any such action effected without its consent by any of the Indemnified Parties, but if settled with the consent of the Company or if there be a final judgment for the plaintiff in any such action against the Company or any of the Indemnified Parties, with or without the consent of the Company, then provided that the Company was given prompt written notice and the ability to assume the defense thereof as required by this paragraph, the Company agrees to indemnify and hold harmless the Indemnified Parties to the extent provided herein.

SECTION 3. CONDITIONS TO THE PURCHASER'S OBLIGATIONS

The Purchaser's obligations hereunder shall be subject to the due performance by the City of the City's obligations and agreements to be performed hereunder on or prior to the Closing Date and to the accuracy of and compliance with the City's representations contained herein, as of the date hereof and as of the Closing Date, and are also subject to the following conditions:

(a) There shall be delivered to the Purchaser on or prior to the Closing Date a duly executed copy of the Ordinance, the Indenture, the Performance Agreement, this Agreement and the Lease and any other instrument contemplated thereby shall be in full force and effect and shall not have been modified or changed except as may have been agreed to in writing by the Purchaser;

(b) The City shall confirm on the Closing Date by a certificate that at and as of the Closing Date the City has taken all action necessary to issue the Bonds and that there is no controversy, suit or other proceeding of any kind pending or threatened wherein any question is raised affecting in any way the legal organization of the City or the legality of any official act shown to have been done in the transcript of proceedings leading up to the issuance of the Bonds,

or the constitutionality or validity of the indebtedness represented by the Bonds or the validity of the Bonds or any proceedings in relation to the issuance or sale thereof;

(c) The Company shall execute a certificate, dated the Closing Date, to the effect that (i) no litigation, proceeding or investigation is pending against the Company or its affiliates or, to the knowledge of the Company, threatened which would (A) contest, affect, restrain or enjoin the issuance, validity, execution, delivery or performance of the Bonds, or (B) in any way contest the existence or powers of the Company, (ii) no litigation, proceeding or investigation is pending or, to the knowledge of the Company, threatened against the Company that could reasonably be expected to adversely affect its ability to perform its obligations hereunder, (iii) the representations and warranties of the Company herein were and are true and correct in all material respects and not misleading as of the date made and as of the Closing Date, and (iv) such other matters as are reasonably requested by the other parties in connection with the issuance of the Bonds; and

(d) Receipt by the Purchaser and the Company of an approving opinion from Gilmore & Bell, P.C., in form and substance satisfactory to the Purchaser and the Company.

SECTION 4. THE PURCHASER'S RIGHT TO CANCEL

The Purchaser shall have the right to cancel its obligation hereunder to purchase the Bonds by notifying the City in writing of its election to make such cancellation at any time prior to the Closing Date.

SECTION 5. CONDITIONS OF OBLIGATIONS

The obligations of the parties hereto are subject to the receipt of the approving opinion of Gilmore & Bell, P.C., Bond Counsel, with respect to the validity of the authorization and issuance of the Bonds.

SECTION 6. REPRESENTATIONS AND AGREEMENTS TO SURVIVE DELIVERY

All of the representations and agreements by either party shall remain operative and in full force and effect, and shall survive delivery of the Bonds to the Purchaser.

SECTION 7. PAYMENT OF EXPENSES

The Company shall pay all reasonable expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Bonds. To the best of the City's knowledge and belief, the only expenses payable by the Company in connection with the issuance of the Bonds are the following: (1) the City's issuance fee and the legal fees of Gilmore & Bell, P.C., (2) any filing fees incurred in connection with the Closing, and (3) the Trustee's initial acceptance fee and first year's administrative fee.

SECTION 8. NOTICE

Any notice or other communication to be given to the City under this Agreement may be given by mailing or delivering the same in writing to the City of Independence, Missouri at the address set out for notices to the City in **Section 1403** of the Indenture; any notice or other communication to be given to the Purchaser or the Company under this Agreement may be given by delivering the same in writing at the address set out for notices to the Company in **Section 1403** of the Indenture.

SECTION 9. APPLICABLE LAW; ASSIGNABILITY

This Bond Purchase Agreement shall be governed by the laws of the State of Missouri and may be assigned by the Purchaser with the written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed.

SECTION 10. EXECUTION OF COUNTERPARTS

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

[Remainder of this page intentionally left blank]

Executed as of the date first written above by the undersigned, as Purchaser, and accepted by the undersigned, as Company:

NEBIUS, INC.,
a Delaware corporation

By: _____
Name:
Title:

Accepted and Agreed to as of the date first written above.

CITY OF INDEPENDENCE, MISSOURI

By: _____
Name: Lisa Reynolds
Title: Interim City Manager

[SEAL]

ATTEST:

By: _____
Name: Susanne Holland
Title: City Clerk

PERFORMANCE AGREEMENT

Dated as of February 1, 2026

BETWEEN

CITY OF INDEPENDENCE, MISSOURI

AND

NEBIUS, INC.

Prepared By:

**Gilmore & Bell, P.C.
Kansas City, Missouri**

PERFORMANCE AGREEMENT

THIS PERFORMANCE AGREEMENT, dated as of February 1, 2026 (the “Agreement”), between the **CITY OF INDEPENDENCE, MISSOURI**, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri (the “City”), and **NEBIUS, INC.**, a Delaware corporation (the “Company”);

RECITALS:

1. The City is authorized and empowered pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the “Act”), to purchase, construct, extend, improve and equip certain projects and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, research and development, warehousing, office industry and industrial development purposes upon such terms and conditions as the City shall deem advisable.

2. Pursuant to the Act, the City Council of the City gave notice to the affected taxing jurisdictions in accordance with Section 100.059.1 of the Act and held a public hearing to finance the costs of a project for the Company consisting of acquiring and installing certain equipment (the “Project Equipment,” as more fully described on Exhibit A hereto) at a site located at and surrounding 501 North Bly Road in the City (the “Project Site,” as more fully described on Exhibit A hereto), out of the proceeds of industrial development revenue bonds to be issued under the Act to provide funds to pay the costs of the Project Equipment, and to lease or sell the Project Equipment to the Company for the purpose of financing the costs of the Project Equipment.

3. Pursuant to an ordinance or ordinances (the “Ordinance”) passed by the City Council, the City has approved a plan for the Company’s industrial development project and has been authorized to execute and deliver (a) a Trust Indenture of even date herewith (the “Indenture”) between the City and BOKF, N.A., Kansas City, Missouri, as trustee (the “Trustee”), for the purpose of issuing and securing the City’s Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026 in the maximum principal amount of \$144,023,000,000 (the “Bonds”), (b) a Lease Agreement of even date herewith (the “Lease”) with the Company under which the City, as lessor, will acquire and install the Project Equipment and will lease the Project Equipment to the Company, in consideration of rentals which will be sufficient to pay the principal of and interest on the Bonds, and (c) this Agreement for the purpose of setting forth the terms and conditions of the Project Equipment’s exemption from ad valorem property taxes and certain payments in lieu of taxes to be made by the Company with respect to the Project Equipment.

4. Pursuant to the foregoing, the City desires to enter into this Agreement with the Company in consideration of the Company’s desire to acquire and install the Project Equipment upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the City and the Company hereby represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. In addition to the terms otherwise defined herein, the following words and terms as used herein shall have the following meanings:

“Agreement” means this Performance Agreement dated as of February 1, 2026, between the City and the Company, as from time to time amended and supplemented in accordance with the provisions hereof.

“Company” means Nebius, Inc., a Delaware corporation, and its successors and assigns.

“Excusable Delay” means any delay beyond the reasonable control of the Company caused by damage or destruction by fire or other casualty, acts of God, strike, shortage of materials or labor, equipment, utilities, or transportation; civil disorder, war, epidemic or pandemic, supply-chain disruptions, failure or refusal of any governmental entity to issue any permits and/or legal authorization necessary for the installation of the Project Equipment, tariffs, governmental actions or inactions, changes in law or interpretation thereof, unavailability of labor, adverse weather conditions and any other events or conditions, which shall include but not be limited to any litigation interfering with or delaying the installation of all or any portion of the Project Equipment, which in fact prevents the Company from continuing installation of the Project Equipment.

“Indenture” means the Trust Indenture dated as of February 1, 2026, between the City and BOKF, N.A., Kansas City, Missouri, as Trustee, relating to the issuance of the Bonds, as amended or supplemented from time to time.

“PILOT Payments” or **“PILOTS”** means the payments in lieu of taxes provided for in **Article III** hereof.

“Project Equipment” means the personal property to be acquired and installed at the Project Site pursuant to **Article IV** of the Lease and paid for in whole or in part from the proceeds of Bonds, as described in **Exhibit A** attached hereto.

“Project Site” means the location described in **Exhibit A** attached hereto and by this reference made a part hereof.

“Taxes Otherwise Due” means the *ad valorem* property taxes that would have been due on the Project Equipment for the year were it not for ownership thereof by the City, as calculated by the City in accordance with Section 137.122 of the Revised Statutes of Missouri, as amended, and using the then-current tax rates of all applicable taxing jurisdictions.

ARTICLE II

REPRESENTATIONS

Section 2.1. City’s Representations. The City hereby represents that the Project Equipment will significantly benefit the City and the State of Missouri by (i) stimulating economic development in the City and the State; and (ii) increasing local and state tax revenues.

Section 2.2. Company's Representations. The Company hereby represents that the Project Equipment will benefit the City and the State of Missouri by (i) stimulating economic development in the City and the State; and (ii) increasing local and state tax revenues.

ARTICLE III

PROPERTY TAX EXEMPTION; PAYMENT IN LIEU OF TAXES

Section 3.1. Property Tax Exemption. So long as the City owns title to the Project Equipment, the City expects that the Project Equipment will be exempt from ad valorem property taxes. The first year of the exemption period for purposes of this Agreement shall begin with tax year **2027** (for any equipment placed in service during 2026). Notwithstanding any other provision of this Agreement to the contrary, the last year of such exemption period shall be tax year **2046**. The Company covenants and agrees that, during each year the Project Equipment is exempt from ad valorem taxes by reason hereof, the Company will make annual payments in lieu of taxes to the City (each such payment, a "**PILOT**") as described in this **Article III**. The City and the Company hereby agree that the tax abatement provided by this Agreement shall only apply to property financed with the proceeds of the Bonds (i.e., property constituting a part of the Project Equipment) and shall not apply to property not financed with proceeds of the Bonds.

Section 3.2. Payments In Lieu of Taxes for Project Equipment. The Company covenants and agrees to make PILOT Payments to the City on or before each December 31, commencing December 31, 2027, as follows:

No PILOT Payment shall be due for calendar year 2026.

For calendar years 2027 through 2046, the PILOT Payment shall be equal to 10% of the Taxes Otherwise Due on the Project Equipment.

On or before March 1 of each year, the Company shall provide to the City a report on property comprising the Project Equipment as of January 1 of such year in substantially the form attached hereto as **Exhibit B**.

Section 3.3. Adjustment to PILOT Payments Based on Certain Failures by Company.

(a) In the event the Company fails to spend an amount at least equal to the Investment Milestone Requirement (set out below) by each applicable Investment Milestone Date (set out below), as certified to the Trustee and the City through requisition certificates submitted to the Trustee in accordance with the Lease, the Company shall make additional PILOT Payments in an amount equal to the Investment Deficiency Percentage (calculated as shown below) multiplied by the amount of the difference between the PILOT Payments set out under **Section 3.2** hereof and the Taxes Otherwise Due during the year in which the failure occurs and any subsequent year in which such failure persists as of September 30 of such year and during which the exemption from property tax applies by virtue of City ownership. The Investment Deficiency Percentage shall be calculated, beginning at zero percent (0%) for compliance, in accordance with the following formula, with the result expressed as a percentage:

Investment Deficiency Percentage = $(1 - (\text{certified Project Costs} / \text{applicable Investment Milestone Requirement})) \times 100$.

Investment Milestone Date	Investment Milestone Requirement
September 30, 2030	\$11,900,000,000

Each Investment Milestone Requirement shown above shall apply on and from the applicable Investment Milestone Date shown above to and including the September 30 prior to the next Investment Milestone Date shown (if any).

(b) [Reserved].

(c) If the Company ceases operations of the Project Equipment, other than temporary closures customary in the applicable industry, then in addition to any other remedies that may be available to the City under the Lease or hereunder, the PILOT Payments shall be increased to an amount equal to 100% of the Taxes Otherwise Due during the year in which the failure occurs and any subsequent year during which such failure persists and during which the Project Equipment is exempt from ad valorem property taxes as provided herein. "Ceases operations" or "cessation of operations" for the purpose of this paragraph means the Company completely vacates, abandons and permanently ceases operations at the Project Site for a period of 180 consecutive days after the initial installation of Project Equipment, unless the Project Equipment has been subject to a casualty and the Company is intending to restore the Project Equipment or the Company's interest in this Agreement has been transferred pursuant to the provisions hereof and the Project Equipment continues in operation thereafter. The Company shall not be deemed to have ceased operations during any time when a tenant is operating at the Project Equipment and the provisions of the Lease regarding maintenance of the Project Equipment are satisfied.

(d) The maximum PILOT Payment (including all payments under **Section 3.2** and **Section 3.3** hereof) for any year pursuant to this Agreement shall not exceed 100% of the Taxes Otherwise Due were it not for ownership of the Project Equipment by the City and, as such, no redundant or duplicative payments shall be required on the part of the Company to the City.

Section 3.4. Distribution of PILOTS. Within 30 days of the date of receipt of each PILOT, the City shall or shall cause the County or another designated billing/collection agent to distribute each PILOT among the taxing jurisdictions in proportion to the amount of taxes which would have been paid for such year had the Project Equipment not been exempt from taxation pursuant to this Agreement. The allocation between school districts shall be in proportion to the total investment located within each school district's boundaries, which allocation shall be certified to the City by the Company upon request.

Section 3.5. Obligation of City to Effect Tax Abatement. The City agrees to take all actions within its control to obtain and/or maintain in effect the exemption referred to in **Section 3.1** above, including any filing required with any governmental authorities; provided, however, the City shall not be liable for any failure of Jackson County, Missouri or any other governmental taxing authority to recognize the exemption provided herein. The City covenants that it will not voluntarily take any action that may cause or induce the levy or assessment of ad valorem taxes on the Project Equipment. In the event such a levy or assessment should occur, the City shall, at the Company's request and at the Company's expense, fully cooperate with the Company in all reasonable ways to prevent and/or remove any such levy or assessment against the Project Equipment.

Section 3.6. Administration Costs. Under Section 100.050 of the Act, the City may require the Company to reimburse the City for its actual costs of issuing the Bonds and administering the plan including costs associated with this Agreement, in an amount of no greater than \$5,000 per year. The City will provide a statement for such costs to the Company not later than November 15th of each year

and the Company will reimburse the City for its costs on or before December 31 of each year continuing until December 31 of the year in which this Agreement expires or is terminated.

Section 3.7. Other Property Taxes In Connection with the Project Equipment. The property tax exemption provided by the City's ownership of the Project Equipment is expected to apply to all interests in the Project Equipment during the period it is owned by the City. If any ad valorem property taxes are levied by or on behalf of any taxing jurisdiction against any interest in the Project Equipment during the period the City owns the Project Equipment (including, without limitation, any ad valorem taxes levied against the Company's rights in the Lease), the amount of ad valorem tax payments related to such levy or levies which are paid by the Company and received by the City and other taxing jurisdictions shall be credited against and reduce on a *pro rata* basis the amount of the PILOT Payments the Company is obligated to pay pursuant to this Agreement so that no duplicative payments are made. The Company shall be responsible for any taxes related to any interest in the Project Equipment which the Company owns in its own name or granted to the Company other than pursuant to the Lease.

Section 3.8. Credits for Certain Payments. Nothing in this Agreement shall be construed to require the Company to make duplicate tax payments. The Company shall receive a credit hereunder to the extent it has made any payment for ad valorem property taxes on the Project Equipment to the City, to Jackson County, Missouri or to the State of Missouri.

Section 3.9. Company's Right To Protest Taxes. Notwithstanding any other provision of this Agreement to the contrary, nothing in this Agreement shall be construed to limit or in any way restrict the availability of any provision of Missouri law which confers upon the Company the right to appeal, protest or otherwise contest any property tax valuation, assessment, classification or similar action. However, no such appeal, protest or contest shall affect the amount or timing of PILOT Payments to be made under this Agreement.

Section 3.10. No Abatement on Special Assessments, Licenses or Fees. The City and the Company hereby agree that the property tax exemptions described in this Agreement shall not apply to special assessments and shall not serve to reduce or eliminate any other licenses or fees owing to the City or any other taxing jurisdiction with respect to the Project Equipment. The Company hereby agrees to make payments with respect to all special assessments, licenses and fees which would otherwise be due with respect to the Project Equipment if such Project Equipment was not owned by the City.

ARTICLE IV

COVENANTS, REPRESENTATIONS AND AGREEMENTS

Section 4.1. Inspection. The Company agrees that the City and its duly authorized agents shall have the right at reasonable times (during business hours), subject to at least five business days advance written notice and to the Company's and subject to the industry accepted business proprietary, safety and security requirements of the Company and its end clients and without interference or prejudice to the Company's operations or the acquisition or installation of the Project Equipment, to enter upon the Project Site to examine and inspect the Project Equipment and the records of the Company which demonstrate compliance with this Agreement, not more than once annually.

Section 4.2. Compliance with Laws. The Project Equipment will comply in all material respects with all applicable building and zoning, health, environmental and safety ordinances and laws and all other applicable laws, rules and regulations.

Section 4.3. Acquisition and Installation of the Project Equipment. The Project Equipment will be acquired and installed consistent with the provisions of the Lease. In the event the Project Equipment is not acquired and installed in compliance with the provisions of the Lease, the City reserves the right to declare an Event of Default in accordance with **Section 6.1** hereof.

Section 4.4. Representations and Warranties.

(a) The Company represents, warrants and covenants that as of the date of this Agreement and during the term of this Agreement, or such shorter period as may be expressly provided for below:

(1) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is in good standing under the laws of and authorized to do business in the State of Missouri;

(2) The Company has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(3) The execution, delivery and performance by the Company of this Agreement has been duly authorized by all necessary corporate action, and does not violate the organizational documents of the Company, as the same may be amended and supplemented, or to the best of the Company's knowledge, any applicable provision of law, nor does it constitute a breach of or default under or require any consent under any agreement, instrument or document to which the Company is now a party or by which the Company is now or may become bound;

(4) To the best of the Company's knowledge, there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting the Company that would impair its ability to perform under this Agreement; and

(5) The Company has obtained (or prior to the applicable time required will obtain) and will maintain all government permits, certificates and consents (including without limitation appropriate environmental approvals) necessary to conduct its business and to acquire, install and operate the Project Equipment.

(b) The City represents, warrants and covenants that as of the date of this Agreement and during the term of this Agreement, or such shorter period as may be expressly provided for below:

(1) The City is a constitutional charter city and municipal corporation duly organized and validly existing under the laws of the State of Missouri;

(2) The execution, delivery and performance by the City of this Agreement have been duly authorized by all necessary City actions;

(3) The City has the right, power and authority to enter into, execute, deliver and perform this Agreement; and

(4) To the best of the City's knowledge, there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting the City that would impair its ability to perform under this Agreement.

Section 4.5. Survival of Covenants. All warranties, representations, covenants and agreements of the Company and the City contained herein which are specifically designated to survive the termination of this Agreement or which by nature must survive for the benefit thereof to be realized (such as indemnity obligations) shall survive termination of this Agreement for any reason.

Section 4.6. Indemnification. The Company shall indemnify and defend the City to insure that the City and the Trustee are held harmless from and against all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, by or on behalf of any person, firm or corporation arising from the conduct or management of, or from any work or thing done in, on or about, the Project Equipment during the term of the Lease, and against and from all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, arising during the term of the Lease from any event described in **Section 10.5** of the Lease to the extent and subject to the limitations provided therein. This section shall not apply to the negligence or willful misconduct of the City or its officers, employees or agents.

Section 4.7. Costs of Issuance of the Bonds. The Company agrees to pay on the date of the initial issuance of the Bonds, all costs of issuance incurred in connection therewith.

Section 4.8. No Sales Tax Exemption. The Bond transaction does not authorize sales tax exemption for the acquisition of the Project Equipment. The Company may pursue other statutory exemptions from sales tax for such purchases, but shall not use any sales tax exemption certificate granted by the City with respect to the construction of improvements on the Project Site for the acquisition of any Project Equipment.

ARTICLE V

SALE AND ASSIGNMENT

The benefits granted by the City to the Company pursuant to this Agreement shall belong solely to the Company, and such benefits shall not be transferred, assigned, pledged or in any other manner hypothecated (other than to an affiliate of the Company or in connection with Permitted Encumbrances (as defined in the Lease) without the express written consent of the City which shall not be unreasonably conditioned, withheld or delayed; but nothing herein shall preclude the Company from assigning or pledging its interest in the Project Equipment or incurring Permitted Encumbrances (as defined in the Lease) so long as the Company continues to possess the Project Equipment and otherwise remains responsible for its undertakings herein. Notwithstanding the foregoing, the Company may, without the City's consent, transfer its interests in this Agreement to any entity or person to whom the Lease has been assigned in accordance with **Article XIII** thereof or incur Permitted Encumbrances (as defined in the Lease).

ARTICLE VI

DEFAULT AND REMEDIES

Section 6.1. Events of Default. If any one or more of the following events shall occur and be continuing, it is hereby defined as and declared to be and to constitute an Event of Default hereunder:

- (a) the Company fails to make any PILOT Payments required to be paid hereunder within 30 days after written notice and demand by the City; or

(b) any representation of the Company contained herein proves to be materially false or erroneous and is not corrected or brought into compliance within 60 days (or such longer period as the City and the Company may agree in writing) after the City has given written notice to the Company specifying the false or erroneous representation and requiring it to be remedied; provided, that if such matter is not subject to cure within such 60 days (or such longer period as the City and Company agree in writing) after such notice, the Company fails to initiate action to cure the default within such 60 days after such notice and fails to pursue such action diligently.

Section 6.2. Remedies on Default. Upon an Event of Default hereunder this Agreement may be terminated by written notice to the Company from the City. Within thirty days of written notice of the dollar amounts due (which shall be given to the Company by the City as soon as possible after such amounts are ascertainable), the Company shall make a PILOT to the City equal to (i) the pro rata amount payable pursuant to **Section 3.3** hereof from January 1 of the year in question through the effective date of termination, plus (ii) the pro rata amount of taxes that would be due for the remaining portion of the year assuming the Project Equipment was placed on the tax rolls effective on the date of termination through December 31; provided, however, the payment of PILOTS following cessation of construction or operations shall be governed by **Section 3.3**.

Upon any termination of this Agreement the Company agrees to pay interest and penalties on all amounts due hereunder to the same extent as if such payments were taxes under Missouri law.

Section 6.3. Payments on Defaulted Amounts. Any amounts due hereunder which are not paid when due shall bear interest at the interest rate imposed by Missouri law on overdue ad valorem real estate taxes from the date such payment was first due.

Section 6.4. Enforcement. In addition to the remedies specified in **Section 6.2**, upon the occurrence of an Event of Default, the City or any taxing jurisdictions that would benefit from the PILOT Payments due and owing under this Agreement may bring an action for specific performance to enforce such payments. In the event of litigation pertaining to the enforcement of this Agreement, the losing party shall pay all costs of litigation, including reasonable attorneys' fees.

Section 6.5. Failure of the City to Perform its Obligations. In the event the City shall fail to perform any of its obligations hereunder for (i) a period of 30 days (or such longer period as the Company and the City may agree in writing) following written notice to the City from the Company of such failure which notice shall include a specific description of the City's failure hereunder), or (ii) if such failure is not subject to cure within such 30 days, the City shall have failed to initiate action to cure such default and shall pursue such action diligently; the Company may declare that the City is in default under this Agreement and may pursue any legal remedy available to it to enforce this Agreement.

ARTICLE VII

TERM OF AGREEMENT

This Agreement shall become effective upon execution, and subject to earlier termination pursuant to the provisions of this Agreement (including particularly **Article VI** hereof), shall have an initial term commencing as of the date of this Agreement and terminating on **December 1, 2046** (the "**Stated Expiration Date**"). This Agreement shall automatically terminate prior to the Stated Expiration Date in the event the Bonds (or any Bonds issued to refund the Bonds) are no longer outstanding.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. Severability. If for any reason any provision of this Agreement shall be determined to be invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected thereby.

Section 8.2. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Missouri.

Section 8.3. Execution in Counterparts. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 8.4. Waiver. The City and the Company acknowledge and agree that the amounts payable hereunder shall constitute payments due the City under the Lease executed in connection with the Bonds. The Company shall not be entitled to any extension of payment of such amounts as a result of a filing by or against the Company in any bankruptcy court.

Section 8.5. Entire Agreement. This Agreement constitutes the entire agreement relating to the subject matter contained herein and supersedes all prior agreements and understandings, both written and oral, between the City and the Company with respect to the subject matter hereof.

Section 8.6. Electronic Storage of Documents. The City and the Company agree that the transaction described herein may be conducted and related documents may be stored by electronic means.

Section 8.7. Notices. All notices, certificates or other communications required or desired to be given hereunder shall be given in the manner specified in the Lease.

Section 8.8. Employee Verification. The Company will comply with and satisfy the requirements of Section 285.530.2, RSMo., as amended, which requires (1) any business entity receiving tax abatement to, by sworn affidavit and provision of documentation, annually affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the business entity receiving tax abatement, and (2) every such business entity to annually sign an affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the entity receiving tax abatement. The Company shall provide such affidavits and documentation to the City on or before November 15 of each year during the term of this Agreement, beginning November 15, 2026, and also upon execution of this Agreement.

Section 8.9. Complete Agreement. The Company and the City understand that oral agreements or commitments to loan money, extend credit or to forbear from enforcing repayment of a debt including promises to extend or renew such debt are not enforceable. To protect the Company and the City from misunderstanding or disappointment, any agreements the Company and the City reach covering such matters are contained in this Agreement and the Lease, which are the complete and exclusive statements of the agreement between the Company and the City, except as the Company and the City may later agree in writing to modify this Agreement and the Lease.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective corporate names, all as of the date first above written.

CITY OF INDEPENDENCE, MISSOURI

By: _____
Name: Lisa Reynolds
Title: Interim City Manager

[SEAL]

ATTEST:

By: _____
Name: Susanne Holland
Title: City Clerk

NEBIUS, INC.,
a Delaware corporation

By: _____
Name:
Title:

EXHIBIT A

PROJECT EQUIPMENT

The Project Equipment consists of the following, to the extent located at the Project Site and paid for in whole with Bond proceeds:

Data servers, specialized mechanical, electrical and plumbing systems, HVAC systems, and data center support equipment sufficient to operate a data center of at least 800 megawatts.

PROJECT SITE

The following described real estate located in Jackson County, Missouri:

[**INSERT LEGAL DESCRIPTION**]

EXHIBIT B

ANNUAL PROJECT EQUIPMENT REPORT

Report Due Date: March 1, 20__

Relating to

\$144,023,000,000

(Aggregate Maximum Principal Amount)

City of Independence, Missouri

Taxable Industrial Development Revenue Bonds

(Nebius Project - Equipment)

Series 2026

In connection with the above-described Bonds, and the Performance Agreement dated as of February 1, 2026 between the City of Independence, Missouri (the “City”), and Nebius, Inc. (the “Company”), the Company hereby certifies that the Project Equipment (including all personal property located on the Project Site that is being treated as exempt from property taxation in connection with the Bonds) existing as of January 1 of the year of the Report Due Date shown above, is described as follows:

Description of Project Equipment Item	Serial Number or other Identification	Quantity	Original Cost	Placed in Service Date	Recovery Period	School District

“Original cost” means the price paid for the item without freight, installation, or sales or use tax.

“Placed in Service Date” means the first date that property that is located on the Project Site and is ready and available for use, whether or not the property is being used.

“Recovery period” means the recovery period allowed for the applicable property under the Internal Revenue Code (using the General Depreciation System, not the Alternative Depreciation System).

“School District” should be designated as either “Independence” or “Fort Osage” depending on location of property.

NEBIUS, INC.,
a Delaware corporation

By: _____

Name:

Title:

TRANSCRIPT OF PROCEEDINGS

AUTHORIZING THE ISSUANCE

OF NOT TO EXCEED

\$144,023,000,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
CITY OF INDEPENDENCE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(NEBIUS PROJECT - EQUIPMENT)
SERIES 2026

Legal Opinion

Gilmore & Bell, P.C.
Kansas City, Missouri

CLOSING MEMORANDUM

\$144,023,000,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
CITY OF INDEPENDENCE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(NEBIUS PROJECT - EQUIPMENT)
SERIES 2026

Closing: February __, 2026

This Memorandum sets forth the actions to be taken in connection with the issuance, sale and delivery by the City of Independence, Missouri, of its Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026, in the maximum principal amount of \$144,023,000,000 (the “Bonds”). The documents and actions described herein and in the Closing List attached hereto are to be delivered and taken as a condition precedent to the issuance of the Bonds. Such delivery of documents and actions shall be deemed to have taken place simultaneously at the closing, and no delivery of documents, payments of moneys or other actions with respect to the foregoing transaction will be considered to have been completed until all such deliveries, payments or other actions have been made or taken.

The closing is scheduled for 10:00 a.m., Central time, on February __, 2026, at the offices of Gilmore & Bell, P.C., Kansas City, Missouri. The items set forth on the Closing List will be examined, assembled and incorporated in the transcripts evidencing the authorization and issuance of the Bonds. Electronic copies of the transcript will be prepared and distributed to the following:

1. City of Independence, Missouri (“City”).
2. BOKF, N.A. (“Trustee”).
3. Nebius, Inc. (“Company” and “Purchaser”).
4. Rouse Frets White Goss Gentile Rhodes, P.C. (“Company’s Counsel” and “Purchaser’s Counsel”).
5. Gilmore & Bell, P.C. (“Bond Counsel”).

\$144,023,000,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
CITY OF INDEPENDENCE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(NEBIUS PROJECT - EQUIPMENT)
SERIES 2026

Closing Date: February __, 2026

CLOSING LIST

**Document
No.**

BASIC DOCUMENTS

1. Trust Indenture.
2. Lease Agreement.
3. Bond Purchase Agreement.
4. Performance Agreement.

CITY'S PROCEEDINGS AND DOCUMENTS

5. City's Closing Certificate.
6. Notice to taxing jurisdictions of the Chapter 100 Plan; Confirmation of receipt by taxing jurisdictions of the Chapter 100 Plan.
7. Ordinance No. _____ approving the Chapter 100 Plan and authorizing the issuance of the Bonds; Minutes of Meetings of the City Council showing first and second readings and adoption of Ordinance No. _____ on _____, 2026 and _____, 2026; Notices of Meetings.
8. Affidavit of Publication of Notice of Bond Sale; Bid for Bonds.
9. Municipality Annual Activity Report pursuant to Section 100.105, RSMo.

COMPANY'S PROCEEDINGS AND DOCUMENTS

10. Company's Closing Certificate.
11. Company's resolutions authorizing execution of documents.
12. Articles of Incorporation.
13. Bylaws.
14. Certificates of Corporate Good Standing of Company in Delaware and Missouri.
15. Insurance Certificates.
16. Company's Affidavit re: Company's enrollment and participation in a "federal work authorization program"; and E-Verify Program for Employment Verification Memorandum of Understanding.

CLOSING DOCUMENTS

17. Purchaser's Representation Letter.
18. Trustee's Closing Certificate.
19. Specimen Bond.
20. UCC Financing Statement.
21. Requisition Certificate No. 1.

LEGAL OPINIONS

22. Approving Legal Opinion of Bond Counsel.
23. Opinion of Company's Counsel.

* * * * *

OFFICIAL BID FORM

[**see real property documents**]

CITY'S CLOSING CERTIFICATE

We, the undersigned, hereby certify that we are the duly appointed, qualified and acting (Interim) City Manager and City Clerk, respectively, of the City of Independence, Missouri (the "City"), and as such officers we are familiar with the official books and records of the City. In connection with the issuance by the City of \$144,023,000,000 maximum principal amount of Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026 (the "Bonds"), we hereby further certify as follows, as of February __, 2026:

MATTERS CONCERNING AUTHORIZATION

1. Due Organization. The City is a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri.

2. Transcript of Proceedings. The transcript of proceedings (the "Transcript") relating to the authorization and issuance of the Bonds furnished to the Purchaser of the Bonds includes a true and correct copy of the proceedings had by the City Council and other records, proceedings and documents relating to the issuance of the Bonds; said Transcript is to the best of our knowledge, information and belief full and complete; such proceedings of the City shown in said Transcript have not been modified, amended or repealed and are in full force and effect as of the date hereof; said Transcript has been duly filed in the official records of the City.

3. Meetings. All meetings of the City Council as shown in the Transcript were regular meetings, or were held pursuant to regular adjournment at the next preceding meeting, or were special meetings duly called as shown in the Transcript, and each such meeting was duly held, was open to the public at all times and a quorum was present throughout. At all such meetings where required, proper notice of the time, place and purposes of each such meeting was given to the City Council or was waived and proper notice was given to the public as required by law. The notices of meetings contained in the Transcript were posted at least 24 hours prior to the commencement of the meetings on a bulletin board or other prominent place which is easily accessible to the public and clearly designated for posting notices at City Hall, the principal office and meeting place of the City Council, and were made available at least 24 hours prior to the commencement of said meetings to any representative of the news media who requested notice of the meetings.

4. Incumbency of Officers. The following named persons were and are the duly elected or appointed, qualified and acting officers of the City at all times except as otherwise indicated during the proceedings relating to the authorization and issuance of the Bonds, as follows:

<u>Name</u>	<u>Title</u>
Rory Rowland	Mayor
Susanne Holland	City Clerk
Lisa Reynolds	Interim City Manager

The duly elected Councilmembers at the time of approval of the Ordinance described herein were as shown in the minutes of meeting included in the Transcript.

5. Approval of Plan for the Project Equipment. Pursuant to Ordinance No. _____ passed by the City Council (the "Ordinance"), the City approved a Plan for an Industrial Development Project for the Nebius Project (the "Plan") pursuant to Chapter 100 of the Revised Statutes of Missouri, as amended (the "Act"). A portion of the Plan (the acquisition and installation of "Project Equipment") will be undertaken by Nebius, Inc., a Delaware corporation (the "Company"). The Plan meets the

requirements of Section 100.050 of the Act, and all of the affected taxing jurisdictions were provided notice of the proposed acquisition and installation of Project Equipment in accordance with the Act.

6. Location of Project Equipment. The Project Equipment, when installed, will be located entirely within the corporate limits of the City.

7. Bonds Issued for the Company. Except for the Bonds, the City has not authorized or issued any obligations of any kind or character whatsoever payable out of the revenues, or the pledge thereof, under the hereafter referred to Lease.

8. Non-Litigation. There is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised, or may be raised, questioning, disputing or affecting in any way the legal organization of the City, or the right or title of any of its officers or Councilmembers to their respective offices, or the legality of any official act shown to have been done in the Transcript evidencing the authorization and issuance of the Bonds, or the constitutionality or validity of the obligations represented by the Bonds, or the validity of the Bonds or any of the proceedings had in relation to the authorization, issuance or sale thereof.

MATTERS CONCERNING ISSUANCE, SALE AND DELIVERY

1. Execution of Documents. The following documents (the “City Documents”) have been duly authorized, executed and delivered in the name and on behalf of the City by its duly authorized officers, pursuant to and in full compliance with the Ordinance:

(a) Trust Indenture dated as of February 1, 2026 (the “Indenture”), between the City and BOKF, N.A., as trustee (the “Trustee”);

(b) Lease Agreement dated as of February 1, 2026 (the “Lease”), between the City and the Company;

(c) Bond Purchase Agreement dated as of February 1, 2026 (the “Bond Purchase Agreement”), between the City and Nebius, Inc., as the purchaser of the Bonds; and

(d) Performance Agreement dated as of February 1, 2026 (the “Performance Agreement”), between the City and the Company, relating to personal property tax abatement and payments in lieu of taxes relating to personal property.

The copies of the City Documents contained in the Transcript are true, complete and correct copies or counterparts of the City Documents as executed and delivered by the City, and are in substantially the same form and text as the copies of the City Documents which were before the City Council and approved by the Ordinance. The City Documents have not been amended, modified or rescinded and remain in full force and effect as of the date hereof.

2. Execution of Bonds. We have duly signed and executed, manually or by facsimile, the Bonds in the form of one fully registered Bond in the maximum principal amount of \$144,023,000,000 and on the date of the Bonds, and on the date when said Bonds were executed by us, we were and at the date hereof we are the officials indicated by our signatures on said Bonds, and by our signatures on this Certificate, respectively. The signatures of us and each of us, as such officials, respectively, on said Bonds and on this Certificate, are our true and genuine signatures, and the seal affixed or imprinted on said Bonds at the time of its execution was and is the duly authorized official City seal and was thereto

affixed by the authority and direction of the governing body of the City, and is the seal affixed to this Certificate.

3. Representations in City Documents. Each of the representations of the City made in the City Documents are true and complete in all material respects as of the date hereof as if made on and as of the date hereof, and all agreements to be complied with and obligations to be performed by the City under the City Documents on or prior to the closing date of the Bonds have been complied with and performed.

4. No Legal Violation. The execution and delivery of the City Documents, the performance of the terms thereof by the City and the issuance, sale and delivery of the Bonds will not violate any provision of Missouri law, or any resolution or ordinance of the City, or any applicable judgment, order, rule or regulation of any court or of any public or governmental agency or authority, and will not conflict with, violate or result in the breach of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust or other agreement or instrument to which the City is a party, or by which it or its properties are bound.

5. Approvals. All approvals, consents, authorizations and orders required to be obtained by the City in connection with the issuance, sale and delivery of the Bonds and the execution and delivery of the City Documents and the performance of the terms thereof by the City have been duly obtained.

6. No Offers by City. Neither the City, nor any authorized representative of the City is engaged in any transaction involving the marketing of the Bonds to the public in a manner that would cause the Bonds to be subject to Securities and Exchange Commission Rule 15c2-12.

7. Information. The purchasers of the Bonds have had ample opportunity to ask questions of, and to receive answers from, officers or other representatives of the City concerning the offer for sale and purchase of the Bonds.

8. Request to Authenticate and Deliver the Bonds; Closing Price. Pursuant to **Section 208(c)(4)** of the Indenture, the Trustee is hereby requested and authorized by the City to authenticate the Bonds and to deliver such Bonds to the purchaser thereof upon payment to the Trustee for the account of the City of the Closing Price for the Bonds as specified in the Bond Purchase Agreement. The Closing Price for the Bonds shall be the amount of \$_____.

9. Designation of Authorized City Representatives. The City hereby designates the Mayor, (Interim) City Manager, City Clerk and Finance Director (or Chief Financial Officer) as Authorized City Representatives. The City may designate another person to act on behalf of the City as evidenced by written certificate furnished to the Company and the Trustee containing the specimen signature of such person and signed on behalf of the City by the Mayor or the (Interim) City Manager.

10. M.A.P. Filing Authorization. The City hereby authorizes Gilmore & Bell, P.C. to file the information required by §37.850, RSMo, as amended, on the Missouri Accountability Portal website maintained by the State of Missouri Office of Administration.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City has caused this certificate to be executed on its behalf by its duly authorized officers and its seal to be affixed hereto, all as of the date first written above.

Signature

Official Title

Interim City Manager

City Clerk

(Seal)

TRUSTEE'S CLOSING CERTIFICATE

The undersigned, a duly authorized officer of BOKF, N.A., a national banking association with an office in Kansas City, Missouri (the "Trustee"), as Trustee under the Trust Indenture dated as of February 1, 2026 (the "Indenture"), between the Trustee and the City of Independence, Missouri (the "City"), authorizing the issuance of Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026, in the maximum principal amount of \$144,023,000,000 (the "Bonds"), of the City, does hereby certify as follows, as of February ___, 2026:

1. Power and Authority of Trustee. The Trustee is a national banking association duly organized and existing under the laws of the United States of America with an office located in Kansas City, Missouri, and is authorized and empowered to execute and deliver the Indenture and has full power and authority to act as Trustee as provided in the Indenture.

2. Execution of Indenture. The Indenture has been duly executed on behalf of the Trustee by a duly authorized officer of the Trustee, and said person was at the time of the execution of the Indenture and now is the duly elected or appointed, qualified and acting incumbent of such office.

3. Receipt of Documents. The Trustee hereby acknowledges receipt of the documents referred to in **Section 208(c)** of the Indenture which are required to be filed with the Trustee prior to or simultaneously with the delivery of the Bonds.

4. Authentication of Bonds. Pursuant to and in accordance with the provisions of **Section 205** of the Indenture and the written request and authorization of the City, prior to the delivery of the Bonds, the Certificates of Authentication on the Bonds so delivered were signed on behalf of the Trustee by a person, who was at the time of the authentication of the Bonds and still is at the date hereof, a qualified and acting signatory of the Trustee.

5. Delivery of Bonds. The Trustee acknowledges that pursuant to **Section 208(d)** of the Indenture, the Bonds acquired by Nebius, Inc., a Delaware corporation (the "Purchaser") and the original **Schedule I** thereto will be held by the Trustee in trust until directed in writing to deliver the Bonds to or upon the order of the Purchaser.

6. Receipt of Closing Price of the Bonds. The Trustee on this date received on behalf of the City from the purchasers of the Bonds, the closing price of the Bonds.

7. Deposit of Bond Proceeds. The Trustee on this date, in accordance with the requirements of the Indenture, deposited (or is deemed to have deposited in accordance with the terms of the Indenture) the required amount of proceeds of the Bonds into the Project Fund established under the Indenture.

8. Authorization of Officers. The officers of the Trustee referred to in paragraphs (2) and (4) hereof were at the time of the acts above-mentioned, and are at the date hereof, duly elected or appointed, qualified and acting signatories of the Trustee and duly authorized to perform the acts referred to in such paragraphs.

9. Anti-Discrimination. The undersigned hereby certifies and agrees that, to the extent that the "Anti -discrimination Against Israel Act," Section 34.600, Revised Statutes of Missouri (the "Israel Act"), is applicable to any contract entered into with the City in connection with the Bonds, the Trustee is not currently engaged in and shall not, for the duration of such contract, engage in a boycott of goods or

services from the State of Israel ("Israel"), companies doing business in or with Israel or authorized by, licensed by or organized under the laws of Israel or persons or entities doing business with Israel, in all respects within the meaning of the Israel Act. Failure to comply with the foregoing certification shall be enforceable in accordance with the terms of such contract. The foregoing certification shall not be deemed an admission or agreement that the Israel Act is applicable to the aforesaid contracts but the foregoing certification is enforceable if the Israel Act is applicable. If the Israel Act is determined not to apply to the applicable contract for any reason including the repeal or amendment of the Israel Act or any ruling of a court of competent jurisdiction as to the unenforceability or invalidity of the Israel Act, then the certification shall be of no effect.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, BOKF, N.A., as Trustee, has caused this certificate to be executed and attested by its duly authorized officers as of the date first stated above.

BOKF, N.A.,
as Trustee

[SEAL]

By _____
Name:
Title:

ATTEST:

By _____
Name:
Title:

COMPANY'S CLOSING CERTIFICATE

I, the undersigned, hereby certify that I am the _____ of Nebius, Inc., a Delaware corporation (the "Company"), and I am familiar with the books and records of the Company. In connection with the issuance of Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026 in the maximum principal amount of \$144,023,000,000 (the "Bonds"), by the City of Independence, Missouri (the "City"), I hereby further certify as follows, as of February ___, 2026:

1. ORGANIZATION AND AUTHORITY

1.1. Due Organization. The Company is a corporation duly organized and in good standing under the laws of the State of Delaware and is in good standing under the laws of and authorized to do business in the State of Missouri.

1.2. Articles of Incorporation and Bylaws. The copy of the Articles of Incorporation of the Company contained in the Transcript relating to the authorization of the issuance of the Bonds (the "Transcript") is a true, complete and correct copy of said Articles of Incorporation, as certified by the Secretary of State of the state in which the Company was formed, and said Articles of Incorporation have not been further amended and are in full force and effect as of the date hereof. The copy of the Bylaws of the Company contained in the Transcript is a true, complete and correct copy of said Bylaws and said Bylaws have not been further amended and are in full force and effect as of the date hereof.

1.3. Incumbency of Officer. The persons whose signatures are shown on the signature page(s) to this Certificate were on the date or dates of the execution of the documents listed in **Section 2.2** below, and are on this date, duly authorized to execute the documents listed in **Section 2.2** below.

2. BOND TRANSCRIPTS AND LEGAL DOCUMENTS

2.1. Transcript of Proceedings. A true and correct copy of the proceedings had by the Company and other Company records, proceedings and documents relating to the issuance of the Bonds will be provided for inclusion in the Transcript. Such records, proceedings and documents of the Company are, to the best of my knowledge, information and belief, full and complete, and such records, proceedings and documents of the Company have not been modified, amended or repealed and are in full force and effect as of the date hereof.

2.2. Execution of Documents. The following documents (the "Company Documents") have been executed and delivered in the name and on behalf of the Company by the undersigned, pursuant to and in full compliance with a Resolution adopted by the board of directors of the Company by written action as shown in the Transcript:

- (a) Lease Agreement dated as of February 1, 2026 (the "Lease"), between the City and the Company;
- (b) Bond Purchase Agreement dated as of February 1, 2026 (the "Bond Purchase Agreement"), between the City and Nebius, Inc., as purchaser of the Bonds (the "Purchaser"); and
- (c) Performance Agreement dated as of February 1, 2026 (the "Performance Agreement"), between the City and the Company.

The copies of the Company Documents contained in the Transcript are true, complete and correct copies or counterparts of the Company Documents as executed and delivered by the Company. The Company Documents have not been amended, modified or rescinded and are in full force and effect as of the date hereof.

2.3. Representations in Company Documents. Each of the representations of the Company set forth in the Company Documents are true and correct in all material respects as of the date hereof, as if made on the date hereof, and all covenants and conditions to be complied with and obligations to be performed by the Company under the Company Documents have been complied with and performed.

2.4. Representations Required by the Bond Purchase Agreement. The Company makes the following representations required by Section 3(c) of the Bond Purchase Agreement: (i) no litigation, proceeding or investigation is pending against the Company or its affiliates or, to the knowledge of the Company, threatened which would (A) contest, affect, restrain or enjoin the issuance, validity, execution, delivery or performance of the Bonds, or (B) in any way contest the existence or powers of the Company, (ii) no litigation, proceeding or investigation is pending or, to the knowledge of the Company, threatened against the Company that could reasonably be expected to adversely affect its ability to perform its obligations hereunder, and (iii) the representations and warranties of the Company in the Bond Purchase Agreement were and are true and correct in all material respects and not misleading as of the date made and as of the date hereof. All agreements to be complied with and obligations to be performed by the City under the Bond Purchase Agreement on or prior to the date hereof have been complied with and performed.

2.5. Authorized Company Representative. The Company appoints those persons designated on the signature page hereto as Authorized Company Representatives, as such term is defined in the Trust Indenture dated as of February 1, 2026, whose signature appears on the signature page of this Certificate.

3. THE PROJECT EQUIPMENT

3.1. Description and Location of Project Equipment. The proceeds of the Bond are to be used by the City for the purpose of paying costs of acquiring and installing certain equipment on a site located at and surrounding 501 North Bly Road in the City.

3.2. Insurance for the Project Equipment. The Company hereby represents and warrants that it has satisfied the insurance requirements set forth in **Article VII** of the Lease. The Trustee may conclusively rely on this Certificate for purposes of confirming current compliance with **Article VII** of the Lease without further investigation.

4. USE OF BOND PROCEEDS; CLOSING PRICE

4.1. Use of Bond Proceeds. The Bonds are being issued to provide funds to permit the Company to finance costs of the Project Equipment.

4.2. Closing Price. The Company hereby agrees that the Closing Price of the Bonds shall be \$_____.

5. LEGAL COUNSEL

5.1. Legal Counsel. I, the undersigned, have been counseled by the Company's legal counsel as to the purpose of the foregoing certifications and the meanings of the matters set forth in the foregoing certifications. I understand that such certifications will be relied upon by the City in the issuance of the Bonds and by the law firm of Gilmore & Bell, P.C. in rendering its opinion as to validity of the issuance of the Bonds. I understand that Gilmore & Bell, P.C. has represented the City, and only the City, in connection with the issuance of the Bonds and the transactions described in the Transcript and has made no representation to the Company as to the effect of any incentive related to such transactions.

6. ANTI-DISCRIMINATION AGAINST ISRAEL ACT.

6.1. Anti-Discrimination. The undersigned hereby certifies and agrees that, to the extent that the "Anti-discrimination Against Israel Act," Section 34.600, Revised Statutes of Missouri (the "Israel Act"), is applicable to any contract entered into with the City in connection with the Bonds, the Company is not currently engaged in and shall not, for the duration of such contract, engage in a boycott of goods or services from the State of Israel ("Israel"), companies doing business in or with Israel or authorized by, licensed by or organized under the laws of Israel or persons or entities doing business with Israel, in all respects within the meaning of the Israel Act. Failure to comply with the foregoing certification shall be enforceable in accordance with the terms of such contract. The foregoing certification shall not be deemed an admission or agreement that the Israel Act is applicable to the aforesaid contracts but the foregoing certification is enforceable if the Israel Act is applicable. If the Israel Act is determined not to apply to the applicable contract for any reason including the repeal or amendment of the Israel Act or any ruling of a court of competent jurisdiction as to the unenforceability or invalidity of the Israel Act, then the certification shall be of no effect.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned has executed this Certificate on behalf of the Company as of the date first stated above.

NEBIUS, INC.,
a Delaware corporation

By: _____
Name:
Title:

Authorized Company Representative:

[signature above] _____
Name:
Title:

[Optional Additional Appointee]

Authorized Company Representative:

Name:
Title:

[Optional Additional Appointee]

Authorized Company Representative:

Name:
Title:

COMPANY'S AFFIDAVIT

STATE OF _____)
) SS
COUNTY OF _____)

AFFIDAVIT

The undersigned is over the age of 18 years and has personal knowledge of the matters stated herein. I hereby affirm the enrollment and participation by _____, an entity affiliated with Nebius, Inc., a Delaware corporation (the "*Company*"), in a "federal work authorization program" as defined in Section 285.525 of the Revised Statutes of Missouri, as amended, with respect to the employees working in connection with a project consisting of acquiring and installing certain equipment on a site located at and surrounding 501 North Bly Road in the City of Independence, Missouri (the "Project Equipment"). The Company does not knowingly employ any person who is an "unauthorized alien" as defined in Section 285.525 of the Revised Statutes of Missouri, as amended, in connection with the Project Equipment.

Further Affiant Sayeth Not.

NEBIUS, INC.,
a Delaware corporation

By: _____
Name:
Title:

ACKNOWLEDGMENT

On this ____ of _____, before me, appeared _____, who being duly sworn did say that (s)he is the _____ of **Nebius, Inc.**, a Delaware corporation, and that said instrument was signed and sealed on behalf of said company, and such person acknowledged said instrument to be the free act and deed of said company.

IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my official seal the day and year first above written.

Notary Public

My Commission expires: _____.

Stamp here:

Company's Affidavit
Independence, Missouri / Nebius Project - Equipment

**REQUISITION CERTIFICATE
(COSTS OF ISSUANCE FUND)**

TO: BOKF, N.A., AS TRUSTEE UNDER A TRUST INDENTURE DATED AS OF FEBRUARY 1, 2026, BETWEEN THE CITY OF INDEPENDENCE, MISSOURI, AND THE TRUSTEE, AND LEASE AGREEMENT DATED AS OF FEBRUARY 1, 2026, BETWEEN THE CITY OF INDEPENDENCE, MISSOURI, AND NEBIUS, INC.

The undersigned Authorized Company Representative requests that the total shown on **Schedule 1** be paid for costs of issuing the Bonds in such amounts, to such payees and for such purposes as set forth on **Schedule 1** attached hereto.

With respect to this disbursement, the undersigned (i) certifies it has reviewed any wire instructions set forth herein to confirm such wire instructions are accurate, and (ii) agrees it will not seek recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with its instructions herein.

NEBIUS, INC.,
a Delaware corporation

By: _____
Name:
Title:

SCHEDULE 1 TO REQUISITION CERTIFICATE

\$144,023,000,000

(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)

CITY OF INDEPENDENCE, MISSOURI

TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS

(NEBIUS PROJECT - EQUIPMENT)

SERIES 2026

Costs of issuance to be paid from Company funds deposited in the Costs of Issuance Fund:

Payee	Description	Amount
Gilmore & Bell, P.C.	Bond Counsel fees and expenses	\$286,837
City of Independence, Missouri	Bond issuance fee	3,824,499
BOKF, N.A.	Trustee fees and expenses	
Total		\$



2405 Grand Boulevard, Suite 1100
Kansas City, Missouri 64108-2521

(816) 221-1000 / (816) 221-1018 FAX / gilmorebell.com

February __, 2026

City of Independence, Missouri
Independence, Missouri

BOKF, N.A., as Trustee
Kansas City, Missouri

Nebius, Inc.
[**City, State**]

Re: \$144,023,000,000 Maximum Principal Amount of City of Independence, Missouri,
Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series
2026

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Independence, Missouri (the “City”) in connection with the issuance by the City of its Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026, in the maximum principal amount of \$144,023,000,000 (the “Bonds”). The Bonds will bear interest, will mature and will be subject to redemption and payment prior to maturity as set forth in the hereinafter referred to Indenture. The principal of and interest on the Bonds are payable at the payment office of BOKF, N.A., as trustee (the “Trustee”), or as otherwise provided for in a Trust Indenture dated as of February 1, 2026 (the “Indenture”), between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture.

The Bonds have been authorized and issued under and pursuant to the Act and the Indenture for the purpose of providing funds to pay costs of the Project Equipment described in the Indenture.

We have examined a certified transcript of proceedings relating to the authorization and issuance of the Bonds, which transcript includes, among other documents and proceedings, the following:

- (i) Ordinance No. _____ passed by the City Council of the City on _____, 2026;
- (ii) Trust Indenture dated as of February 1, 2026, between the City and BOKF, N.A.;
- (iii) Lease Agreement dated as of February 1, 2026, between the City and Nebius, Inc., a Delaware corporation (the “Company”);
- (iv) Bond Purchase Agreement dated as of February 1, 2026, between the City and Nebius, Inc., as purchaser of the Bonds; and

(v) Performance Agreement dated as of February 1, 2026, between the City and the Company.

We have also examined the Constitution and statutes of the State of Missouri, insofar as the same relate to the authorization and issuance of the Bonds and the authorization, execution and delivery of the documents referred to in paragraphs (ii) through (v) above (collectively, the “Bond Documents”).

Reference is made to the opinion of counsel to the Company, of even date herewith with respect to, among other matters, (a) the due organization of the Company, (b) the good standing and qualification to do business of the Company, (c) the power of the Company to enter into and perform its obligations under the Bond Documents to which it is a party, and (d) the due authorization, execution and delivery of the Bond Documents by the Company and the binding effect and enforceability thereof against the Company.

Based upon such examination, we are of the opinion, as of the date hereof, as follows:

1. The City is a constitutional charter city and municipal corporation of the State of Missouri and has lawful power and authority to issue the Bonds and to enter into the Bond Documents and to perform its obligations thereunder.

2. The Bonds are in proper form and have been duly authorized in accordance with the Constitution and statutes of the State of Missouri, including the Act, and constitute valid and legally binding special obligations of the City.

3. The Bond Documents have been duly authorized, executed and delivered by the City and constitute valid and legally binding agreements of the City enforceable against the City in accordance with the respective provisions thereof.

We have not undertaken nor have we been engaged to review the accuracy, completeness or sufficiency of any offering material relating to the Bonds and we express no opinion relating thereto.

We express no opinion regarding federal or state tax consequences arising with respect to the Bonds. This opinion is limited to the laws of the State of Missouri and applicable laws of the United States.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Documents may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,

[FORM OF OPINION OF COMPANY’S COUNSEL]

February __, 2026

City of Independence, Missouri
Independence, Missouri

Gilmore & Bell, P.C.
Kansas City, Missouri

BOKF, N.A., as Trustee
Kansas City, Missouri

Re: \$144,023,000,000 Maximum Principal Amount of City of Independence, Missouri,
Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series
2026

Ladies and Gentlemen:

We have acted as counsel for Nebius, Inc., a Delaware corporation (the “Company”), and as such, we have examined the following in connection with the issuance and sale of the above-referenced series of bonds (the “Bonds”):

- (a) Articles of Incorporation of the Company, Bylaws of the Company, and a certified copy of the resolution of the Company dated _____, 2026 (the “Resolution”);
- (b) Lease Agreement dated as of February 1, 2026, between the Company and the City of Independence, Missouri (the “City”), as lessor;
- (c) Bond Purchase Agreement dated as of February 1, 2026, between the City and Nebius, Inc., as purchaser of the Bonds;
- (d) Performance Agreement dated as of February 1, 2026, by and between the City and the Company; and
- (e) such other records and instruments of the Company, together with applicable certificates of public officials as we deem relevant in rendering this opinion.

The documents referred to in paragraphs (b) through (d) above are collectively referred to as the “Company’s Documents.”

Based upon examination of the above-referenced documents, we are of the opinion that:

1. The Company has been duly organized and is a validly existing corporation in good standing under the laws of the State of Delaware and is in good standing under the laws of and authorized to do business in the State of Missouri.

2. The Company's Documents have been duly authorized by all requisite action on the part of the Company and each such document has been duly executed and delivered by on behalf of the Company by duly authorized officers of the Company, and constitute the Company's valid and binding obligations, enforceable in accordance with their respective terms (except as such enforceability may be limited by any bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally).

3. The execution, delivery and compliance with the provisions of the Company Documents by the Company have not and will not (with the passage of time or the giving of notice, or both) result in or constitute a breach of or default under any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Company is a party or by which it or any of its property is bound, or violate any provision of the Articles of Incorporation or Bylaws of the Company, or of any constitutional or statutory provision, or of any order, rule or regulation of any court or governmental authority applicable to the Company or its property.

4. All consents, approvals, authorizations or orders of, or registrations or filings with, any court or governmental agency or body required with respect to the Company for the valid execution and delivery by the Company of, or the performance of its obligations under, the Company Documents have been obtained or made.

5. There is no action, suit or other proceeding pending or, to the best of our knowledge, threatened against the Company, at law or in equity or before any governmental authority, which might adversely affect the validity or enforceability of the Company Documents or the ability of the Company to perform its obligations under the Company Documents, or which might adversely affect the condition, financial or otherwise, of the Company.

6. The law covered by the opinions expressed herein is limited solely to the laws of the State of Missouri and federal law of the United States of America.

Very truly yours,

PURCHASER'S REPRESENTATION LETTER

City of Independence, Missouri
111 E. Maple Ave.
Independence, MO, 64050
Attention: City Manager

BOKF, N.A., as Trustee
2405 Grand Blvd, Ste 840
Kansas City, MO 64108
Attn: Corporate Trust Department

Re: \$144,023,000,000 Maximum Principal Amount of Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026 of the City of Independence, Missouri

Ladies and Gentlemen:

In connection with the purchase of the above-referenced Bonds (the "Bonds"), the undersigned purchaser of the Bonds (the "Purchaser") hereby represents, warrants and agrees as follows, as of February ___, 2026:

1. The Purchaser fully understands that (a) the Bonds have been issued under and pursuant to a Trust Indenture dated as of February 1, 2026 (the "Indenture"), between the City of Independence, Missouri (the "City") and BOKF, N.A., Kansas City, Missouri, as trustee (the "Trustee"), and (b) the Bonds are payable solely out of certain rents, revenues and receipts to be derived from the leasing or sale of the Project Equipment (as defined in the Indenture) to Nebius, Inc., a Delaware corporation (the "Company"), under a Lease Agreement dated as of February 1, 2026 (the "Lease"), between the City and the Company, with certain of such rents, revenues and receipts being pledged and assigned by the City to the Trustee under the Indenture to secure the payment of the principal of and interest on the Bonds.

2. The Purchaser understands that the Bonds have not been registered under the Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any state and will be sold to the Purchaser in reliance upon certain exemptions from registration and in reliance upon the representations and warranties of the Purchaser set forth herein.

3. The Purchaser understands that the Bonds are transferable only in the manner provided for in the Indenture and discussed below and warrants that it is acquiring the Bonds for its own account with the intent of holding the Bonds as an investment, and the acquisition of the Bonds is not made with a view toward their distribution or for the purpose of offering, selling or otherwise participating in a distribution of the Bonds.

4. The Purchaser agrees not to attempt to offer, sell, hypothecate or otherwise distribute the Bonds to others unless authorized by the terms of the Indenture and upon receipt of any required opinion of counsel acceptable to the City, the Company, the Trustee and the Purchaser that all registration and disclosure requirements of the Securities and Exchange Commission and all other appropriate federal and Missouri securities laws and the securities law of any other applicable state are complied with.

5. The Company has (a) furnished to the Purchaser such information about itself as the Purchaser deems necessary in order for it to make an informed investment decision with respect to the purchase of the Bonds, (b) made available to the Purchaser, during the course of this transaction, ample opportunity to ask questions of, and to receive answers from, appropriate officers of the City and the terms and conditions of the offering of the Bonds, and (c) provided to the undersigned all additional information which it has requested.

6. The Purchaser acknowledges that no offering document has been prepared in connection with the sale of the Bonds. The Purchaser further acknowledges that it has timely received in satisfactory form and manner all proceedings, certificates, opinions, letters and other documents required to be submitted to the Purchaser pursuant to the Bond Purchase Agreement prior to or on the date of the delivery of and payment for the Bonds, and that the City and the Company have in all respects complied with and satisfied all of their respective obligations to the Purchaser which are required under the Bond Purchase Agreement to be complied with and satisfied on or before such date.

7. The Purchaser is now, and was when it agreed to purchase the Bonds, familiar with the operations of the Company and fully aware of terms and risks of the Bonds and that the Purchaser is relying on its own knowledge and investigation of facts and circumstances relating to the purchase of the Bonds. The Purchaser believes that the Bonds being acquired are a security of the type that the Purchaser wishes to purchase and hold for investment and that the nature and amount thereof are consistent with its investment program.

8. The Purchaser is fully aware of and satisfied with (i) the current status of the ownership of the Project Equipment and any issues related thereto and (ii) the terms, amounts and providers of the insurance maintained pursuant to **Article VII** of the Lease, and the undersigned is purchasing the Bonds with full knowledge of such matters.

9. The Purchaser understands and agrees that the interest on the Bonds *is* subject to federal and state income taxation.

10. The Purchaser hereby directs the Trustee to hold the Bonds in trust for the undersigned pursuant to **Section 208** of the Indenture.

NEBIUS, INC.,
a Delaware corporation

By: _____
Name:
Title:

UCC Info – Secretary of State Filings

Indenture

Debtor:

City of Independence, Missouri
111 E. Maple Ave.
Independence, MO, 64050

Secured Party:

BOKF, N.A.
2405 Grand Blvd, Ste 840
Kansas City, MO 64108
Attn: Corporate Trust Department

Collateral:

ALL PROPERTY INCLUDED IN THE TRUST ESTATE UNDER THAT CERTAIN TRUST INDENTURE DATED AS OF FEBRUARY 1, 2026 RELATING TO DEBTOR'S TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS (NEBIUS PROJECT - EQUIPMENT), SERIES 2026, BETWEEN DEBTOR AND SECURED PARTY, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, AND PRODUCTS AND PROCEEDS THEREOF, INCLUDING WITHOUT LIMITATION, ACCOUNTS, GENERAL INTANGIBLES, INVESTMENT PROPERTY, CHATTEL PAPER, DEPOSIT ACCOUNTS AND INSTRUMENTS.

TRANSCRIPT OF PROCEEDINGS

AUTHORIZING THE ISSUANCE

OF NOT TO EXCEED

\$6,609,000,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
CITY OF INDEPENDENCE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(NEBIUS PROJECT - REAL PROPERTY)
SERIES 2026

Legal Opinion

Gilmore & Bell, P.C.
Kansas City, Missouri

CLOSING MEMORANDUM

\$6,609,000,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
CITY OF INDEPENDENCE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(NEBIUS PROJECT - REAL PROPERTY)
SERIES 2026

Closing: February __, 2026

This Memorandum sets forth the actions to be taken in connection with the issuance, sale and delivery by the City of Independence, Missouri, of its Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026, in the maximum principal amount of \$6,609,000,000 (the “Bonds”). The documents and actions described herein and in the Closing List attached hereto are to be delivered and taken as a condition precedent to the issuance of the Bonds. Such delivery of documents and actions shall be deemed to have taken place simultaneously at the closing, and no delivery of documents, payments of moneys or other actions with respect to the foregoing transaction will be considered to have been completed until all such deliveries, payments or other actions have been made or taken.

The closing is scheduled for 10:00 a.m., Central time, on February __, 2026, at the offices of Gilmore & Bell, P.C., Kansas City, Missouri. The items set forth on the Closing List will be examined, assembled and incorporated in the transcripts evidencing the authorization and issuance of the Bonds. Electronic copies of the transcript will be prepared and distributed to the following:

1. City of Independence, Missouri (“City”).
2. BOKF, N.A. (“Trustee”).
3. Missouri ADC Holdings, LLC (“Company” and “Purchaser”).
4. Rouse Frets White Goss Gentile Rhodes, P.C. (“Company’s Counsel” and “Purchaser’s Counsel”).
5. Gilmore & Bell, P.C. (“Bond Counsel”).

\$6,609,000,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
CITY OF INDEPENDENCE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(NEBIUS PROJECT - REAL PROPERTY)
SERIES 2026

Closing Date: February __, 2026

CLOSING LIST

**Document
No.**

BASIC DOCUMENTS

1. Trust Indenture.
2. Lease Agreement; Memorandum of Lease Agreement.
3. Bond Purchase Agreement.
4. Performance Agreement.

CITY'S PROCEEDINGS AND DOCUMENTS

5. City's Closing Certificate.
6. Notice to taxing jurisdictions of the Chapter 100 Plan; Confirmation of receipt by taxing jurisdictions of the Chapter 100 Plan.
7. Ordinance No. _____ approving the Chapter 100 Plan and authorizing the issuance of the Bonds; Minutes of Meetings of the City Council showing first and second readings and adoption of Ordinance No. _____ on _____, 2026 and _____, 2026; Notices of Meetings.
8. Affidavit of Publication of Notice of Bond Sale; Bid for Bonds.
9. Municipality Annual Activity Report pursuant to Section 100.105, RSMo.

COMPANY'S PROCEEDINGS AND DOCUMENTS

10. Company's Closing Certificate.
11. Company's resolutions authorizing execution of documents.
12. Certificate of Formation.
13. Operating Agreement.
14. Certificates of Corporate Good Standing of Company in Delaware and Missouri.
15. Insurance Certificates.
16. Company's Affidavit re: Company's enrollment and participation in a "federal work authorization program"; and E-Verify Program for Employment Verification Memorandum of Understanding.

CLOSING DOCUMENTS

17. Special Warranty Deed.
18. Purchaser's Representation Letter.
19. Trustee's Closing Certificate.
20. Specimen Bond.
21. UCC Financing Statement.
22. Requisition Certificate No. 1.
23. Title Report.
24. Phase 1 Environmental Report; Reliance Letter.

LEGAL OPINIONS

25. Approving Legal Opinion of Bond Counsel.
26. Opinion of Company's Counsel.

* * * * *

OFFICIAL BID FORM

\$150,632,000,000
(Aggregate Maximum Principal Amount)
City of Independence, Missouri
Taxable Industrial Development Revenue Bonds
(Nebius Project)

_____, 2026

To: City of Independence, Missouri (the "City")

For the above-referenced bonds, dated their date of delivery (the "Bonds"), to be issued in one or more series, described in your notice of bond sale published in *The Examiner*, said Bonds to mature and to bear interest as follows (with interest coming due on December 1 of each year, beginning with the December 1 immediately following the date of issuance, and on the final maturity date):

<u>Maturity</u> <u>December 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
Not later than 2046	Not to Exceed \$150,632,000,000	7.0%

we will pay a purchase price not to exceed the principal amount stated above in installments equal to the draw requests received pursuant to bond purchase agreements to be executed by the undersigned, or affiliates or designees thereof (as "Purchaser"), the company that will operate the project to be funded by each the issuance of the Bonds (the "Company") and the City, provided that terms acceptable to the Purchaser, the Company and the City are reached with respect to the issuance of such Bonds and the documents to be executed in connection therewith.

Respectfully submitted by an authorized officer of the bidder,

Bidder: Nebius, Inc., a Delaware corporation

Signature: _____

Print Name: _____

CITY'S CLOSING CERTIFICATE

We, the undersigned, hereby certify that we are the duly appointed, qualified and acting (Interim) City Manager and City Clerk, respectively, of the City of Independence, Missouri (the "City"), and as such officers we are familiar with the official books and records of the City. In connection with the issuance by the City of \$6,609,000,000 maximum principal amount of Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026 (the "Bonds"), we hereby further certify as follows, as of February __, 2026:

MATTERS CONCERNING AUTHORIZATION

1. Due Organization. The City is a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri.

2. Transcript of Proceedings. The transcript of proceedings (the "Transcript") relating to the authorization and issuance of the Bonds furnished to the Purchaser of the Bonds includes a true and correct copy of the proceedings had by the City Council and other records, proceedings and documents relating to the issuance of the Bonds; said Transcript is to the best of our knowledge, information and belief full and complete; such proceedings of the City shown in said Transcript have not been modified, amended or repealed and are in full force and effect as of the date hereof; said Transcript has been duly filed in the official records of the City.

3. Meetings. All meetings of the City Council as shown in the Transcript were regular meetings, or were held pursuant to regular adjournment at the next preceding meeting, or were special meetings duly called as shown in the Transcript, and each such meeting was duly held, was open to the public at all times and a quorum was present throughout. At all such meetings where required, proper notice of the time, place and purposes of each such meeting was given to the City Council or was waived and proper notice was given to the public as required by law. The notices of meetings contained in the Transcript were posted at least 24 hours prior to the commencement of the meetings on a bulletin board or other prominent place which is easily accessible to the public and clearly designated for posting notices at City Hall, the principal office and meeting place of the City Council, and were made available at least 24 hours prior to the commencement of said meetings to any representative of the news media who requested notice of the meetings.

4. Incumbency of Officers. The following named persons were and are the duly elected or appointed, qualified and acting officers of the City at all times except as otherwise indicated during the proceedings relating to the authorization and issuance of the Bonds, as follows:

<u>Name</u>	<u>Title</u>
Rory Rowland	Mayor
Susanne Holland	City Clerk
Lisa Reynolds	Interim City Manager

The duly elected Councilmembers at the time of approval of the Ordinance described herein were as shown in the minutes of meeting included in the Transcript.

5. Approval of Plan for the Project. Pursuant to Ordinance No. _____ passed by the City Council (the "Ordinance"), the City approved a Plan for an Industrial Development Project for the Nebius Project (the "Plan") pursuant to Chapter 100 of the Revised Statutes of Missouri, as amended (the "Act"). A portion of the Plan (the "Project") will be undertaken by Missouri ADC Holdings, LLC, a Delaware limited liability company (the "Company"). The Plan meets the requirements of Section

100.050 of the Act, and all of the affected taxing jurisdictions were provided notice of the proposed Project in accordance with the Act.

6. Location of Project. The Project will be located entirely within the corporate limits of the City.

7. Bonds Issued for the Company. Except for the Bonds, the City has not authorized or issued any obligations of any kind or character whatsoever payable out of the revenues, or the pledge thereof, under the hereafter referred to Lease.

8. Non-Litigation. There is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised, or may be raised, questioning, disputing or affecting in any way the legal organization of the City, or the right or title of any of its officers or Councilmembers to their respective offices, or the legality of any official act shown to have been done in the Transcript evidencing the authorization and issuance of the Bonds, or the constitutionality or validity of the obligations represented by the Bonds, or the validity of the Bonds or any of the proceedings had in relation to the authorization, issuance or sale thereof.

MATTERS CONCERNING ISSUANCE, SALE AND DELIVERY

1. Execution of Documents. The following documents (the “City Documents”) have been duly authorized, executed and delivered in the name and on behalf of the City by its duly authorized officers, pursuant to and in full compliance with the Ordinance:

(a) Trust Indenture dated as of February 1, 2026 (the “Indenture”), between the City and BOKF, N.A., as trustee (the “Trustee”);

(b) Lease Agreement dated as of February 1, 2026 (the “Lease”), between the City and the Company;

(c) Bond Purchase Agreement dated as of February 1, 2026 (the “Bond Purchase Agreement”), between the City and Missouri ADC Holdings, LLC, as the purchaser of the Bonds; and

(d) Performance Agreement dated as of February 1, 2026 (the “Performance Agreement”), between the City and the Company, relating to real property tax abatement and payments in lieu of taxes relating to real property.

The copies of the City Documents contained in the Transcript are true, complete and correct copies or counterparts of the City Documents as executed and delivered by the City, and are in substantially the same form and text as the copies of the City Documents which were before the City Council and approved by the Ordinance. The City Documents have not been amended, modified or rescinded and remain in full force and effect as of the date hereof.

2. Execution of Bonds. We have duly signed and executed, manually or by facsimile, the Bonds in the form of one fully registered Bond in the maximum principal amount of \$6,609,000,000 and on the date of the Bonds, and on the date when said Bonds were executed by us, we were and at the date hereof we are the officials indicated by our signatures on said Bonds, and by our signatures on this Certificate, respectively. The signatures of us and each of us, as such officials, respectively, on said Bonds and on this Certificate, are our true and genuine signatures, and the seal affixed or imprinted on said Bonds at the time of its execution was and is the duly authorized official City seal and was thereto

affixed by the authority and direction of the governing body of the City, and is the seal affixed to this Certificate.

3. Representations in City Documents. Each of the representations of the City made in the City Documents are true and complete in all material respects as of the date hereof as if made on and as of the date hereof, and all agreements to be complied with and obligations to be performed by the City under the City Documents on or prior to the closing date of the Bonds have been complied with and performed.

4. No Legal Violation. The execution and delivery of the City Documents, the performance of the terms thereof by the City and the issuance, sale and delivery of the Bonds will not violate any provision of Missouri law, or any resolution or ordinance of the City, or any applicable judgment, order, rule or regulation of any court or of any public or governmental agency or authority, and will not conflict with, violate or result in the breach of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust or other agreement or instrument to which the City is a party, or by which it or its properties are bound.

5. Approvals. All approvals, consents, authorizations and orders required to be obtained by the City in connection with the issuance, sale and delivery of the Bonds and the execution and delivery of the City Documents and the performance of the terms thereof by the City have been duly obtained.

6. No Offers by City. Neither the City, nor any authorized representative of the City is engaged in any transaction involving the marketing of the Bonds to the public in a manner that would cause the Bonds to be subject to Securities and Exchange Commission Rule 15c2-12.

7. Information. The purchasers of the Bonds have had ample opportunity to ask questions of, and to receive answers from, officers or other representatives of the City concerning the offer for sale and purchase of the Bonds.

8. Request to Authenticate and Deliver the Bonds; Closing Price. Pursuant to **Section 208(c)(4)** of the Indenture, the Trustee is hereby requested and authorized by the City to authenticate the Bonds and to deliver such Bonds to the purchaser thereof upon payment to the Trustee for the account of the City of the Closing Price for the Bonds as specified in the Bond Purchase Agreement. The Closing Price for the Bonds shall be the amount of \$_____.

9. Designation of Authorized City Representatives. The City hereby designates the Mayor, (Interim) City Manager, City Clerk and Finance Director (or Chief Financial Officer) as Authorized City Representatives. The City may designate another person to act on behalf of the City as evidenced by written certificate furnished to the Company and the Trustee containing the specimen signature of such person and signed on behalf of the City by the Mayor or the (Interim) City Manager.

10. M.A.P. Filing Authorization. The City hereby authorizes Gilmore & Bell, P.C. to file the information required by §37.850, RSMo, as amended, on the Missouri Accountability Portal website maintained by the State of Missouri Office of Administration.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City has caused this certificate to be executed on its behalf by its duly authorized officers and its seal to be affixed hereto, all as of the date first written above.

Signature

Official Title

Interim City Manager

City Clerk

(Seal)

TRUSTEE'S CLOSING CERTIFICATE

The undersigned, a duly authorized officer of BOKF, N.A., a national banking association with an office in Kansas City, Missouri (the "Trustee"), as Trustee under the Trust Indenture dated as of February 1, 2026 (the "Indenture"), between the Trustee and the City of Independence, Missouri (the "City"), authorizing the issuance of Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026, in the maximum principal amount of \$6,609,000,000 (the "Bonds"), of the City, does hereby certify as follows, as of February ___, 2026:

1. Power and Authority of Trustee. The Trustee is a national banking association duly organized and existing under the laws of the United States of America with an office located in Kansas City, Missouri, and is authorized and empowered to execute and deliver the Indenture and has full power and authority to act as Trustee as provided in the Indenture.

2. Execution of Indenture. The Indenture has been duly executed on behalf of the Trustee by a duly authorized officer of the Trustee, and said person was at the time of the execution of the Indenture and now is the duly elected or appointed, qualified and acting incumbent of such office.

3. Receipt of Documents. The Trustee hereby acknowledges receipt of the documents referred to in **Section 208(c)** of the Indenture which are required to be filed with the Trustee prior to or simultaneously with the delivery of the Bonds.

4. Authentication of Bonds. Pursuant to and in accordance with the provisions of **Section 205** of the Indenture and the written request and authorization of the City, prior to the delivery of the Bonds, the Certificates of Authentication on the Bonds so delivered were signed on behalf of the Trustee by a person, who was at the time of the authentication of the Bonds and still is at the date hereof, a qualified and acting signatory of the Trustee.

5. Delivery of Bonds. The Trustee acknowledges that pursuant to **Section 208(d)** of the Indenture, the Bonds acquired by Missouri ADC Holdings, LLC, a Delaware limited liability company (the "Purchaser") and the original **Schedule I** thereto will be held by the Trustee in trust until directed in writing to deliver the Bonds to or upon the order of the Purchaser.

6. Receipt of Closing Price of the Bonds. The Trustee on this date received on behalf of the City from the purchasers of the Bonds, the closing price of the Bonds.

7. Deposit of Bond Proceeds. The Trustee on this date, in accordance with the requirements of the Indenture, deposited (or is deemed to have deposited in accordance with the terms of the Indenture) the required amount of proceeds of the Bonds into the Project Fund established under the Indenture.

8. Authorization of Officers. The officers of the Trustee referred to in paragraphs (2) and (4) hereof were at the time of the acts above-mentioned, and are at the date hereof, duly elected or appointed, qualified and acting signatories of the Trustee and duly authorized to perform the acts referred to in such paragraphs.

9. Anti-Discrimination. The undersigned hereby certifies and agrees that, to the extent that the "Anti -discrimination Against Israel Act," Section 34.600, Revised Statutes of Missouri (the "Israel Act"), is applicable to any contract entered into with the City in connection with the Bonds, the Trustee is not currently engaged in and shall not, for the duration of such contract, engage in a boycott of goods or

services from the State of Israel ("Israel"), companies doing business in or with Israel or authorized by, licensed by or organized under the laws of Israel or persons or entities doing business with Israel, in all respects within the meaning of the Israel Act. Failure to comply with the foregoing certification shall be enforceable in accordance with the terms of such contract. The foregoing certification shall not be deemed an admission or agreement that the Israel Act is applicable to the aforesaid contracts but the foregoing certification is enforceable if the Israel Act is applicable. If the Israel Act is determined not to apply to the applicable contract for any reason including the repeal or amendment of the Israel Act or any ruling of a court of competent jurisdiction as to the unenforceability or invalidity of the Israel Act, then the certification shall be of no effect.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, BOKF, N.A., as Trustee, has caused this certificate to be executed and attested by its duly authorized officers as of the date first stated above.

BOKF, N.A.,
as Trustee

[SEAL]

By _____
Name:
Title:

ATTEST:

By _____
Name:
Title:

COMPANY'S CLOSING CERTIFICATE

I, the undersigned, hereby certify that I am the _____ of Missouri ADC Holdings, LLC, a Delaware limited liability company (the "Company"), and I am familiar with the books and records of the Company. In connection with the issuance of Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026 in the maximum principal amount of \$6,609,000,000 (the "Bonds"), by the City of Independence, Missouri (the "City"), I hereby further certify as follows, as of February ___, 2026:

1. ORGANIZATION AND AUTHORITY

1.1. Due Organization. The Company is a limited liability company duly organized and in good standing under the laws of the State of Delaware and is in good standing under the laws of and authorized to do business in the State of Missouri.

1.2. Certificate of Formation and Operating Agreement. The copy of the Certificate of Formation of the Company contained in the Transcript relating to the authorization of the issuance of the Bonds (the "Transcript") is a true, complete and correct copy of said Certificate of Formation, as certified by the Secretary of State of the state in which the Company was formed, and said Certificate of Formation has not been further amended and is in full force and effect as of the date hereof. The copy of the Operating Agreement of the Company contained in the Transcript is a true, complete and correct copy of said Operating Agreement and said Operating Agreement has not been further amended and is in full force and effect as of the date hereof.

1.3. Incumbency of Officer. The persons whose signatures are shown on the signature page(s) to this Certificate were on the date or dates of the execution of the documents listed in **Section 2.2** below, and are on this date, duly authorized to execute the documents listed in **Section 2.2** below.

2. BOND TRANSCRIPTS AND LEGAL DOCUMENTS

2.1. Transcript of Proceedings. A true and correct copy of the proceedings had by the Company and other Company records, proceedings and documents relating to the issuance of the Bonds will be provided for inclusion in the Transcript. Such records, proceedings and documents of the Company are, to the best of my knowledge, information and belief, full and complete, and such records, proceedings and documents of the Company have not been modified, amended or repealed and are in full force and effect as of the date hereof.

2.2. Execution of Documents. The following documents (the "Company Documents") have been executed and delivered in the name and on behalf of the Company by the undersigned, pursuant to and in full compliance with a Resolution adopted by the board of directors of the Company by written action as shown in the Transcript:

- (a) Lease Agreement dated as of February 1, 2026 (the "Lease"), between the City and the Company;
- (b) Bond Purchase Agreement dated as of February 1, 2026 (the "Bond Purchase Agreement"), between the City and Missouri ADC Holdings, LLC, as purchaser of the Bonds (the "Purchaser");

- (c) Performance Agreement dated as of February 1, 2026 (the “Performance Agreement”), between the City and the Company; and
- (d) Special Warranty Deed dated February ___, 2026 (the “Deed”), from the Company in favor of the City.

The copies of the Company Documents contained in the Transcript are true, complete and correct copies or counterparts of the Company Documents as executed and delivered by the Company. The Company Documents have not been amended, modified or rescinded and are in full force and effect as of the date hereof.

2.3. Representations in Company Documents. Each of the representations of the Company set forth in the Company Documents are true and correct in all material respects as of the date hereof, as if made on the date hereof, and all covenants and conditions to be complied with and obligations to be performed by the Company under the Company Documents have been complied with and performed.

2.4. Representations Required by the Bond Purchase Agreement. The Company makes the following representations required by Section 3(c) of the Bond Purchase Agreement: (i) no litigation, proceeding or investigation is pending against the Company or its affiliates or, to the knowledge of the Company, threatened which would (A) contest, affect, restrain or enjoin the issuance, validity, execution, delivery or performance of the Bonds, or (B) in any way contest the existence or powers of the Company, (ii) no litigation, proceeding or investigation is pending or, to the knowledge of the Company, threatened against the Company that could reasonably be expected to adversely affect its ability to perform its obligations hereunder, and (iii) the representations and warranties of the Company in the Bond Purchase Agreement were and are true and correct in all material respects and not misleading as of the date made and as of the date hereof. All agreements to be complied with and obligations to be performed by the City under the Bond Purchase Agreement on or prior to the date hereof have been complied with and performed.

2.5. Authorized Company Representative. The Company appoints those persons designated on the signature page hereto as Authorized Company Representatives, as such term is defined in the Trust Indenture dated as of February 1, 2026, whose signature appears on the signature page of this Certificate.

3. THE PROJECT

3.1. Description and Location of Project. The proceeds of the Bond are to be used by the City for the purpose of paying costs of acquiring, constructing and improving certain real property located at and surrounding 501 North Bly Road in the City.

3.2. Insurance for the Project. The Company hereby represents and warrants that it has satisfied the insurance requirements set forth in **Article VII** of the Lease. The Trustee may conclusively rely on this Certificate for purposes of confirming current compliance with **Article VII** of the Lease without further investigation.

4. USE OF BOND PROCEEDS; CLOSING PRICE

4.1. Use of Bond Proceeds. The Bonds are being issued to provide funds to permit the Company to finance costs of the Project.

4.2. Closing Price. The Company hereby agrees that the Closing Price of the Bonds shall be

\$ _____.

5. LEGAL COUNSEL

5.1. Legal Counsel. I, the undersigned, have been counseled by the Company's legal counsel as to the purpose of the foregoing certifications and the meanings of the matters set forth in the foregoing certifications. I understand that such certifications will be relied upon by the City in the issuance of the Bonds and by the law firm of Gilmore & Bell, P.C. in rendering its opinion as to validity of the issuance of the Bonds. I understand that Gilmore & Bell, P.C. has represented the City, and only the City, in connection with the issuance of the Bonds and the transactions described in the Transcript and has made no representation to the Company as to the effect of any incentive related to such transactions.

6. ANTI -DISCRIMINATION AGAINST ISRAEL ACT.

6.1. Anti-Discrimination. The undersigned hereby certifies and agrees that, to the extent that the "Anti -discrimination Against Israel Act," Section 34.600, Revised Statutes of Missouri (the "Israel Act"), is applicable to any contract entered into with the City in connection with the Bonds, the Company is not currently engaged in and shall not, for the duration of such contract, engage in a boycott of goods or services from the State of Israel ("Israel"), companies doing business in or with Israel or authorized by, licensed by or organized under the laws of Israel or persons or entities doing business with Israel, in all respects within the meaning of the Israel Act. Failure to comply with the foregoing certification shall be enforceable in accordance with the terms of such contract. The foregoing certification shall not be deemed an admission or agreement that the Israel Act is applicable to the aforesaid contracts but the foregoing certification is enforceable if the Israel Act is applicable. If the Israel Act is determined not to apply to the applicable contract for any reason including the repeal or amendment of the Israel Act or any ruling of a court of competent jurisdiction as to the unenforceability or invalidity of the Israel Act, then the certification shall be of no effect.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned has executed this Certificate on behalf of the Company as of the date first stated above.

MISSOURI ADC HOLDINGS, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

Authorized Company Representative:

[signature above] _____
Name:
Title:

[Optional Additional Appointee]

Authorized Company Representative:

Name:
Title:

[Optional Additional Appointee]

Authorized Company Representative:

Name:
Title:

COMPANY'S AFFIDAVIT

STATE OF _____)
) SS
COUNTY OF _____)

AFFIDAVIT

The undersigned is over the age of 18 years and has personal knowledge of the matters stated herein. I hereby affirm the enrollment and participation by _____, an entity affiliated with Missouri ADC Holdings, LLC, a Delaware limited liability company (the "*Company*"), in a "federal work authorization program" as defined in Section 285.525 of the Revised Statutes of Missouri, as amended, with respect to the employees working in connection with a project consisting of constructing and improving certain real property located at and surrounding 501 North Bly Road in the City of Independence, Missouri (the "*Project*"). The Company does not knowingly employ any person who is an "unauthorized alien" as defined in Section 285.525 of the Revised Statutes of Missouri, as amended, in connection with the Project.

Further Affiant Sayeth Not.

MISSOURI ADC HOLDINGS, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

ACKNOWLEDGMENT

On this ____ of _____, before me, appeared _____, who being duly sworn did say that (s)he is the _____ of **Missouri ADC Holdings, LLC**, a Delaware limited liability company, and that said instrument was signed and sealed on behalf of said limited liability company, and such person acknowledged said instrument to be the free act and deed of said limited liability company

IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my official seal the day and year first above written.

Notary Public

My Commission expires: _____.

Stamp here:

Company's Affidavit
Independence, Missouri / Nebius Project - Real Property

REQUISITION CERTIFICATE

TO: BOKF, N.A., AS TRUSTEE UNDER A TRUST INDENTURE DATED AS OF FEBRUARY 1, 2026, BETWEEN THE CITY OF INDEPENDENCE, MISSOURI, AND THE TRUSTEE, AND LEASE AGREEMENT DATED AS OF FEBRUARY 1, 2026, BETWEEN THE CITY OF INDEPENDENCE, MISSOURI, AND MISSOURI ADC HOLDINGS, LLC

The undersigned Authorized Company Representative requests that the total shown on **Schedule 1** be paid for Project Costs (as defined in said Lease) in such amounts, to such payees and for such purposes as set forth on **Schedule 1** attached hereto.

We hereby state and certify that: (i) the amounts requested are or were necessary and appropriate in connection with the construction and improvement of the Project, have been properly incurred and are a proper charge against the Project Fund, and have been paid by or are justly due to the persons whose names and addresses are stated on **Schedule 1**, and have not been the basis of any previous requisition from the Project Fund; (ii) as of this date, except for the amounts referred to above, there are no, to the best of our knowledge, outstanding statements which are due and payable for labor, wages, materials, supplies or services in connection with the construction and improvement of the Project which, if unpaid, might become the basis of a vendors', mechanics', laborers' or materialmen's statutory or similar lien upon the Project or any part thereof; and (iii) no part of the several amounts paid or due as stated above has been or is being made the basis for the withdrawal of any moneys from the Project Fund in any previous or pending application for payment made pursuant to said Lease.

With respect to this disbursement, the undersigned (i) certifies it has reviewed any wire instructions set forth herein to confirm such wire instructions are accurate, and (ii) agrees it will not seek recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with its instructions herein.

MISSOURI ADC HOLDINGS, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

SCHEDULE 1 TO REQUISITION CERTIFICATE

\$6,609,000,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
CITY OF INDEPENDENCE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(NEBIUS PROJECT - REAL PROPERTY)
SERIES 2026

PROJECT COSTS

Costs of issuance to be paid from Company funds deposited in the Costs of Issuance Fund:

Payee	Description	Amount
Gilmore & Bell, P.C.	Bond Counsel fees and expenses	\$13,163
City of Independence, Missouri	Bond issuance fee	175,501
BOKF, N.A.	Trustee fees and expenses	
Total		\$

Project Costs to be deemed funded pursuant to Section 208(e) of Indenture (Project Fund):

Payee	Description	Amount
Missouri ADC Holdings, LLC	Reimbursement for land acquisition costs	\$208,000,000

Missouri ADC Holdings, LLC, as Purchaser of the Series 2026 Bond and as Lessee under the Lease Agreement, hereby requests that the Cumulative Outstanding Principal Amount of the Series 2026 Bond be increased by the amount shown immediately above pursuant to Section 208(e) of the Indenture, in lieu of payment from the Project Fund.



2405 Grand Boulevard, Suite 1100
Kansas City, Missouri 64108-2521

(816) 221-1000 / (816) 221-1018 FAX / gilmorebell.com

February __, 2026

City of Independence, Missouri
Independence, Missouri

BOKF, N.A., as Trustee
Kansas City, Missouri

Missouri ADC Holdings, LLC
[**City, State**]

Re: \$6,609,000,000 Maximum Principal Amount of City of Independence, Missouri, Taxable
Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Independence, Missouri (the “City”) in connection with the issuance by the City of its Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026, in the maximum principal amount of \$6,609,000,000 (the “Bonds”). The Bonds will bear interest, will mature and will be subject to redemption and payment prior to maturity as set forth in the hereinafter referred to Indenture. The principal of and interest on the Bonds are payable at the payment office of BOKF, N.A., as trustee (the “Trustee”), or as otherwise provided for in a Trust Indenture dated as of February 1, 2026 (the “Indenture”), between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture.

The Bonds have been authorized and issued under and pursuant to the Act and the Indenture for the purpose of providing funds to pay costs of the Project described in the Indenture.

We have examined a certified transcript of proceedings relating to the authorization and issuance of the Bonds, which transcript includes, among other documents and proceedings, the following:

- (i) Ordinance No. _____ passed by the City Council of the City on _____, 2026;
- (ii) Trust Indenture dated as of February 1, 2026, between the City and BOKF, N.A.;
- (iii) Lease Agreement dated as of February 1, 2026, between the City and Missouri ADC Holdings, LLC, a Delaware limited liability company (the “Company”);
- (iv) Bond Purchase Agreement dated as of February 1, 2026, between the City and Missouri ADC Holdings, LLC, as purchaser of the Bonds; and

(v) Performance Agreement dated as of February 1, 2026, between the City and the Company.

We have also examined the Constitution and statutes of the State of Missouri, insofar as the same relate to the authorization and issuance of the Bonds and the authorization, execution and delivery of the documents referred to in paragraphs (ii) through (v) above (collectively, the “Bond Documents”).

Reference is made to the opinion of counsel to the Company, of even date herewith with respect to, among other matters, (a) the due organization of the Company, (b) the good standing and qualification to do business of the Company, (c) the power of the Company to enter into and perform its obligations under the Bond Documents to which it is a party, and (d) the due authorization, execution and delivery of the Bond Documents by the Company and the binding effect and enforceability thereof against the Company.

Based upon such examination, we are of the opinion, as of the date hereof, as follows:

1. The City is a constitutional charter city and municipal corporation of the State of Missouri and has lawful power and authority to issue the Bonds and to enter into the Bond Documents and to perform its obligations thereunder.

2. The Bonds are in proper form and have been duly authorized in accordance with the Constitution and statutes of the State of Missouri, including the Act, and constitute valid and legally binding special obligations of the City.

3. The Bond Documents have been duly authorized, executed and delivered by the City and constitute valid and legally binding agreements of the City enforceable against the City in accordance with the respective provisions thereof.

We have not undertaken nor have we been engaged to review the accuracy, completeness or sufficiency of any offering material relating to the Bonds and we express no opinion relating thereto.

We express no opinion regarding federal or state tax consequences arising with respect to the Bonds. This opinion is limited to the laws of the State of Missouri and applicable laws of the United States.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Documents may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,

[FORM OF OPINION OF COMPANY’S COUNSEL]

February __, 2026

City of Independence, Missouri
Independence, Missouri

Gilmore & Bell, P.C.
Kansas City, Missouri

BOKF, N.A., as Trustee
Kansas City, Missouri

Re: \$6,609,000,000 Maximum Principal Amount of City of Independence, Missouri, Taxable
Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026

Ladies and Gentlemen:

We have acted as counsel for Missouri ADC Holdings, LLC, a Delaware limited liability company (the “Company”), and as such, we have examined the following in connection with the issuance and sale of the above-referenced series of bonds (the “Bonds”):

- (a) Certificate of Formation of the Company, Operating Agreement of the Company, and a certified copy of the resolution of the Company dated _____, 2026 (the “Resolution”);
- (b) Lease Agreement dated as of February 1, 2026, between the Company and the City of Independence, Missouri (the “City”), as lessor;
- (c) Bond Purchase Agreement dated as of February 1, 2026, between the City and Missouri ADC Holdings, LLC, as purchaser of the Bonds;
- (d) Performance Agreement dated as of February 1, 2026, by and between the City and the Company;
- (e) Special Warranty Deed dated February __, 2026 (the “Deed”), from the Company in favor of the City; and
- (f) such other records and instruments of the Company, together with applicable certificates of public officials as we deem relevant in rendering this opinion.

The documents referred to in paragraphs (b) through (e) above are collectively referred to as the “Company’s Documents.”

Based upon examination of the above-referenced documents, we are of the opinion that:

1. The Company has been duly organized and is a validly existing limited liability company in good standing under the laws of the State of Delaware and is in good standing under the laws of and authorized to do business in the State of Missouri.

2. The Company's Documents have been duly authorized by all requisite action on the part of the Company and each such document has been duly executed and delivered by on behalf of the Company by duly authorized officers of the Company, and constitute the Company's valid and binding obligations, enforceable in accordance with their respective terms (except as such enforceability may be limited by any bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally).

3. The execution, delivery and compliance with the provisions of the Company Documents by the Company have not and will not (with the passage of time or the giving of notice, or both) result in or constitute a breach of or default under any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Company is a party or by which it or any of its property is bound, or violate any provision of the Certificate of Formation or Operating Agreement of the Company, or of any constitutional or statutory provision, or of any order, rule or regulation of any court or governmental authority applicable to the Company or its property.

4. All consents, approvals, authorizations or orders of, or registrations or filings with, any court or governmental agency or body required with respect to the Company for the valid execution and delivery by the Company of, or the performance of its obligations under, the Company Documents have been obtained or made.

5. There is no action, suit or other proceeding pending or, to the best of our knowledge, threatened against the Company, at law or in equity or before any governmental authority, which might adversely affect the validity or enforceability of the Company Documents or the ability of the Company to perform its obligations under the Company Documents, or which might adversely affect the condition, financial or otherwise, of the Company.

6. The law covered by the opinions expressed herein is limited solely to the laws of the State of Missouri and federal law of the United States of America.

Very truly yours,

(The above space is reserved for Recorder's Certification.)

TITLE OF DOCUMENT: SPECIAL WARRANTY DEED

DATE OF DOCUMENT: February ___, 2026

GRANTOR: MISSOURI ADC HOLDINGS, LLC

GRANTOR'S MAILING ADDRESS: _____

GRANTEE: CITY OF INDEPENDENCE, MISSOURI

GRANTEE'S MAILING ADDRESS: 111 E. Maple Ave.
Independence, MO, 64050
Attention: City Clerk

RETURN DOCUMENTS TO: David Martin
Gilmore & Bell, P.C.
2405 Grand Boulevard, Suite 1100
Kansas City, Missouri 64108

LEGAL DESCRIPTION: See Exhibit A.

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED, made as of the “Date of Document” stated on the cover page hereto, from **MISSOURI ADC HOLDINGS, LLC**, a Delaware limited liability company (the “Grantor”), to the **CITY OF INDEPENDENCE, MISSOURI**, a political subdivision and body corporate organized and existing under the laws of the State of Missouri (the “Grantee”), having its mailing address as stated on the cover page hereto.

WITNESSETH, THAT THE GRANTOR, in consideration of the sum of One Dollar (\$1.00) and other valuable considerations to it paid by the Grantee (the receipt of which is hereby acknowledged) does by these presents, **SELL** and **CONVEY** unto the Grantee, its successors and assigns, the lots, tracts or parcels of land described in **Exhibit A** attached hereto.

TO HAVE AND TO HOLD, the premises aforesaid, with all and singular the rights, privileges, appurtenances and immunities thereto belonging or in any way appertaining unto the Grantee and unto its successors and assigns forever; the Grantor hereby covenanting that the said premises are free and clear from any encumbrance done or suffered by it, except for those encumbrances, easements, covenants and restrictions evidenced on the public record; and that it will warrant and defend the title to said premises unto the Grantee and unto the Grantee’s successors and assigns forever, against the lawful claims and demands of all persons claiming under Grantor and no other.

PROVIDED THAT, it is the intent of the Grantor and the Grantee that Grantee’s interest in any easements or rights of way held by the Grantee in all or any portion of the premises aforesaid shall not be merged with the fee simple ownership of such property conveyed to the Grantee pursuant to this Deed, but each shall remain a separate a distinct interest of the Grantee.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Grantor has executed this Special Warranty Deed as of the day and year above written.

GRANTOR:

MISSOURI ADC HOLDINGS, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF _____)
) SS:
COUNTY OF _____)

On this _____ day of _____, 2026, before me, appeared _____, who being duly sworn did say that (s)he is the _____ of **Missouri ADC Holdings, LLC**, a Delaware limited liability company, and that said instrument was signed and sealed on behalf of said limited liability company, and such person acknowledged said instrument to be the free act and deed of said limited liability company

IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my official seal the day and year first above written.

My Commission expires: _____.

Notary Public

Stamp here:

THE FOREGOING DEED IS HEREBY ACKNOWLEDGED AND ACCEPTED.

CITY OF INDEPENDENCE, MISSOURI

By: _____
Name: Lisa Reynolds
Title: Interim City Manager

[SEAL]

ATTEST:

By: _____
Name: Susanne Holland
Title: City Clerk

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF JACKSON)

On this _____ day of _____, 2026, before me, the undersigned, a Notary Public, appeared **LISA REYNOLDS**, to me personally known, who, being by me duly sworn, did say that she is the **INTERIM CITY MANAGER** of the **CITY OF INDEPENDENCE, 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 on behalf of said City by authority of its governing body, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Typed or Printed Name: _____
Notary Public in and for said State

[SEAL]

My commission expires: _____

EXHIBIT A

PROJECT SITE

The following described real estate located in Jackson County, Missouri:

[**INSERT LEGAL DESCRIPTION**]

PURCHASER'S REPRESENTATION LETTER

City of Independence, Missouri
111 E. Maple Ave.
Independence, MO, 64050
Attention: City Manager

BOKF, N.A., as Trustee
2405 Grand Blvd, Ste 840
Kansas City, MO 64108
Attn: Corporate Trust Department

Re: \$6,609,000,000 Maximum Principal Amount of Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026 of the City of Independence, Missouri

Ladies and Gentlemen:

In connection with the purchase of the above-referenced Bonds (the "Bonds"), the undersigned purchaser of the Bonds (the "Purchaser") hereby represents, warrants and agrees as follows, as of February __, 2026:

1. The Purchaser fully understands that (a) the Bonds have been issued under and pursuant to a Trust Indenture dated as of February 1, 2026 (the "Indenture"), between the City of Independence, Missouri (the "City") and BOKF, N.A., Kansas City, Missouri, as trustee (the "Trustee"), and (b) the Bonds are payable solely out of certain rents, revenues and receipts to be derived from the leasing or sale of the Project (as defined in the Indenture) to Missouri ADC Holdings, LLC, a Delaware limited liability company (the "Company"), under a Lease Agreement dated as of February 1, 2026 (the "Lease"), between the City and the Company, with certain of such rents, revenues and receipts being pledged and assigned by the City to the Trustee under the Indenture to secure the payment of the principal of and interest on the Bonds.

2. The Purchaser understands that the Bonds have not been registered under the Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any state and will be sold to the Purchaser in reliance upon certain exemptions from registration and in reliance upon the representations and warranties of the Purchaser set forth herein.

3. The Purchaser understands that the Bonds are transferable only in the manner provided for in the Indenture and discussed below and warrants that it is acquiring the Bonds for its own account with the intent of holding the Bonds as an investment, and the acquisition of the Bonds is not made with a view toward their distribution or for the purpose of offering, selling or otherwise participating in a distribution of the Bonds.

4. The Purchaser agrees not to attempt to offer, sell, hypothecate or otherwise distribute the Bonds to others unless authorized by the terms of the Indenture and upon receipt of any required opinion

of counsel acceptable to the City, the Company, the Trustee and the Purchaser that all registration and disclosure requirements of the Securities and Exchange Commission and all other appropriate federal and Missouri securities laws and the securities law of any other applicable state are complied with.

5. The Company has (a) furnished to the Purchaser such information about itself as the Purchaser deems necessary in order for it to make an informed investment decision with respect to the purchase of the Bonds, (b) made available to the Purchaser, during the course of this transaction, ample opportunity to ask questions of, and to receive answers from, appropriate officers of the City and the terms and conditions of the offering of the Bonds, and (c) provided to the undersigned all additional information which it has requested.

6. The Purchaser acknowledges that no offering document has been prepared in connection with the sale of the Bonds. The Purchaser further acknowledges that it has timely received in satisfactory form and manner all proceedings, certificates, opinions, letters and other documents required to be submitted to the Purchaser pursuant to the Bond Purchase Agreement prior to or on the date of the delivery of and payment for the Bonds, and that the City and the Company have in all respects complied with and satisfied all of their respective obligations to the Purchaser which are required under the Bond Purchase Agreement to be complied with and satisfied on or before such date.

7. The Purchaser is now, and was when it agreed to purchase the Bonds, familiar with the operations of the Company and fully aware of terms and risks of the Bonds and that the Purchaser is relying on its own knowledge and investigation of facts and circumstances relating to the purchase of the Bonds. The Purchaser believes that the Bonds being acquired are a security of the type that the Purchaser wishes to purchase and hold for investment and that the nature and amount thereof are consistent with its investment program.

8. The Purchaser is fully aware of and satisfied with (i) the current status of the title to the Project and any issues related thereto and (ii) the terms, amounts and providers of the insurance maintained pursuant to **Article VII** of the Lease, and the undersigned is purchasing the Bonds with full knowledge of such matters.

9. The Purchaser understands and agrees that the interest on the Bonds *is* subject to federal and state income taxation.

10. The Purchaser hereby directs the Trustee to hold the Bonds in trust for the undersigned pursuant to **Section 208** of the Indenture.

MISSOURI ADC HOLDINGS, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

(The above space is reserved for Recorder's Certification.)

TITLE OF DOCUMENT: MEMORANDUM OF LEASE AGREEMENT

DATE OF DOCUMENT: February 1, 2026

GRANTOR: CITY OF INDEPENDENCE, MISSOURI

GRANTOR'S MAILING ADDRESS: 111 E. Maple Ave.
Independence, MO, 64050
Attention: City Clerk

GRANTEE: MISSOURI ADC HOLDINGS, LLC

GRANTEE'S MAILING ADDRESS: _____

RETURN DOCUMENTS TO: David Martin
Gilmore & Bell, P.C.
2405 Grand Boulevard, Suite 1100
Kansas City, Missouri 64108

LEGAL DESCRIPTION: See **Exhibit A**

This document contains a consent to mechanics' liens.

THIS MEMORANDUM OF LEASE AGREEMENT, gives notice of, ratifies and confirms the Lease Agreement dated as of February 1, 2026 (the “Lease”), between the **CITY OF INDEPENDENCE, MISSOURI**, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri (the “City”), as lessor and grantor, and **MISSOURI ADC HOLDINGS, LLC**, a Delaware limited liability company (the “Company”), as lessee;

RECITALS:

1. The City is authorized under Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200 of the Revised Statutes of Missouri, as amended (the “Act”), to purchase, construct, extend and improve certain projects and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, warehousing, office industry and industrial development purposes upon such terms and conditions as the City shall deem advisable.

2. Pursuant to the Act, the City Council passed an ordinance (the “Ordinance”) on _____, 2026, authorizing the City to issue its Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026, in the maximum principal amount of \$6,609,000,000 (the “Bonds”), for the purpose of acquiring, constructing and improving certain real property located at and surrounding 501 North Bly Road in the City (the “Project Site,” as more fully described on **Exhibit A** hereto), including the construction and improvement of multiple buildings with a combined square footage of approximately 2,100,000 square feet on the Project Site (the “Project Improvements,” as more fully described on **Exhibit B** hereto).

3. Pursuant to the Ordinance, the City is authorized to enter into a Trust Indenture of even date herewith (the “Indenture”) with BOKF, N.A., Kansas City, Missouri, as Trustee (the “Trustee”), for the purpose of issuing and securing the Bonds, as therein provided, and to enter into the Lease with the Company under which the City will construct and improve the Project Improvements, and lease the Project Site and the Project Improvements as they may at any time exist (collectively, the “Project”), to the Company in consideration of rental payments by the Company that will be sufficient to pay the principal of and interest on the Bonds.

4. In consideration of the terms and conditions of the Lease, the Ordinance, the issuance of the Bonds and certain other agreements, the City and the Company have concurrently herewith entered into a Performance Agreement of even date herewith (the “Performance Agreement”), pursuant to which the Company has agreed to make certain payments in lieu of taxes.

5. Pursuant to the foregoing, the City desires to lease the Project to the Company and the Company desires to lease the Project from the City, for the rentals and upon the terms and conditions set forth hereinafter and in the Lease.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements contained in the Lease, the City and Company do represent, covenant and agree as follows:

1. **Granting of Leasehold Estate.** The City hereby exclusively rents, leases and lets the Project to the Company, and the Company hereby rents, leases and hires the Project from the City, subject to Permitted Encumbrances existing as of the date of the execution and delivery hereof, for the rentals and upon and subject to the terms and conditions herein contained.

2. **Lease Term.** The Lease shall become effective upon its execution and delivery. Subject to earlier termination pursuant to the provisions of the Lease, the lease of the Project shall commence as of the date of delivery of the Lease and terminate on **December 1, 2046**.

3. **Basic Rent.** The Company covenants and agrees to pay to the Trustee in same day funds for the account of the City during the Lease Term, for deposit in the Bond Fund on or before 10:00 a.m., Trustee's local time, on or before each December 1, commencing **December 1, 2026** and continuing until the principal of and interest on the Bonds shall have been fully paid, an amount which, when added to any collected funds then on deposit in the Bond Fund and available on such Payment Date, shall be equal to the total amount payable on each December 1 as interest on the Bonds. On **December 1, 2046** (or such earlier date as the Company may elect to redeem the Bonds), the Company shall also pay an amount equal to all principal then due on the Bonds in connection with such maturity or redemption. All payments of Basic Rent shall be paid directly to the Trustee and shall be deposited in accordance with the provisions of the Indenture into the Bond Fund and shall be used and applied by the Trustee in the manner and for the purposes set forth in the Lease and the Indenture, provided that if the Company is the Owner of all the Bonds Outstanding, payment of Basic Rent may be made via a transaction entry on the trust records held by the Trustee and the Paying Agent consistent with the Indenture.

4. **Option to Purchase the Project.** The Company shall have, and is hereby granted, the option to purchase the Project at any time, upon payment in full of all Bonds then outstanding or provision for their payment having been made pursuant to the Indenture. The purchase price payable by the Company in the event of its exercise of the option is set forth in the Lease.

5. **Definition of Terms.** Capitalized terms not defined herein shall have the meanings ascribed thereto in the Indenture and the Lease.

6. **Consent to Mechanics' Liens.** The City hereby consents to the subjection of the Project and Project Site to the attachment of mechanics' liens filed under Chapter 429 of the Revised Statutes of Missouri.

[Remainder of Page Intentionally Left Blank.]

CITY OF INDEPENDENCE, MISSOURI

By: _____
Name: Lisa Reynolds
Title: Interim City Manager

[SEAL]

ATTEST:

By: _____
Name: Susanne Holland
Title: City Clerk

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF JACKSON)

On this _____ day of _____, 2026, before me, the undersigned, a Notary Public, appeared **LISA REYNOLDS**, to me personally known, who, being by me duly sworn, did say that she is the **INTERIM CITY MANAGER** of the **CITY OF INDEPENDENCE, 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 on behalf of said City by authority of its governing body, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Typed or Printed Name: _____
Notary Public in and for said State

[SEAL]

My commission expires: _____

Memorandum of Lease Agreement
Independence, Missouri / Nebius Project - Real Property

EXHIBIT A

PROJECT SITE

The following described real estate located in Jackson County, Missouri:

[**INSERT LEGAL DESCRIPTION**]

EXHIBIT B

PROJECT IMPROVEMENTS

The Project Improvements consist of the following, to the extent paid for in whole with Bond proceeds:

A data center campus consisting of multiple buildings with a combined square footage of approximately 2,100,000 square feet to be constructed on the Project Site, together with related site improvements. The Project Improvements do not include any machinery or equipment other than fixtures and systems that are incorporated into the construction of the building and the related site improvements.

UCC Info – Secretary of State Filings

Indenture

Debtor:

City of Independence, Missouri
111 E. Maple Ave.
Independence, MO, 64050

Secured Party:

BOKF, N.A.
2405 Grand Blvd, Ste 840
Kansas City, MO 64108
Attn: Corporate Trust Department

Collateral:

ALL PROPERTY INCLUDED IN THE TRUST ESTATE UNDER THAT CERTAIN TRUST INDENTURE DATED AS OF FEBRUARY 1, 2026 RELATING TO DEBTOR'S TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS (NEBIUS PROJECT - REAL PROPERTY), SERIES 2026, BETWEEN DEBTOR AND SECURED PARTY, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, AND PRODUCTS AND PROCEEDS THEREOF, INCLUDING WITHOUT LIMITATION, ACCOUNTS, GENERAL INTANGIBLES, INVESTMENT PROPERTY, CHATTEL PAPER, DEPOSIT ACCOUNTS AND INSTRUMENTS.

**CITY OF INDEPENDENCE, MISSOURI,
As Lessor,**

AND

**NEBIUS, INC.,
As Lessee**

LEASE AGREEMENT

Dated as of February 1, 2026

Relating to:

**\$144,023,000,000
(Aggregate Maximum Principal Amount)
City of Independence, Missouri
Taxable Industrial Development Revenue Bonds
(Nebius Project - Equipment)
Series 2026**

Certain rights of the City of Independence, Missouri (the “City”), in this Lease Agreement have been pledged and assigned to BOKF, N.A., Kansas City, Missouri, as Trustee under the Trust Indenture dated as of February 1, 2026, between the City and the Trustee. Such pledge and assignment does not include the Unassigned Rights (defined in the Indenture).

LEASE AGREEMENT

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LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of February 1, 2026 (the “Lease”), is between the **CITY OF INDEPENDENCE, MISSOURI**, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri, as lessor (the “City”), and **NEBIUS, INC.**, a Delaware corporation, as lessee, and its successors or assigns, as permitted hereunder (the “Company”);

RECITALS:

1. The City is authorized under Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200 of the Revised Statutes of Missouri, as amended (the “Act”), to purchase, construct, extend, improve and equip certain “projects” (as defined in the Act) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, warehousing, office industry and industrial development purposes upon such terms and conditions as the City shall deem advisable.

2. Pursuant to the Act, the City Council passed an ordinance (the “Ordinance”) on _____, 2026, authorizing the City to issue its Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026, in the maximum principal amount of \$144,023,000,000 (the “Bonds”), for the purpose of acquiring and installing certain equipment (the “Project Equipment,” as more fully described on **Exhibit B** hereto) at a site located at and surrounding 501 North Bly Road in the City (the “Project Site,” as more fully described on **Exhibit A** hereto).

3. Pursuant to the Ordinance, the City is authorized to enter into a Trust Indenture of even date herewith (the “Indenture”) with BOKF, N.A., Kansas City, Missouri, as Trustee (the “Trustee”), for the purpose of issuing and securing the Bonds, as therein provided, and to enter into this Lease with the Company under which the City will acquire and install the Project Equipment and lease the Project Equipment to the Company in consideration of rental payments by the Company that will be sufficient to pay the principal of and interest on the Bonds.

4. In consideration of the terms and conditions of this Lease, the Ordinance, issuance of the Bonds and certain other agreements, the City and the Company have concurrently herewith entered into a Performance Agreement of even date herewith (the “Performance Agreement”), pursuant to which the Company has agreed to make certain payments in lieu of taxes.

5. Pursuant to the foregoing, the City desires to lease the Project Equipment to the Company and the Company desires to lease the Project Equipment from the City, for the rentals and upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the City and the Company do hereby represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. In addition to any words and terms defined elsewhere in this Lease and the words and terms defined in **Section 101** of the Indenture which definitions are hereby incorporated herein by reference, and terms defined, the following words and terms as used in this Lease shall have the following meanings:

“Additional Rent” means the additional rental described in **Sections 5.2** and **6.2** of this Lease.

“Basic Rent” means the rental described in **Section 5.1** of this Lease.

“Certificate of Insurance Compliance” means a certificate in substantially the form set forth on **Exhibit D** hereto evidencing the Company’s compliance with the insurance requirements set forth in **Article VII** hereto, fully executed by the Authorized Company Representative and upon which the Trustee may conclusively rely without further investigation or inquiry.

“City Code” means the City’s Code of Ordinances published most recently in 2021, as the same may be amended by the City from time to time.

“Completion Certificate” means a certificate in substantially the form set forth on **Exhibit E** hereto evidencing the Completion Date as set forth in **Article IV** hereto, fully executed by the Authorized Company Representative and upon which the Trustee may conclusively rely without further investigation or inquiry.

“Environmental Law” means and includes the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act, the Superfund Amendments and Reauthorization Act of 1986, any other “Superfund” or “Superlien” law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous materials, as now or at any time hereafter in effect.

“Financing Document” means any loan agreement, credit agreement, indenture, security agreement, mortgage, participation agreement, lease agreement, sublease, ground lease, hedging agreement or other document executed by or on behalf of a Financing Party.

“Financing Party” means any Person providing debt, lease or equity financing or other financing (including equity contributions or commitments) or hedging arrangements, or any renewal, extension or refinancing of any such financing or hedging arrangements, or any guarantee, insurance, letters of credit or credit support for or in connection with such financing or hedging arrangements, in connection with the ownership, purchase, lease, operation or maintenance of the Project Equipment or interests or rights in the Lease, or any part thereof, including any trustee or agent acting on any such Person’s behalf.

“Full Insurable Value” means the actual replacement cost of the Project Equipment less physical depreciation as determined in accordance with **Section 7.1(a)** hereof.

“Lease Term” means the period from the effective date of this Lease until the expiration thereof pursuant to **Section 3.2** hereof.

“Leasehold Security Agreement” means any leasehold security agreement, mortgage, leasehold deed of trust, assignment of rents and leases, security agreement or other agreement relating to the Project Equipment permitted pursuant to the provisions of **Section 10.4** hereof.

“Net Proceeds” means, when used with respect to any insurance or condemnation award with respect to the Project Equipment, the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including reasonable attorneys’ fees, trustee’s fees and any extraordinary expenses of the City and the Trustee) incurred in the collection of such gross proceeds.

“Permitted Encumbrances” means, as of any particular time, as the same may encumber the Project Equipment, (a) liens for ad valorem taxes and special assessments not then delinquent, (b) the Indenture, this Lease, and the Performance Agreement, (c) liens or security interests granted pursuant to any Leasehold Mortgage or any Financing Documents, and (d) liens or security interests granted pursuant to any Leasehold Security Agreement or any Financing Documents.

“Project Equipment” means the personal property to be acquired and installed at the Project Site pursuant to **Article IV** of this Lease and paid for in whole or in part from the proceeds of Bonds, as described in **Exhibit B** attached hereto.

“Project Site” means the location described in **Exhibit A** attached hereto and by this reference made a part hereof.

“Real Property Lease” means the Lease Agreement relating to the Project Site and improvements to be located on the Project Site between the City and the Real Property Lessee.

“Real Property Lessee” means Missouri ADC Holdings, LLC, and its successors and assigns as permitted under the Real Property Lease.

Section 1.2. Rules of Interpretation.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(b) Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing Persons shall include firms, associations and corporations, including governmental entities, as well as natural Persons.

(c) Wherever in this Lease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

(d) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other subdivision.

(e) The Table of Contents and the Article and Section headings of this Lease shall not be treated as a part of this Lease or as affecting the true meaning of the provisions hereof.

(f) Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

Section 1.3. Acceptance of Indenture. The Company acknowledges that it has received an executed copy of the Indenture and that it is familiar with the terms and conditions of the Indenture. The Company further covenants that it will comply with all the conditions and covenants contained in the Indenture relating to the Company and the Project Equipment, and that it will not take any action which would cause a default thereunder or jeopardize the rights of the Trustee, the City or the Bondowners.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by the City. The City makes the following representations as the basis for the undertakings on its part herein contained:

(a) The City is a constitutional charter city and municipal corporation duly organized and validly existing under the laws of the State of Missouri. Under the provisions of the Act, the City has lawful power and authority to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder. By proper action of its governing body, the City has been duly authorized to execute and deliver this Lease, acting by and through its duly authorized officers;

(b) The City agrees to cause the Project Equipment to be acquired and installed on the Project Site. The City agrees to lease the Project Equipment to the Company and sell the Project Equipment to the Company if the Company exercises its option to purchase the Project Equipment or upon termination of this Lease as provided for herein, all for the purpose of furthering the public purposes of the Act;

(c) The acquisition and installation of the Project Equipment and the leasing of the Project Equipment by the City to the Company will further the public purposes of the Act;

(d) To the City’s knowledge, no member of the City Council or any other officer of the City has any significant or conflicting interest, financial, employment or otherwise, in the Company or in the transactions contemplated hereby;

(e) To finance the costs of the Project Equipment, the City proposes to issue the Bonds which will be scheduled to mature as set forth in **Article II** of the Indenture and will be subject to redemption prior to maturity in accordance with the provisions of **Article III** of the Indenture;

(f) The Bonds are to be issued under and secured by the Indenture, pursuant to which the Project Equipment and the net earnings therefrom, including all rents, revenues and receipts to be derived by the City from the leasing or sale of the Project Equipment (except for the Unassigned Rights), will be pledged and assigned to the Trustee as security for payment of the principal of and interest on the Bonds and amounts owing pursuant to the Lease;

(g) The City will not grant security interests in or take any affirmative action that would permit a lien to be placed on the Project Equipment or pledge the revenues derived therefrom for any bonds or other obligations, other than the Bonds, except at the request of or with the written consent of the Authorized Company Representative; and

(h) The City shall have no authority to operate the Project Equipment as a business or in any other manner except as the lessor thereof or potentially as lessee of a portion thereof, except subsequent to an Event of Default hereunder.

Section 2.2. Representations by the Company. The Company makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is in good standing under the laws of and authorized to do business in the State of Missouri;

(b) The Company has lawful power and authority to enter into this Lease and to carry out its obligations hereunder and by proper action of its members the Company has been duly authorized to execute and deliver this Lease, acting by and through its duly authorized officers and representatives;

(c) The execution and delivery of this Lease, the consummation of the transactions contemplated hereby, and the performance of or compliance with the terms and conditions of this Lease by the Company will not, to the best of the Company's knowledge, conflict with or result in a material breach of any of the terms, conditions or provisions of, or constitute a material default under, any mortgage, deed of trust, lease or any other restrictions or any agreement or instrument to which the Company is a party or by which it or any of its property is bound, or the Company's organizational documents, or any order, rule or regulation applicable to the Company or any of its property of any court or governmental body, or constitute a material default under any of the foregoing, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Company under the terms of any instrument or agreement to which the Company is a party;

(d) The Project Equipment will comply in all material respects with all presently applicable building and zoning, health, environmental and safety orders and laws and all other applicable laws, rules and regulations, including the City Code; and

(e) The Project Equipment will be located on the Project Site.

ARTICLE III

GRANTING PROVISIONS

Section 3.1. Granting of Leasehold Estate. The City hereby exclusively rents, leases and lets the Project Equipment to the Company, and the Company hereby rents, leases and hires the Project Equipment from the City, subject to Permitted Encumbrances for the rentals and upon and subject to the terms and conditions herein contained.

Section 3.2. Lease Term. This Lease shall become effective upon its delivery, and subject to sooner termination pursuant to the provisions of this Lease, shall have a term commencing as of the date of this Lease and terminating on **December 1, 2046**.

Section 3.3. Possession and Use of the Project Equipment.

(a) The City covenants and agrees that as long as neither the City nor the Trustee has exercised any of the remedies set forth in **Section 12.2(b)** following the occurrence and continuance of an Event of Default, the Company shall have sole and exclusive possession of the Project Equipment (subject to Permitted Encumbrances and the City's and the Trustee's right of access pursuant to **Section 10.3** hereof) and shall and may peaceably and quietly have, hold and enjoy the Project Equipment during the Lease Term. The City covenants and agrees that it will not take any action, other than expressly pursuant to **Article XII** hereof, to prevent the Company from having quiet and peaceable possession and enjoyment of the Project Equipment during the Lease Term and will, at the request and expense of the Company, cooperate with the Company in order that the Company may have quiet and peaceable possession and enjoyment of the Project Equipment and will defend the Company's enjoyment and possession thereof against all parties. The City will, at the request of the Company, reasonably cooperate with the Company in obtaining financing for Project Equipment, as detailed in **Section 10.4** of this Lease.

(b) Subject to the provisions of this Section, the Company shall have the right to use the Project Equipment for any lawful purpose contemplated by the Act, this Lease, and the Performance Agreement. The Company shall comply in all material respects with all statutes, laws, ordinances, codes, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Project Equipment as to the manner of use or the condition of the Project Equipment. In the event of demonstrated noncompliance with such statutes, laws, ordinances, codes, orders, judgments, decrees, regulations, directions and requirements the Company will take all reasonable steps to comply with such statutes, laws, ordinances, codes, orders, judgments, decrees, regulations, directions and requirements. The Company shall also comply with the mandatory requirements, rules and regulations of all insurers under the policies carried under the provisions of **Article VII** hereof. The Company shall pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of the Company to comply with the provisions of this Section. Notwithstanding any provision contained in this Section, however, the Company shall have the right, at its own cost and expense, to contest or review by legal or other appropriate procedures the validity or legality of any such governmental statute, law, ordinance, code, order, judgment, decree, regulation, direction or requirement, or any such requirement, rule or regulation of an insurer, and during such contest or review the Company may refrain from complying therewith.

Section 3.4. Title to the Project Equipment. Subject to the terms herein, the City shall be the sole owner of the Project Equipment during the Lease Term.

ARTICLE IV

ACQUISITION AND INSTALLATION OF THE PROJECT EQUIPMENT

Section 4.1. Issuance of the Bonds. The City agrees that, upon request of the Company, it will issue, sell and cause to be delivered the Bonds to the purchaser thereof in accordance with the provisions of the Indenture and the Bond Purchase Agreement. The proceeds of the sale of the Bonds, when received, shall be paid over to the Trustee for the account of the City. The Trustee shall promptly

deposit such proceeds, when received, as provided in the Indenture, to be used and applied as hereinafter provided in this Lease and in the Indenture. Alternatively, the Trustee may, (pursuant to **Section 208(d)** of the Indenture) endorse the Bonds in an amount equal to the requisition certificates submitted pursuant to **Section 4.4** below. In that event, the purchaser of the Bonds shall be deemed to have deposited funds with the Trustee in an amount equal to the amount stated in the requisition certificate.

Section 4.2. Acquisition and Installation of the Project Equipment. The City and the Company agree that the Company, as the agent of the City, shall, but solely from the Project Fund, acquire and install the Project Equipment as follows:

(a) [Reserved].

(b) The Company will purchase and install the Project Equipment at the Project Site. The Company shall transfer title to the Project Equipment to the City from time to time by bills of sale or other instruments of transfer. Each bill of sale or other instrument of transfer and each personal property declaration form shall be of sufficient specificity so as to enable Jackson County's officials (including representatives of the Assessor's office) to determine which personal property as reported on the annual personal property declaration constitutes Project Equipment (and therefore is owned by the City) and which personal property does not constitute Project Equipment (and therefore is owned by the Company). The City and the Company agree that, pursuant to **Section 4.8**, property purchased in whole or in part by the Company with its own funds, and not Bond proceeds, shall not constitute part of the Project Equipment and shall remain the property of the Company and therefore subject to taxation (and the Company shall report such property to Jackson County as taxable). On or before March 1 of each year, the Company shall provide to the City the report required by **Section 3.2** of the Performance Agreement. On **December 31, 2046**, title to all personal property comprising the Project Equipment shall be, and hereby is, conveyed to the Company, without further act of the City or the Company.

(c) In the event such acquisition and installation commences prior to the receipt of proceeds from the sale of the Bonds, the Company agrees to advance all funds necessary for such purpose.

Section 4.3. Project Costs. The City hereby agrees to pay for, but solely from the Project Fund, and hereby authorizes and directs the Trustee to pay for, but solely from the Project Fund, all Project Costs upon receipt by the Trustee of a certificate pursuant to **Section 4.4** hereof. The Company may not submit any requisition certificates for Project Costs incurred after the Completion Date. The Company must submit all requisitions for Project Costs incurred before the Completion Date within three months after the Completion Date.

Section 4.4. Payment for Project Costs. All Project Costs as specified in **Section 4.3** hereof shall be paid by the Trustee from the Project Fund as more fully provided in the Indenture, and the City hereby irrevocably authorizes and directs the Trustee to make disbursements from the Project Fund, upon receipt by the Trustee of certificates in substantially the form attached hereto as **Exhibit C**, 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.

The Company shall make good faith efforts to submit disbursements certificates (as described in the paragraph above) for all Project Costs within 90 days after incurring such Project Costs, but in no case later than December 31 of the year in which the Project Costs were incurred. In connection with each disbursement certificate submitted to the Trustee, and within 10 days of submittal thereof, the Company shall pay an issuance fee to the City in an amount equal to 0.01236% of the total Project Costs contained in such disbursement certificate, which amount shall be reported to the Trustee and added to the Cumulative Outstanding Principal Amount of the Bonds.

Section 4.5. Establishment of Completion Date. The Completion Date shall be evidenced to the Trustee by the delivery of a Completion Certificate. The Company and the City agree to cooperate in causing such certificate to be furnished to the Trustee.

Section 4.6. Surplus or Deficiency in Project Fund.

(a) Upon receipt of the certificate described in Section 4.5 hereof, the Trustee shall, as provided in **Section 504** of the Indenture, transfer any remaining moneys then in the Project Fund to the Bond Fund to be applied as directed by the Company solely to (1) the payment of principal and premium, if any, of the Bonds through the payment (including regularly scheduled principal payments, if any) or redemption thereof at the earliest date permissible under the terms of the Indenture, or (2) at the option of the Company, to the purchase of Bonds at such earlier date or dates as the Company may elect. Any amount so deposited in the Bond Fund may be invested as permitted by **Section 702** of the Indenture.

(b) If the Project Fund shall be insufficient to pay fully all Project Costs and to complete the acquisition and installation of the Project Equipment free of liens and encumbrances other than Permitted Encumbrances, the Company shall pay, in cash, the full amount of any such deficiency by making payments thereof directly to the contractors and to the suppliers of materials and services as the same shall become due, and the Company shall save the City and the Trustee whole and harmless from any obligation to pay such deficiency.

Section 4.7. Project Equipment Property of City. The Project Equipment, which the Company desires to convey to the City, including anything under this Lease which becomes, is deemed to be, or constitutes a part of the Project Equipment, and the Project Equipment as repaired, rebuilt, rearranged, restored or replaced by the Company under the provisions of this Lease, except as otherwise specifically provided herein, shall immediately when installed become the absolute property of the City, subject only to this Lease, the Indenture, Permitted Encumbrances and the Leasehold Security Agreement or Financing Documents, if any.

Section 4.8. Non-Project Improvements, Machinery and Equipment Property of the Company. Any improvements or items of machinery or equipment which do not constitute part of the Project Equipment and the entire purchase price of which is paid for by the Company with the Company's own funds, and no part of the purchase price of which is paid for from funds deposited pursuant to the terms of this Lease in the Project Fund, shall be the property of the Company and shall not constitute a part of the Project Equipment for purposes of **Section 6.4** hereof and therefore are subject to taxation, to the extent otherwise provided by law.

Section 4.9. Environmental Matters. The Company acknowledges that it is responsible for maintaining the Project Equipment in compliance with all Environmental Laws. In the event that the Company fails to undertake to comply with any final, non-appealable order issued by any local, state or federal authority under applicable Environmental Law, the City or the Trustee, immediately after notice to the Company, may elect (but shall not be required) to undertake such compliance. Any moneys expended

by the City or the Trustee in efforts to comply with any applicable Environmental Law (including the reasonable cost of hiring consultants, undertaking sampling and testing, performing any cleanup necessary or useful in the compliance process and reasonable attorneys' fees) shall be due and payable as Additional Rent hereunder with interest thereon at the average rate of interest per annum on the Bonds, plus two (2) percentage points, from the date such cost is incurred. There shall be unlimited recourse to the Company to the extent of any liability incurred by the City or the Trustee with respect to any breaches of the provisions of this section.

The Company shall and does hereby indemnify the City and the Trustee and agrees to defend and hold them harmless from and against all loss, cost, damage and expense (including, without limitation, reasonable attorneys' fees and costs associated incurred in the investigation, defense and settlement of claims) that they may incur, directly or indirectly, as a result of or in connection with the assertion against them or any of them of any claim relating to the presence on, escape or removal from the Project Equipment during the term of this Lease of any hazardous substance or other material regulated by any applicable Environmental Law, or compliance with any applicable Environmental Law, whether such claim is raised before, during or after the term of this Lease, including claims relating to personal injury or damage to property; provided, however, this indemnity shall only relate to claims resulting from the City's ownership of the Project Equipment and the Trustee's acceptance of its duties as Trustee hereunder.

ARTICLE V

RENT PROVISIONS

Section 5.1. Basic Rent. The Company covenants and agrees to pay to the Trustee in same day funds for the account of the City during this Lease Term, for deposit in the Bond Fund on or before 10:00 a.m., Trustee's local time, on or before each December 1, commencing **December 1, 2026** and continuing until the principal of and interest on the Bonds which are then outstanding and have not been subject to early redemption shall have been fully paid, an amount which, when added to any collected funds then on deposit in the Bond Fund and available on such Payment Date, shall be equal to the total amount payable on each December 1 as interest on the Bonds. On **December 1, 2046** (or such earlier date as the Company may elect to redeem the Bonds), the Company shall also pay an amount equal to all principal then due on the Bonds in connection with such maturity or redemption. All payments of Basic Rent provided for in this Section shall be paid directly to the Trustee and shall be deposited in accordance with the provisions of the Indenture into the Bond Fund and shall be used and applied by the Trustee in the manner and for the purposes set forth in this Lease and the Indenture, provided that if the Company is the Owner of all the Bonds Outstanding, payment of Basic Rent as provided for in this Section may be made via a transaction entry on the trust records held by the Trustee and the Paying Agent consistent with **Section 204** of the Indenture. Any Basic Rent paid by the Company which exceeds the total amount payable on such payment dates shall be immediately paid to the Company by wire transfer. At its option, on the final Payment Date, the Company may deliver to the Trustee for cancellation Bonds not previously paid and the Company shall receive a credit against the Basic Rent payable by the Company in an amount equal to the principal amount of the Bonds so tendered for cancellation plus accrued interest thereon.

Section 5.2. Additional Rent. The Company shall pay as Additional Rent, within 30 days after receiving an itemized invoice therefor, the following amounts as and when the same become due:

(a) all reasonable fees, charges and expenses, including agent and counsel fees, of the City or the Trustee incurred under the Indenture, this Lease, or any other document entered into in connection with the Bonds, as and when the same become due. The annual administrative fee of the City shall be capped at \$_____. The Trustee fees due hereunder shall be capped at \$_____ annually. The parties agree that the aggregate fees under this subsection shall be limited to **\$5,000;**

(b) all costs incident to the payment of the principal of and interest on the Bonds as the same becomes due and payable, including all costs and expenses in connection with the call, redemption and payment of all outstanding Bonds;

(c) all reasonable costs which are reasonably incurred and actually made in connection with the enforcement of any rights against the Company or the Project Equipment or in connection with a failure of the Company to perform its obligations under this Lease, the Indenture, or the Performance Agreement by the City, the Trustee or the Bondowners, including counsel fees and expenses;

(d) all amounts payable under the Performance Agreement; or

(e) all other payments of whatever nature which Company has agreed to pay or assume under the provisions of this Lease.

Section 5.3. Obligations of Company Absolute and Unconditional.

(a) The obligation of the Company to pay Basic Rent and Additional Rent are in consideration of the City's obligation to issue the Bonds and comply with the Trust Indenture. The obligations of the Company under this Lease to make payments of Basic Rent and Additional Rent on or before the date the same become due, and to perform all of its other obligations, covenants and agreements hereunder shall be absolute and unconditional, without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the acquisition and installation of the Project Equipment has been started or completed, or whether the City's title thereto or to any part thereof is defective or nonexistent, and notwithstanding any damage to, loss, theft or destruction of, the Project Equipment or any part thereof, any failure of consideration or frustration of commercial purpose, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Project Equipment, legal curtailment of the Company's use thereof, the eviction or constructive eviction of the Company, any change in the tax or other laws of the United States of America, the State of Missouri or any political subdivision thereof, any change in the City's legal organization or status, or any default of the City hereunder, and regardless of the invalidity of any action of the City; provided, however, that nothing in this **Section 5.3(a)** or **Section 5.3(b)** is intended or shall be deemed to affect or impair in anyway the rights of the Company to tender Bonds for redemption in satisfaction of Basic Rent as provided in **Section 5.1** and **Section 5.4** hereof, nor the right of the Company to terminate this Lease and repurchase the Project Equipment as provided in **Article XI** hereof.

(b) Nothing in this Lease shall be construed to release the City from the performance of any agreement on its part herein contained or as a waiver by the Company of any rights or claims the

Company may have against the City under this Lease or otherwise, but any recovery upon such rights and claims shall be had from the City separately, it being the intent of this Lease that the Company shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Lease (including the obligation to pay Basic Rent and Additional Rent) for the benefit of the Owners and the City. The Company may, however, at its own cost and expense and in its own name or in the name of the City, prosecute or defend any action or proceeding or take any other action involving third Persons which the Company deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event the City hereby agrees to cooperate fully with the Company and to take all action necessary to effect the substitution of the Company for the City in any such action or proceeding if the Company shall so request.

Section 5.4. Prepayment of Basic Rent. The Company may at any time and from time to time prepay a portion of the Basic Rent provided for hereunder (subject to the limitations of **Section 301(a)** of the Indenture relating to the redemption of the Bonds). During such times as the amount held by the Trustee in the Bond Fund shall be sufficient to pay, at the time required, the principal of and interest on all the Bonds then remaining unpaid, the Company shall not be obligated to make payments of Basic Rent under the provisions of this Lease.

Subject to **Section 301(a)** of the Indenture relating to the redemption of Bonds, the Company, at its option, may deliver to the Trustee for cancellation Bonds owned by the Company and not previously paid, and the Company shall receive a credit against amounts payable by the Company for the redemption of Bonds in an amount equal to the principal amount of the Bonds so tendered for cancellation, plus accrued interest thereon.

ARTICLE VI

MAINTENANCE, TAXES AND UTILITIES

Section 6.1. Maintenance and Repairs. Throughout the Lease Term the Company shall, at its own expense, keep the Project Equipment in as reasonably safe condition as the operation thereof will permit, and keep the Project Equipment in good repair and in good operating condition, making from time to time all necessary repairs thereto and renewals and replacements thereof it determines to be necessary. Without limiting the generality of the foregoing, the Company shall at all times remain in compliance with all provisions of the City Code relating to maintenance and appearance.

Section 6.2. Taxes, Assessments and Other Governmental Charges.

(a) Subject to the Performance Agreement and subsection (b) of this Section, the Company shall promptly pay and discharge, as the same become due, all taxes and assessments, general and special, and other governmental charges of any kind whatsoever that may be lawfully taxed, charged, levied, assessed or imposed upon or against or be payable for or in respect of the Project Equipment, or any part thereof or interest therein (including the leasehold estate of the Company therein), or the income therefrom, including any new taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against personal property, and further including all utility charges, assessments and other general governmental charges and impositions whatsoever, foreseen or unforeseen, which if not paid when due would materially impair the security of the Bonds or materially encumber the City's title to the Project Equipment; provided that with respect to any special assessments or other governmental

charges that are lawfully levied and assessed which may be paid in installments, the Company shall be obligated to pay only such installments thereof as become due and payable during the Lease Term.

(b) The Company may, in its own name or in the City's name, contest the validity or amount of any tax, assessment or other governmental charge which the Company is required to bear, pay and discharge pursuant to the terms of this Article by appropriate legal proceedings instituted before the tax, assessment or other governmental charge complained of becomes delinquent if and provided (1) the Company, before instituting any such contest, gives the City and the Trustee written notice of its intention to do so, (2) the Company diligently prosecutes any such contest, at all times effectively stays or prevents any official or judicial sale therefor, under execution or otherwise, and (3) the Company promptly pays any final judgment enforcing the tax, assessment or other governmental charge so contested and thereafter promptly procures record release or satisfaction thereof. The City agrees to cooperate fully with the Company in connection with any and all administrative or judicial proceedings related to any tax, assessment or other governmental charge. The Company shall save and hold harmless the City and the Trustee from any costs and expenses the City and the Trustee may incur related to any of the above.

(c) Nothing in this Lease shall be construed to require the Company to make duplicate tax payments. The Company shall receive a credit against any payments in lieu of taxes due under the Performance Agreement to the extent of any ad valorem taxes imposed and paid by the Company with respect to the Project Equipment paid pursuant to this Section.

Section 6.3. Utilities. All utilities and utility services used by the Company in, on or about the Project Equipment shall be paid for by the Company and shall be contracted for by the Company in the Company's own name (or the name(s) of its Affiliates), and the Company shall, at its sole cost and expense, procure any and all permits, licenses or authorizations necessary in connection therewith. The Company recognizes that the cost of utilities includes payments in lieu of tax charged by the City to its City-operated utilities under Section 16.07.001 of the City Code.

Section 6.4. Tax Exemptions.

(a) The City and the Company agree that while the Project Equipment is owned by the City and is subject to this Lease, the Project Equipment and the leasehold interest of the Company in the Project Equipment will be exempt from all current and future *ad valorem* property taxes by reason of such ownership (during the period in which the Project Equipment is owned by the City), and the City agrees that it will (at the expense of the Company) cooperate with the Company to defend such exemption against all parties in accordance with the Performance Agreement attached hereto as *Appendix I*. Notwithstanding the foregoing, Company will annually pay to the City the payments with respect to the Project Equipment set forth in the Performance Agreement.

(b) No sales tax exemption is being provided by the City in connection with the Project Equipment.

ARTICLE VII

INSURANCE

Section 7.1. Title Commitment or Report. [Reserved.]

Section 7.2. Property Insurance.

(a) The Company shall at its sole cost and expense obtain and shall maintain throughout the Lease Term, a policy or policies of insurance to keep the Project Equipment constantly insured against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State of Missouri in an amount equal to the Full Insurable Value thereof (subject to reasonable loss deductible provisions). The insurance required pursuant to this Section shall be maintained with a generally recognized responsible insurance company or companies authorized to do business in the State of Missouri or generally recognized international insurers or reinsurers with an A.M. Best rating of B+ or the equivalent thereof or better as may be selected by the Company. All such policies of insurance pursuant to this Section, and all renewals thereof, shall name the Company as insured and the City and the Trustee shall be named as loss payees, as their respective interests may appear, and shall contain a provision that the issuer of such insurance will provide at least 10 days' advance written notice to, the Company of the cancellation of such insurance. Company agrees it shall immediately forward any notice of cancellation it receives from the issuer of such insurance to the City and Trustee. The Company shall provide the City and the Trustee, on an annual basis, commencing on December 1, 2026 with a Certificate of Insurance Compliance, in the form of **Exhibit D** attached hereto, certifying compliance with this Section and containing copies of the insurance policies required under this Section, or certificates thereof. The Trustee shall be entitled to conclusively rely upon such certificate as to the Company's compliance with the insurance requirements. The Trustee makes no representation as to, and shall have no responsibility for the sufficiency or adequacy of, the insurance.

(b) In the event of loss or damage to the Project Equipment, the Net Proceeds of property insurance carried pursuant to this Section shall be applied as provided in **Article IX** of this Lease, or as may be directed by, or on behalf of, the Owners of 100% in principal amount of the Bonds outstanding.

Section 7.3. Commercial General Liability Insurance.

(a) The Company shall at its sole cost and expense maintain or cause to be maintained at all times during the Lease Term general accident and commercial general liability insurance under which the City, the Company and the Trustee shall be named as additional insureds, properly protecting and indemnifying the City and the Trustee, in an amount not less than the limits of liability set by Section 537.610 of the Revised Statutes of Missouri (subject to loss deductible clauses not to exceed \$100,000). The policies of said insurance shall contain a provision that the issuer of such insurance will provide at least 10 days' advance written notice to the Company of the cancellation of such insurance. The Company agrees it shall immediately forward any notice of cancellation it receives from the issuer of such insurance to the City and Trustee. The Company shall provide the City and the Trustee, on an annual basis, commencing on December 1, 2026 with a Certificate of Insurance Compliance, in the form of **Exhibit D** attached hereto, certifying compliance with this Section and containing copies of the insurance policies required under this Section, or certificates thereof. The Trustee shall be entitled to conclusively rely upon such certificate as to the Company's compliance with the insurance requirements. The Trustee makes no representation as to, and shall have no responsibility for the sufficiency or adequacy of, the insurance.

(b) In the event of a public liability occurrence, the Net Proceeds of liability insurance carried pursuant to this Section shall be applied toward the extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Section 7.4. Workers' Compensation. The Company agrees throughout the Lease Term to maintain or cause to be maintained the Workers' Compensation coverage required by the laws of the State of Missouri.

Section 7.5. Blanket Insurance Policies; Self-Insurance. The Company may satisfy any of the insurance requirements set forth in this Article by using blanket policies of insurance, provided each and all of the requirements and specifications of this Article respecting insurance are complied with. Nothing in this Lease shall be construed from prohibiting the Company from self-insuring provided the Company, or in combination with its parent corporation, has a net worth in excess of \$200,000,000, as determined by accounting principles generally accepted in the United States of America.

ARTICLE VIII

ALTERATION OF THE PROJECT EQUIPMENT

Section 8.1. Additions, Modifications and Improvements to the Project Equipment. The Company shall have and is hereby given the right, at its sole cost and expense, to make such additions, modifications and improvements in and to any part of the Project Equipment as the Company from time to time may deem necessary or desirable for its business purposes. All additions, modifications and improvements made by the Company pursuant to the authority of this Section shall (a) be made in workmanlike manner and will comply in all material respects with all laws and ordinances applicable thereto, (b) when commenced, be prosecuted to completion with due diligence, and (c) when completed, be deemed a part of the Project Equipment; *provided, however*, that additions of machinery and equipment installed on the Project Site by the Company not purchased or acquired from Bond proceeds deposited with the Trustee hereunder and not constituting repairs or replacements due to damage of the Project Equipment shall remain the property of the Company, may be removed by the Company, and shall be subject to *ad valorem* taxes.

Section 8.2. Removal of Project Equipment.

(a) The Company may, if no uncured Event of Default exists and is continuing, remove from the Project Site without responsibility or accountability to the City or the Trustee with respect thereto, any items of machinery and equipment, or parts thereof, which constitute a part of the Project Equipment or indicate to the City that it wishes to remove such machinery or equipment from the property constituting Project Equipment while it remains located at the Project Site. Within 90 days after such removal, the Company shall deliver to the City and the Trustee a certificate signed by an Authorized Company Representative containing a complete description of the machinery or equipment that the Company has so removed. Upon request by the Company, the City will execute and deliver a bill of sale that transfers full and complete title to the Company of the Project Equipment so removed. The City agrees to execute and promptly return to the Company a bill of sale upon request and in any event within 15 days after receiving notice of the request. Any request for such bill of sale shall be accompanied by an estimate of the value of the property being removed and a request to the Trustee to reduce the Cumulative Outstanding Principal Amount of the Bonds by the amount of such estimated value. Notwithstanding anything contained herein to the contrary, title to any item of the Project Equipment removed from the Project Site shall automatically vest in the Company without further instrument or action, and such vesting of title shall be self-operative effective upon removal. Any Project Equipment removed from the Project Site shall no longer be entitled to the tax exemption afforded by virtue of the City's ownership thereof.

(b) In all cases, the Company shall pay all of the costs and expenses of any such removal. The Company's right under this Section to remove machinery and equipment constituting a part of the Project Equipment is intended only to permit the Company to maintain an efficient operation by the removal of machinery and equipment that is no longer suitable for any of the reasons set forth in this Section, and such right is not to be construed to permit a removal under any other circumstances and

specifically is not to be construed to permit the Company to make a wholesale removal of the Project Equipment.

Section 8.3. Permits and Authorizations. The Company shall not do or permit others under its control to do any work on the Project Equipment related to any repair, rebuilding, restoration, replacement, modification or addition to the Project Equipment, or any part thereof, unless all requisite municipal and other governmental permits and authorizations shall have been first procured. All such work shall be done in a good and workmanlike manner and in material compliance with all applicable building, zoning and other laws, ordinances, codes and governmental regulations. In the event of demonstrated noncompliance with such laws, ordinances, codes, governmental regulations and requirements the Company will take all reasonable steps to comply with laws, ordinances, codes, governmental regulations and requirements.

Section 8.4. Mechanics' Liens.

(a) The Company will not directly or indirectly create, incur, assume or suffer to exist any lien on or with respect to the Project Equipment, except Permitted Encumbrances, and the Company shall promptly notify the City of the imposition of such lien of which the Company is aware and shall promptly, at its own expense, take such action as may be necessary to fully discharge or release any such lien. Whenever and as often as any mechanics' or other similar lien is filed against the Project Equipment, or any part thereof, purporting to be for or on account of any labor done or materials or services furnished in connection with any work in or about the Project Equipment, the Company shall discharge the same of record within 90 days after the date of filing. Notice is hereby given that the City shall not be liable for any labor or materials furnished the Company or anyone claiming by, through or under the Company upon credit, and that, except as otherwise stated in a memorandum of this Lease recorded with the recorder of deeds, no mechanics' or other similar lien for any such labor, services or materials shall attach to or affect the reversionary or other estate of the City in and to the Project Equipment or any part thereof.

(b) Notwithstanding paragraph (a) above, the Company may contest any such mechanics' or other similar lien if the Company (1) within said 90-day period stated above notifies the City and the Trustee in writing of its intention so to do, (2) diligently prosecutes such contest, (3) at all times effectively stays or prevents any official or judicial sale of the Project Equipment, or any part thereof or interest therein, under execution or otherwise, (4) promptly pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim and (5) thereafter promptly procures record release or satisfaction thereof. The Company may permit the lien so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Company is notified by the City that, in the opinion of counsel, by nonpayment of any such items, the interest of the City in the Project Equipment will be subject to loss or forfeiture. In that event, the Company shall promptly, at its own expense, take such action as may be reasonably necessary to duly discharge or remove any such security interest, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The Company shall save and hold harmless the City from any loss, costs or expenses the City may incur related to any such contest. The Company shall reimburse the City for any expense incurred by it in connection with the imposition of any such lien or in order to discharge or remove any such security interest, pledge, lien, charge, encumbrance or claim. The City shall cooperate fully with the Company in any such contest.

ARTICLE IX

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 9.1. Damage or Destruction.

(a) If the Project Equipment is damaged or destroyed by fire or any other casualty, whether or not covered by insurance, the Company, as promptly as practicable, shall either (i) make the determination described in subsection (f) below, or (ii) repair, restore or replace the same as nearly as may be practicable to their condition and character immediately prior to such damage or destruction, and so that upon completion of such repairs, restoration or replacement the Project Equipment is of a value not less than the value thereof immediately before the occurrence of such damage or destruction.

If the Company elects to repair, restore or replace the Project Equipment, for all purposes of this Lease, any reference to the words "Project Equipment" shall be deemed to also include any such new machinery and equipment.

Unless the Company makes the determination described in subsection (f) below, the Net Proceeds of casualty insurance required by **Article VII** hereof received with respect to such damage or loss to the Project Equipment shall be used to pay the cost of repairing, restoring or replacing the Project Equipment or any part thereof. Insurance monies in an amount less than \$5,000,000 may be paid to or retained by the Company to be held in trust and used as provided herein. Insurance monies in any amount of \$5,000,000 or more shall be (i) paid to the Trustee and deposited in the Project Fund and shall be disbursed as provided in **Section 4.4** hereof to pay the cost of repairing, restoring or replacing the Project Equipment or any part thereof, or (ii) if determined by the Owners of 100% in principal amount of the Bonds Outstanding, applied as directed by, or on behalf of, such Owners of 100% in principal amount of the Bonds Outstanding. If the Company makes the determination described in subsection (f) below, the Net Proceeds shall be deposited with the Trustee and used to redeem Bonds as provided in subsection (f).

(b) If any of the insurance monies paid by the insurance company as hereinabove provided remain after the completion of such repairs, restoration or replacement, and this Lease has not been terminated, the excess shall be deposited in the Bond Fund, subject to the rights of any leasehold security interest holder or Financing Party. Completion of such repairs, restoration or replacement shall be evidenced by a certificate of completion in accordance with the provisions of **Section 4.5** hereof. If the Net Proceeds are insufficient to pay the entire cost of such repairs, restoration or replacement, the Company shall pay the deficiency.

(c) Except as otherwise provided in this Lease, in the event of any such damage by fire or any other casualty, the provisions of this Lease shall be unaffected and the Company shall remain and continue liable for the payment of all Basic Rent and Additional Rent and all other charges required hereunder to be paid by the Company, as though no damage by fire or any other casualty has occurred.

(d) The City and the Company agree that they will cooperate with each other, to such extent as such other party may reasonably require, in connection with the prosecution or defense of any action or proceeding arising out of, or for the collection of any insurance monies that may be due in the event of, any loss or damage, and that they will execute and deliver to such other parties such instruments as may be required to facilitate the recovery of any insurance monies.

(e) The Company agrees to give prompt notice to the City and the Trustee with respect to all fires and any other casualties occurring in, on, at or about the Project Site which damages a material portion of the Project Equipment.

(f) If the Company determines that repairing, restoring or replacing the Project Equipment is not practicable or desirable, or if the Company does not have the right under the Leasehold Security Agreement (if any) or Financing Documents (if any) to use any Net Proceeds for repair or restoration of the Project Equipment, any Net Proceeds of casualty insurance required by **Article VII** hereof received with respect to such damage or loss shall, after payment of all Additional Rent then due and payable, be paid into the Bond Fund and shall be used to redeem Bonds on the earliest practicable redemption date or to pay the principal of any Bonds as the same become due, all subject to rights of the secured party under the Leasehold Security Agreement (if any) and the Financing Party under the Financing Documents (if any). The Company agrees to be reasonable in exercising its judgment pursuant to this subsection (f). Alternatively, if the Company is the sole owner of the Bonds and it has determined that repairing, restoring or replacing the Project Equipment is not practicable or desirable, it may tender Bonds to the Trustee for cancellation in a principal amount equal to the Net Proceeds of the casualty insurance, and retain such proceeds for its own account.

(g) The Company shall not, by reason of its inability to use all or any part of the Project Equipment during any period in which the Project Equipment is damaged or destroyed or is being repaired, restored or replaced, nor by reason of the payment of the costs of such repairing, restoring or replacing, be entitled to any reimbursement from the City, the Trustee or the Owners or to any abatement or diminution of the rentals payable by the Company under this Lease or of any other obligations of the Company under this Lease except as expressly provided in this Section.

Section 9.2. Condemnation.

(a) If during the Lease Term, title to, or the temporary use of, all or any part of the Project Equipment is condemned by or sold under threat of condemnation to any authority possessing the power of eminent domain, to such extent that the claim or loss resulting from such condemnation is greater than \$1,000,000, the Company shall, within 90 days after the date of entry of a final order in any eminent domain proceedings granting condemnation or the date of sale under threat of condemnation, notify the City, the Trustee, the secured party under the Leasehold Security Agreement (if any) and the Financing Party under the Financing Documents (if any) in writing as to the nature and extent of such condemnation or loss of title and whether it is practicable and desirable to acquire and install substitute equipment.

(b) If the Company determines that such substitution is practicable and desirable, the Company shall proceed promptly with and complete with reasonable dispatch the acquisition and installation of such substitute equipment, so as to place the Project Equipment in substantially the same condition as existed before the exercise of the said power of eminent domain, including the acquisition and installation of other equipment suitable for the Company's operations at the Project Site (which equipment will be deemed a part of the Project Equipment and available for use by the Company without the payment of any rent other than herein provided, to the same extent as if such other equipment were specifically described herein and demised hereby); provided, that such equipment will be acquired by the City subject to no liens, security interests or encumbrances before the lien and/or security interest afforded by the Indenture and this Lease other than Permitted Encumbrances. In such case, any Net Proceeds received from any award or awards with respect to the Project Equipment or any part thereof made in such condemnation or eminent domain proceedings, or of the sale proceeds, shall be applied in the same manner as provided in **Section 9.1** hereof (with respect to the receipt of casualty insurance proceeds).

(c) If the Company determines that it is not practicable or desirable to acquire and install substitute equipment, any Net Proceeds of condemnation awards received by the Company shall, after

payment of all Additional Rent then due and payable, be paid into the Bond Fund and shall be used to redeem Bonds on the earliest practicable redemption date or to pay the principal of any Bonds as the same becomes due and payable, provided that if the Company is the sole owner of the Bonds and it has determined that acquiring and installing substitute equipment is not practicable or desirable, it may tender Bonds to the Trustee for cancellation in a principal amount equal to the Net Proceeds of the condemnation awards, and retain such proceeds for its own account, all subject to the rights of the secured party under the Leasehold Security Agreement (if any) and Financing Party under the Financing Documents (if any).

(d) The Company shall not, by reason of its inability to use all or any part of the Project Equipment during any such period of restoration or acquisition nor by reason of the payment of the costs of such restoration or acquisition, be entitled to any reimbursement from the City, the Trustee or the Owners or to any abatement or diminution of the rentals payable by the Company under this Lease nor of any other obligations hereunder except as expressly provided in this Section.

(e) The City shall cooperate fully with the Company in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Project Equipment or any part thereof, and shall, to the extent it may lawfully do so, permit the Company to litigate in any such proceeding in the name and on behalf of the City. In no event will the City voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project Equipment or any part thereof without the prior written consent of the Company.

Section 9.3. Bondowner Approval. Notwithstanding anything to the contrary contained in this **Article IX**, the proceeds of any insurance received subsequent to a casualty or of any condemnation proceedings (or threats thereof) may prior to the application thereof by the City or the Trustee be applied as directed by the Owners of 100% of the principal amount of Bonds outstanding, subject and subordinate to the rights of the City and the Trustee to be paid all their expenses (including reasonable attorneys' fees, trustee's fees and any extraordinary expenses of the City and the Trustee) incurred in the collection of such gross proceeds. For purposes of this Section only, any person to whom Bonds have been pledged in good faith shall be deemed to be the Owner of the Bonds.

ARTICLE X

SPECIAL COVENANTS

Section 10.1. No Warranty of Condition or Suitability by the City; Exculpation and Indemnification. The City makes no warranty, either express or implied, as to the condition of the Project Equipment or that it will be suitable for the Company's purposes or needs. The Company releases the City and the Trustee from, agrees that the City and the Trustee shall not be liable for and agrees to hold the City and the Trustee harmless against, any loss or damage to property or any injury to or death of any Person that may be occasioned by any cause whatsoever pertaining to the Project Equipment or the Company's use thereof, unless such loss is the result of the City's or the Trustee's gross negligence or willful misconduct. This provision shall survive termination of this Lease.

Section 10.2. Surrender of Possession. Upon accrual of the City's right of re-entry to the extent provided in **Section 12.2(b)** hereof, the Company shall peacefully surrender possession of the Project Equipment to the City in good condition and repair, ordinary wear and tear excepted; provided, however, the Company may within 90 days (or such later date as the City may agree to) after the termination of this Lease remove from the Project Site any furniture, trade fixtures, machinery and

equipment owned by the Company and not constituting part of the Project Equipment. All repairs to and restorations of the Project Equipment required to be made because of such removal shall be made by and at the sole cost and expense of the Company, and during said 90-day (or extended) period the Company shall bear the sole responsibility for and bear the sole risk of loss for said furniture, trade fixtures, machinery and equipment owned by the Company and not constituting part of the Project Equipment. All furniture, trade fixtures, machinery and equipment owned by the Company and which are not so removed from the Project Equipment before the expiration of said period shall be the separate and absolute property of the City.

Section 10.3. City's Right of Access to the Project Equipment. Subject to the confidentiality and security requirements of the Company and its end clients, the Company agrees that the City and the Trustee and their duly authorized agents shall have the right at reasonable times during regular business hours, subject to five business days advance written notice except in the event of an emergency and the Company's usual business proprietary, safety and security requirements, to enter upon the Project Site (a) to examine and inspect the Project Equipment without interference or prejudice to the Company's operations or to the acquisition and installation of the Project Equipment, (b) as may be reasonably necessary to cause to be completed the purchase and installation provided for in **Section 4.2** hereof, (c) performing such work in and about the Project Site made necessary by reason of the Company's default under any of the provisions of this Lease for which notice and an opportunity to cure have been provided, and (d) following an Event of Default, exhibiting the Project Equipment to prospective purchasers, lessees or trustees. The Company shall have the right to have representatives present during any such examination or inspection.

Section 10.4. Granting of Licenses; Leasehold Security Interests and Financing Arrangements.

(a) Subject to **Sections 10.4(c)** and **(d)**, if no Event of Default under this Lease has happened and is continuing, the Company may at any time or times (i) grant subleases (as permitted in **Section 13.1** hereof), licenses and other rights or privileges that are for the direct use of the Project Equipment, or part thereof, by the grantee, (ii) release or terminate existing subleases, licenses and other rights or privileges, all with or without consideration and upon such terms and conditions as the Company shall reasonably determine, or (iii) incur Permitted Encumbrances. The Company may take such actions and may execute any applicable documents in the Company's own name. No separate signature of or authorization from the City shall be required for the execution and delivery of any such document, although the City agrees to execute and deliver such confirming documents as are described below, under the procedures described below, if the Company chooses to make such a request. All third parties entering into agreements with the Company or receiving delivery of or the benefit of such agreements or documents shall be entitled to rely upon the same as having been executed and delivered by the City, unless such third party has actual or constructive notice, expressly in writing, that the agency herein granted by the City to the Company has been terminated by the City because of an uncured Event of Default hereunder. The City agrees that it will execute and deliver and will cause and direct the Trustee to execute and deliver any instrument necessary or appropriate to confirm and grant, release or terminate any such sublease, license or other right or privilege or any such agreement or other arrangement, upon receipt by the City and the Trustee of: (i) a copy of the instrument of grant, release or termination or of the agreement or other arrangement, (ii) a written application signed by an Authorized Company Representative requesting such instrument, and (iii) a certificate executed by an Authorized Company Representative stating that such grant or release is not detrimental to the proper conduct of the business of the Company, will not impair the effective use or interfere with the efficient and economical operation of the Project Equipment, will not materially adversely affect the security intended to be given by or under the Indenture and will be a

Permitted Encumbrance. If no Event of Default has happened and is continuing beyond any applicable grace period, any payments or other consideration received by the Company for any such grant or with respect to or under any such agreement or other arrangement shall be and remain the property of the Company; but, subject to **Sections 10.4(c) and (d)**, upon (i) termination of this Lease for any reason other than the redemption of the Bonds and/or the purchase of the Project Equipment by the Company or (ii) the occurrence and continuance of an Event of Default by the Company, all rights then existing of the Company with respect to or under such grant shall inure to the benefit of and be exercisable by the City and the Trustee.

(b) The Company may grant security interests in the leasehold estate created by this Lease, with prior notice to but without the consent of the City, provided and upon condition that a duplicate original or certified copy or photostatic copy of each such security agreement, and the note or other obligation secured thereby, is delivered to the City within thirty (30) days after the execution thereof.

(c) The City acknowledges and agrees that the Company may finance and refinance its rights and interests in the Project Equipment, this Lease, and the leasehold estate created hereby with prior notice to but without the consent of the City, and may collaterally assign its interest in the Lease and the agreements evidencing or relating to the Bonds, provided and upon condition that a duplicate original or certified copy or photostatic copy of each such Financing Document is delivered to the City within thirty (30) days after the execution thereof. The Company may require the City to grant security interests in the City's ownership interest in the Project Equipment held by the City with prior notice to but without the consent of the City and the City agrees that it will execute any documents necessary or appropriate to grant such security interests as may be reasonably requested by the Company or any Financing Party. In either case, in connection therewith, the Company shall have the right to assign this Lease, the leasehold estate, any sublease, and any rights in connection therewith, and/or grant liens or security interests therein, to any Financing Party and the City will reasonably cooperate with such Financing Party and the Company. Any further sublease or assignment by any Financing Party shall be subject to the provisions of **Section 13.1**.

(d) Upon notice by the Company to the City in writing that it has executed one or more Financing Documents under which it has granted rights in this Lease to a Financing Party, which includes the name and address of such Financing Party, then the following provisions shall apply in respect of each such Financing Party:

(1) there shall be no merger of this Lease or of the leasehold estate created hereby with the title to the Project Equipment, notwithstanding that this Lease or said leasehold estate and said title shall be owned by the same Person or Persons, without the prior written consent of such Financing Party;

(2) the City shall serve upon each such Financing Party (at the address, if any, provided to the City) a copy of each notice of the occurrence of an Event of Default and each notice of termination given to the Company under this Lease, at the same time as such notice is served upon the Company. No such notice to the Company shall be effective unless a copy thereof is thus served upon each Financing Party;

(3) each Financing Party shall have the same period of time which the Company has, after the service of any required notice upon it, within which to remedy or cause to be remedied any payment default under this Lease which is the basis of the notice plus thirty (30) days, and the City shall accept performance by such Financing Party as timely performance by the Company;

(4) the City may exercise any of its rights or remedies with respect to any other Event of Default by the Company, subject to the rights of the Financing Parties under this **Section 10.4(d)** as to such other events of default;

(5) upon the occurrence and continuance of an Event of Default by the Company under this Lease, other than a default in the payment of money, the City shall take no action to effect a termination of this Lease by service of a notice or otherwise, without first giving notice thereof to each such Financing Party and permitting such Financing Party (or its designee, nominee, assignee or transferee) a reasonable time within which to remedy such default in the case of an Event of Default which is susceptible of being cured (provided that the period to remedy such event of default shall continue beyond any period set forth in the Lease to effect said cure so long as the Financing Party (or its designee, nominee, assignee or transferee) is diligently prosecuting such cure); provided that the Financing Party (or its designee, nominee, assignee or transferee) shall pay or cause to be paid to the City and the Trustee all expenses, including reasonable counsel fees, court costs and disbursements incurred by the City or the Trustee in connection with any such default;

(6) the Financing Parties (and their designees, nominees, assignees or transferees) shall have the right to enter, possess and use the Project Equipment at such reasonable times and manner as are necessary or desirable to effectuate the remedies and enforce their respective rights under the Financing Documents;

(7) any indemnification of the City and Trustee pursuant to **Section 4.9** shall also apply to the Financing Party; and

(8) Any notice sent by the Company to the City and the Trustee pursuant to any provision of this Lease shall also be sent to the Financing Party.

(e) The City will cooperate with the Company in efforts to document and meet the requirements of any Financing Party for financing for the Project Equipment. In connection with the execution of one or more Financing Documents, upon the request of the Company, the City agrees to execute such documents as shall be reasonably requested by a Financing Party and which are usual and customary in connection with the closing of the financing or refinancing pursuant to the Financing Documents. The Company agrees to reimburse the City for any and all costs and expenses incurred by the City pursuant to this Section, including reasonable attorneys' fees and expenses, in complying with such request.

(f) Notwithstanding anything in this Lease to the contrary, (1) the City shall not be required to sign any document that causes it to undertake any duties or payment obligations and shall make only such representations as it deems appropriate in its sole discretion, (2) the City shall not be required to expend any funds in connection with any Financing Documents or in connection with its cooperation with respect to requests of any Financing Party or undertake any investigation in connection therewith, and (3) any costs (including fees of counsel to the City) that are incurred by the City related to a request under this Section shall be reimbursed to the City by the Company.

(g) Nothing in this Lease shall, or shall be deemed to, subordinate any obligation to, lien or security interests in favor of, or other right of, any Financing Party under any Financing Document to this Lease or the obligations of the Company hereunder. The Company shall not be required to subordinate its

obligations, liens or security interests under any Financing Document to this Lease or its obligations hereunder.

Section 10.5. Indemnification of City and Trustee. The Company shall indemnify and save and hold harmless the City and the Trustee and their governing body members, officers, agents and employees (collectively, the “Indemnified Parties”) from and against all claims, demands, costs, liabilities, damages or expenses, including attorneys’ fees, by or on behalf of any person, firm or corporation arising from the issuance of the Bonds and the execution of this Lease, the Indenture or any other documents entered into in connection with the Bonds and from the conduct or management of, or from any work or thing done in or on the Project Equipment or the Project Site during the Lease Term, and against and from all claims, demands, costs, liabilities, damages or expenses, including attorneys’ fees, arising during the Lease Term from (a) any condition of the Project Equipment or the Project Site, (b) any Event of Default on the part of the Company for which notice and an opportunity to cure has been provided, in the performance of any of its obligations under this Lease or any related document, (c) any contract entered into by the Company in connection with the acquisition or installation of the Project Equipment (including any failure to comply with Section 107.170 of the Missouri Revised Statutes, as amended, with respect to such contract), (d) any act of negligence of the Company or of any of its agents, contractors, servants, employees or licensees relating to the Project Equipment, (e) unless the Company has been released from liability pursuant to **Section 13.1**, any act of negligence of any assignee or sublessee of the Company, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of the Company, and (f) any claim relating to the presence on, escape or removal from the Project Equipment during the term of the Lease of any hazardous substance or other material regulated by any applicable Environmental Law, or compliance with any applicable Environmental Law, whether such claim arises before, during or after the term of this Lease, including claims relating to personal injury or damage to property; provided, however, the indemnification contained in this **Section 10.5** shall not (i) extend to the City if such claims, demands, costs, liabilities, damages or expenses, including attorneys’ fees, are the result of work being performed at the Project Equipment or the Project Site by employees of the City or the result of negligence or willful misconduct by the City (unless relating to a failure to comply with Section 107.170 of the Missouri Revised Statutes, as amended), or (ii) extend to the Trustee if such claims, demands, costs, liabilities, damages or expenses, including attorneys’ fees, are the result of the negligence or willful misconduct of the Trustee or (iii) the performance or failure to perform by the City or the Trustee of its obligations under this Lease, the Performance Agreement, or any related documents. Upon notice from the City or the Trustee, the Company shall defend them or either of them in any such action or proceeding. This **Section 10.5** shall survive any termination of this Lease or the satisfaction and discharge of the Indenture.

In case any action shall be brought against one or more of the Indemnified Parties based upon the foregoing indemnification and in respect of which indemnity may be sought against the Company, the Indemnified Parties shall promptly notify the Company in writing and the Company shall promptly assume the defense thereof, including the employment of counsel, the payment of all reasonable expenses and the right to negotiate and consent to settlement. If the Company shall have wrongfully failed to assume the defense of such action, the reasonable fees and expenses of counsel retained by the Indemnified Party shall be paid by the Company. If any of the Indemnified Parties is advised by counsel retained by the Company to defend such action that there may be legal defenses available to it which are adverse to or in conflict with those available to the Company or any other Indemnified Party, and that the defense of such Indemnified Party should be handled by separate counsel, the Company shall not have the right to assume the defense of such Indemnified Party, but shall be responsible for the reasonable fees and expenses of counsel retained by such Indemnified Party in assuming its own defense, provided, such counsel shall be acceptable to the Company. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees

and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties. The Company shall not be liable for any settlement of any such action effected without its consent by any of the Indemnified Parties, but if settled with the consent of the Company or if there be a final judgment for the plaintiff in any such action against the Company or any of the Indemnified Parties, with or without the consent of the Company, the provided that the Company was given prompt written notice and the ability to assume the defense thereof as required by this paragraph, the Company agrees to indemnify and hold harmless the Indemnified Parties to the extent provided herein.

Section 10.6. Depreciation, Investment Tax Credit and Other Tax Benefits. The City agrees that any depreciation, investment tax credit or any other tax benefits with respect to the Project Equipment or any part thereof shall be made available to the Company, and the City will fully cooperate with the Company in any effort by the Company to avail itself of any such depreciation, investment tax credit or other tax benefits.

Section 10.7. Company to Maintain its Corporate Existence. The Company agrees that until the Bonds are paid or payment is provided for in accordance with the terms of the Indenture, it will maintain its corporate existence, and will not dissolve or otherwise dispose of all or substantially all of its assets; provided, however, that the Company may, without violating the agreement contained in this Section, consolidate with or merge into another domestic corporation (i.e., a corporation incorporated and existing under the laws of one of the states of the United States) or permit one or more other domestic corporations to consolidate with or merge into it, or may sell or otherwise transfer to another domestic corporation all or substantially all of its assets as an entirety and thereafter dissolve, provided, the surviving, resulting or transferee corporation either (A) becomes, in connection with the consolidation, merger or sale of assets becomes the Owner of 100% in principal amount of the Bonds outstanding and expressly assumes in writing all of the obligations of the Company contained in this Lease and the Performance Agreement, or (B) if not the Owner of 100% in principal amount of the Bonds outstanding, expressly assumes in writing all the obligations of the Company contained in this Lease and the Performance Agreement; and, further provided, that if not the Owner of 100% in principal amount of the Bonds outstanding, the surviving, resulting or transferee corporation, as the case may be, has a consolidated net worth (after giving effect to said consolidation, merger or transfer) at least (i) equal to or greater than that of the Company immediately prior to said consolidation, merger or transfer, or (ii) \$100,000,000. The term “net worth,” as used in this Section, shall mean the difference obtained by subtracting total liabilities (not including as a liability any capital or surplus item) from total assets of the Company and all of its subsidiaries. In any such consolidation, merger or transfer the Company shall comply with the provisions of **Section 13.1** hereof to the extent applicable.

Section 10.8. Security Interests. At the written request of the Company or the Owner of the Bonds, the City agrees to enter into statements of continuation necessary and requested by the Company or the Owner of the Bonds for continuance of the perfection of the security interests granted by the City in favor of the Trustee in the Project Equipment. Upon the written instructions of the Owner of the Bonds, the Trustee, at the Company’s expense, shall file all statements of continuation the Owner of the Bonds shall deem necessary to be filed and shall continue or cause to be continued the liens of such instruments for so long as the Bonds shall be Outstanding. The City and the Company shall cooperate with the Trustee in this regard by executing such continuation statements and providing such information as the Trustee may require to renew such liens.

Section 10.9. Data Center Specific Covenants and Agreements.

(a) All cooling systems constructed or installed as part of the Project Equipment must be closed-loop systems that do not continually draw water from the City’s water supply system.

(b) The Project Equipment must at all times comply with the City Code's requirements for noise (Article 7.10 of the City Code) and lighting (Section 14-508 of the City Code).

(c) The Company shall maintain compliance with the electrical services agreement entered into with respect to the delivery of electricity to the Project Site or shall cause the Real Property Lessee to do so.

(d) During the term of this Lease, the Company shall maintain contact with and take suggestions from the community through the operation of an advisory board. The board shall consist of 5 to 10 members to be appointed by City Council to such terms as may be stated by City Council. The City will make space available for meetings of the advisory board in a municipal building. Meetings shall occur quarterly during the initial 5 year term of this Lease and annually thereafter, at such times as are determined by the members of the advisory board and the Company. The requirements of this subsection shall not survive the Lease Term. The Company shall send at least one representative of the Company to each meeting of the advisory board. The implementation of any suggestions shall be subject to the Company's discretion.

(e) If there is a cessation of data center operations at the Project Site, other than temporary closures customary in the industry, then the Company shall remove the Project Equipment and all property owned by the Company or its affiliates, with the exception of property subject to the Real Property Lease, which shall be dealt with under the applicable provisions of the Real Property Lease (referred to as "Decommissioning") within two years of such cessation. Additionally, items of Project Equipment that have not been in use for a period of one year shall be subject to such Decommissioning requirement. If the Decommissioning is not complete by the time stated above, the City may undertake or may engage a third party to undertake, the Decommissioning at the expense of the Company. The Company shall be responsible to repair any damage to roads resulting from the Decommissioning process. "Cessation of data center operations" for the purpose of this paragraph means the Project Site has not been operated as a data center for a period of one year after initial operations have commenced, unless the Project Equipment has been subject to a casualty and the Company is intending to rebuild the Project Equipment or the Company's interest in this Agreement has been transferred pursuant to the provisions hereof and the Project Equipment continues in operation thereafter. This subsection (e) shall survive the termination of this Lease.

ARTICLE XI

OPTION AND OBLIGATION TO PURCHASE THE PROJECT EQUIPMENT

Section 11.1. Option to Purchase the Project Equipment. The Company shall have, and is hereby granted, the option to purchase the Project Equipment at any time, upon payment in full of all Bonds then outstanding or provision for their payment having been made pursuant to **Article XIII** of the Indenture. To exercise such option the Company shall give written notice to the City and to the Trustee, and shall specify therein the date of closing such purchase, which date shall be not less than 15 nor more than 90 days from the date such notice is mailed unless otherwise agreed by the Company, the City and the Trustee, and in case of a redemption of the Bonds in accordance with the provisions of the Indenture, the Company shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. Notwithstanding the forgoing, if the City or the Trustee provides notice of its intent to exercise its remedies hereunder (a "Remedies Notice"), the Company shall be deemed to have exercised its repurchase option under this Section on the 29th day following the issuance of the Remedies Notice without any further action by the Company; provided said notice has not been rescinded by such date

(such option to take place on the 29th day following the issuance of the Remedies Notice). The Company may rescind such exercise by providing written notice to the City and the Trustee on or prior to the 29th day following the issuance of the Remedies Notice and by taking such action as may be required to cure the default that led to the giving of the Remedies Notice. The purchase price payable by the Company in the event of its exercise of the option granted in this Section shall be the sum of the following:

(a) an amount of money which, when added to the amount then on deposit in the Bond Fund, will be sufficient to redeem all the then outstanding Bonds on the earliest redemption date next succeeding the closing date, including, without limitation, principal and interest to accrue to said redemption date and redemption expense; plus

(b) an amount of money equal to the Trustee's agreed to and reasonable fees, charges and expenses under the Indenture accrued and to accrue until such redemption of the Bonds; plus

(c) an amount of money equal to all payments due and payable pursuant to the Performance Agreement through the end of the calendar year in which the date of purchase occurs; plus

(d) the sum of \$10.00.

At its option, to be exercised at least 5 days prior to the date of closing such purchase, the Company may deliver to the Trustee for cancellation Bonds not previously paid, and the Company shall receive a credit against the purchase price payable by the Company in an amount equal to 100% of the principal amount of the Bonds so delivered for cancellation, plus the accrued interest thereon.

Section 11.2. Conveyance of the Project Equipment. At the closing of the purchase of the Project Equipment pursuant to this Article, the City will upon receipt of the purchase price deliver to the Company the following:

(a) If the Indenture shall not at the time have been satisfied in full, a release from the Trustee of the Project Equipment from the lien and/or security interest of the Indenture and this Lease and appropriate termination of financing statements as required under the Uniform Commercial Code; and

(b) Documents, including without limitation a bill of sale as to the Project Equipment, conveying to the Company legal title to the Project Equipment, as it then exists, subject to the following: (i) those liens and encumbrances, if any, to which title to the Project Equipment was subject when conveyed to the City; (ii) those liens and encumbrances created by the Company or to the creation or suffering of which the Company consented; (iii) those liens and encumbrances resulting from the failure of the Company to perform or observe any of the agreements on its part contained in this Lease; (iv) Permitted Encumbrances other than the Indenture and this Lease; and (v) if the Project Equipment or any part thereof is being condemned, the rights and title of any condemning authority.

Section 11.3. Relative Position of Option and Indenture. The options and obligation to purchase the Project Equipment granted to the Company in this Article shall be and remain prior and superior to the Indenture and may be exercised whether or not the Company is in default under this Lease, or the Indenture or the Performance Agreement, provided that such default will not result in nonfulfillment of any condition to the exercise of any such option and further provided that all options herein granted shall terminate upon the termination of this Lease.

Section 11.4. Obligation to Purchase the Project Equipment. As additional consideration for the Company's use of the Project Equipment, the Company hereby agrees to purchase, and the City hereby agrees to sell, the Project Equipment upon the occurrence of (a) the expiration of the Lease Term following full payment of the Bonds or provision for payment thereof having been made in accordance with the provisions of the Indenture, and (b) the final payments due under the Performance Agreement. The amount of the purchase price under this Section shall be \$10 plus an amount sufficient to redeem all the then Outstanding Bonds, plus accrued interest and the reasonable fees and expenses of the City and the Trustee.

If the Company fails to complete the purchase of the Project Equipment at the time required by this Section, the City is specifically authorized to convey the Project Equipment back to the Company with or without terminating this Lease and, in such case, may unilaterally terminate this Lease by an instrument signed by the City alone.

ARTICLE XII

DEFAULTS AND REMEDIES

Section 12.1. Events of Default. If any one or more of the following events shall occur and be continuing, it is hereby defined as and declared to be and to constitute an "Event of Default" or "default" under this Lease:

(a) Default in the due and punctual payment of Basic Rent for a period of 10 days following written notice to the Company by the City or the Trustee; or

(b) Default in the due and punctual payment of Additional Rent for a period of 60 days following written notice to the Company by the City or the Trustee; or

(c) Default in the due observance or performance of any other covenant, agreement, obligation or provision of this Lease on the Company's part to be observed or performed, and such default shall continue for 60 days after the City or the Trustee has given the Company written notice specifying such default (or such longer period as shall be reasonably required to cure such default; provided that (1) the Company has commenced such cure within said 60 day period, and (2) the Company diligently prosecutes such cure to completion); or

(d) The Company: (1) admits in writing its inability to pay its debts as they become due; or (2) files a petition in bankruptcy or for reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Bankruptcy Code as now or in the future amended or any other similar present or future federal or state statute or regulation, or files a pleading asking for such relief; or (3) make an assignment for the benefit of creditors pursuant to Section 426.010 et seq RSMo; or (4) consents to the appointment of a trustee, receiver or liquidator for all or a major portion of its property or fails to have the appointment of any trustee, receiver or liquidator made without the Company's consent or acquiescence, vacated or set aside; or (5) is finally adjudicated as bankrupt or insolvent under any federal or state law; or (6) is subject to any proceeding, or suffers the entry of a final and non-appealable court order, under any federal or state law appointing a trustee, receiver or liquidator for all or a major part of its property or ordering the winding-up or liquidation of its affairs, or approving a petition filed against it under the Bankruptcy Code, as now or in the future amended, which order or

proceeding, if not consented to by it, is not dismissed, vacated, denied, set aside or stayed within 90 days after the day of entry or commencement; or (7) suffers a writ or warrant of attachment or any similar process to be issued by any court against all or any substantial portion of its property, and such writ or warrant of attachment or any similar process is not contested, stayed, or is not released within 60 days after the final entry, or levy or after any contest is finally adjudicated or any stay is vacated or set aside; or

(e) the Project Equipment or any material portion thereof remains uncared for and abandoned for a period of 180 consecutive days which is not due to a casualty event which is in the process of remediation; or

(f) The occurrence and continuance of an event of default giving rise to the enforcement of remedies under the Performance Agreement or the Real Property Lease, following any applicable notices and grace periods provided in the applicable document.

Section 12.2. Remedies on Default. If any Event of Default referred to in **Section 12.1** hereof has occurred and continues beyond any applicable grace period provided to cure, then the City may at the City's election (subject, however, to any restrictions against acceleration of the maturity of the Bonds or termination of this Lease in the Indenture), then or at any time thereafter, and while such Event of Default shall continue beyond any applicable grace period, take any one or more of the following actions, in addition to pursuing any other remedies available by law:

(a) cause all amounts payable with respect to the Bonds for the remainder of the term of this Lease to become due and payable after giving 60 days prior written notice thereof to the Company, as provided in the Indenture; or

(b) give the Company written notice of the City's intention to terminate this Lease on a date specified therein, which date shall not be earlier than 60 days after such notice is given, and if all defaults have not then been cured, on the date so specified, the Owners shall tender or be deemed to have tendered the outstanding principal amount of the Bonds for cancellation with instruction that such tender is in lieu of payment in accordance with **Section 11.1** hereof and this Lease shall thereupon be terminated, and the City will promptly convey the Project Equipment in accordance with **Section 11.2** hereof.

Section 12.3. Survival of Obligations. The Company covenants and agrees with the City and Owners that those of its obligations under this Lease which by their nature require performance after the end of the term of this Lease, or which are expressly stated herein as intended to survive expiration or termination of this Lease, shall survive the cancellation and termination of this Lease, for any cause.

Section 12.4. Performance of the Company's Obligations by the City. If an Event of Default occurs as a result of any failure by the Company, then the City, or the Trustee in the City's name, may (but shall not be obligated so to do) upon the continuance of such failure on the Company's part for 30 days after written notice of such failure is given to the Company by the City or the Trustee, and without waiving or releasing the Company from any obligation hereunder, as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all reasonable sums so paid by the City or the Trustee and all necessary incidental reasonable costs and expenses incurred by the City or the Trustee (including, without limitation, attorneys' fees and expenses incurred by the City or the Trustee) in performing such obligations shall be deemed Additional Rent and shall be paid to the City or the Trustee on demand, and if not so paid by the Company, the City or the Trustee shall have the same

rights and remedies provided for in **Section 12.2** hereof in the case of default by the Company in the payment of Basic Rent.

Section 12.5. Rights and Remedies Cumulative. The rights and remedies reserved by the Trustee, the City and the Company hereunder and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. The Trustee, the City and the Company shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Lease, notwithstanding availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity.

Section 12.6. Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by the Company of any covenant, agreement or undertaking by the Company, the Trustee or the City may nevertheless accept from the Company any payment or payments hereunder without in any way waiving the Trustee or the City's right to exercise any of its rights and remedies provided for herein with respect to any such breach or breaches of the Company which were in existence at the time such payment or payments were accepted by the Trustee or the City.

Section 12.7. Trustee's Exercise of the City's Remedies. Whenever any Event of Default shall have occurred and be continuing, the Trustee may, but except as otherwise provided in the Indenture shall not be obliged to, exercise any or all of the rights of the City under this Article (except with respect to the Unassigned Rights), upon notice as required of the City unless the City has already given the required notice. In addition, the Trustee shall have available to it all of the remedies prescribed by the Indenture.

ARTICLE XIII

ASSIGNMENT AND SUBLEASE

Section 13.1. Assignment; Sublease.

(a) The Company may assign, transfer, encumber or dispose of this Lease or any interest therein or part thereof for any lawful purpose under the Act. With respect to any assignment, the Company shall comply with the following conditions:

(1) Such assignment shall be in writing, duly executed and acknowledged by the assignor;

(2) Such assignment shall include the entire then unexpired term of this Lease; and

(3) A duplicate original of such assignment shall be delivered to the City and the Trustee within 10 days after the execution thereof, together with an assumption agreement, duly executed and acknowledged by the assignee in proper form for recording, by which the assignee shall assume all of the terms, covenants and conditions of this Lease on the part of the Company to be performed and observed.

For any assignment of this Lease (except (i) as otherwise allowed under **Section 10.4** with respect to financing arrangements), (ii) any assignment to any Financing Party or (iii) any affiliate or successor to the Company by reason of a merger or consolidation, reorganization, combination, division, transfer or sale of assets or any similar transaction by operation of law or otherwise, to the extent permitted by **Section 10.7** (the transactions covered by clauses (i), (ii) and (iii), “Permitted Assignments”), the Company shall obtain the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed. Permitted Assignments shall not require notice to, or consent of, the City, except as described in **Section 13.1(a)(3)**. The City may require that any assignee for which consent is required demonstrate to the City’s reasonable satisfaction that it has sufficient financial, management, property ownership and operation capabilities, and that it is interested in the long-term viability of the Project Equipment. Any assignee of all the rights of the Company shall agree to be bound by the terms of this Lease and any other documents related to the issuance of the Bonds. Upon such assignment of all the rights of the Company and agreement by the assignee to be bound by the terms of this Lease and any other documents related to the Bonds, the Company shall be released from and have no further obligations under this Lease or any agreement related to the issuance of the Bonds.

(b) The Company shall have the right to sublet all or any part of the Project Equipment to a single entity for any lawful purpose under the Act. The Company shall, within 10 days after the delivery thereof, furnish or cause to be furnished to the City and the Trustee a true and correct copy of each such sublease. The Company may redact any and all financial terms therein. Any sublease may provide, at the Company’s option, that the City’s consent shall not be required in respect of any further subletting thereunder if such further subletting is for a similar purpose as the original sublease and is for a purpose permissible under the Act. For the avoidance of doubt, a lease agreement is concurrently entered into between the City and Missouri ADC Holdings LLC for the lease of real property and improvements, which the City acknowledges and approves.

Section 13.2. Assignment of Revenues by City. The City shall assign and pledge any rents, revenues and receipts receivable under this Lease, to the Trustee pursuant to the Indenture as security for payment of the principal of, interest and premium, if any, on the Bonds and the Company hereby consents to such pledge and assignment. The City and the Company recognize that the Trustee is a third party creditor beneficiary of this Lease.

Section 13.3. Prohibition Against Certain Security Interests in Project Equipment. With the exception of security interests permitted pursuant to **Section 10.4(c)** at the request and direction of the Company, the City shall not grant security interests in its ownership interest in the Project Equipment, but may assign its interest in and pledge any moneys receivable under this Lease to the Trustee pursuant to the Indenture as security for payment of the principal of and interest on the Bonds.

Section 13.4. Restrictions on Sale or Encumbrance of Project Equipment by City. During this Lease Term, the City agrees that, except to secure the Bonds to be issued pursuant to the Indenture, and except as permitted pursuant to **Section 10.4(c)**, it will not sell, assign, encumber, transfer or convey the Project Equipment or any interest therein, but may assign its interest in and pledge any moneys receivable under this Lease to the Trustee pursuant to the Indenture as security for payment of the principal of and interest on the Bonds.

ARTICLE XIV

AMENDMENTS, CHANGES AND MODIFICATIONS

Section 14.1. Amendments, Changes and Modifications. Except as otherwise provided in this Lease or in the Indenture, subsequent to the issuance of Bonds and prior to the payment in full of the Bonds (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Lease may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the Trustee, given in accordance with the provisions of the Indenture.

ARTICLE XV

MISCELLANEOUS PROVISIONS

Section 15.1. Notices. All notices, certificates or other communications required or desired to be given hereunder shall be in writing and shall be governed by **Section 1403** of the Indenture.

Section 15.2. City Shall Not Unreasonably Withhold Consents and Approvals. Wherever in this Lease it is provided that the City shall, may or must give its approval or consent, or execute supplemental agreements or schedules, unless stated that such matter is in the City's sole discretion, the City shall not unreasonably, arbitrarily or unnecessarily withhold or refuse to give such approvals or consents or refuse to execute such supplemental agreements or schedules; provided, however, that nothing in this Lease shall be interpreted to affect the City's rights to approve or deny any additional project or matter unrelated to the Project Equipment subject to zoning, building permit or other regulatory approvals by the City.

Section 15.3. Net Lease. The parties hereto agree (a) that this Lease shall be deemed and construed to be a net lease, (b) that the payments of Basic Rent are designed to provide the City and the Trustee funds adequate in amount to pay all principal of and interest accruing on the Bonds as the same become due and payable, (c) that to the extent that the payments of Basic Rent are not sufficient to provide the City and the Trustee with funds sufficient for the purposes aforesaid, the Company shall be obligated to pay, and it does hereby covenant and agree to pay, upon demand therefor, as Additional Rent, such further sums of money, in cash, as may from time to time be required for such purposes, and (d) that if after the principal of and interest on the Bonds and all costs incident to the payment of the Bonds (including the fees and expenses of the City and the Trustee) have been paid in full the Trustee or the City holds unexpended funds received in accordance with the terms hereof such unexpended funds shall, after payment therefrom of all sums then due and owing by the Company under the terms of this Lease, and except as otherwise provided in this Lease and the Indenture, become the absolute property of and be paid over forthwith to the Company.

Section 15.4. Limitation on Liability of City. No provision, covenant or agreement contained in this Lease, the Indenture or the Bonds, or any obligation herein or therein imposed upon the City, or the breach thereof, shall constitute or give rise to or impose upon the City a pecuniary liability or a charge upon the general credit or taxing powers of the City or the State of Missouri.

Section 15.5. Governing Law. This Lease shall be construed in accordance with and governed by the laws of the State of Missouri.

Section 15.6. Binding Effect. This Lease shall be binding upon and shall inure to the benefit of the City and the Company and their respective successors and assigns.

Section 15.7. Severability. If for any reason any provision of this Lease shall be determined to be invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected thereby.

Section 15.8. Execution in Counterparts. This Lease may be executed in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 15.9. Electronic Storage and Notice. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. If the Company elects to give instructions by electronic notice to the Trustee, the Trustee may deem such instructions controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Company agrees to assume all risks arising out of the use of such electronic notice to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 15.10 Complete Agreement. THE COMPANY AND THE CITY UNDERSTAND THAT ORAL OR UNEXECUTED AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT THE COMPANY AND THE CITY FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS THE COMPANY AND THE CITY REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS LEASE AND THE PERFORMANCE AGREEMENT, WHICH ARE THE COMPLETE AND EXCLUSIVE STATEMENTS OF THE AGREEMENT BETWEEN THE COMPANY AND THE CITY, EXCEPT AS THE COMPANY AND THE CITY MAY LATER AGREE IN WRITING TO MODIFY THIS LEASE OR THE PERFORMANCE AGREEMENT.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed in their respective names by their duly authorized signatories, all as of the date first above written.

CITY OF INDEPENDENCE, MISSOURI

By: _____
Name: Lisa Reynolds
Title: Interim City Manager

[SEAL]

ATTEST:

By: _____
Name: Susanne Holland
Title: City Clerk

NEBIUS, INC.,
a Delaware corporation

By: _____
Name:
Title:

Lease Agreement
Independence, Missouri / Nebius Project - Equipment

EXHIBIT A

PROJECT SITE

The following described real estate located in Jackson County, Missouri:

[**INSERT LEGAL DESCRIPTION**]

EXHIBIT B

PROJECT EQUIPMENT

The Project Equipment consists of the following, to the extent located at the Project Site and paid for in whole with Bond proceeds:

Data servers, specialized mechanical, electrical and plumbing systems, HVAC systems, and data center support equipment sufficient to operate a data center of at least 800 megawatts.

EXHIBIT C

FORM OF REQUISITION CERTIFICATE

Requisition No. _____
Date: _____

REQUISITION CERTIFICATE

TO: BOKF, N.A., AS TRUSTEE UNDER A TRUST INDENTURE DATED AS OF FEBRUARY 1, 2026, BETWEEN CITY OF INDEPENDENCE, MISSOURI, AND THE TRUSTEE, AND THE LEASE AGREEMENT DATED AS OF FEBRUARY 1, 2026, BETWEEN CITY OF INDEPENDENCE, MISSOURI AND NEBIUS, INC.

The undersigned Authorized Company Representative hereby states and certifies that:

1. A total of \$_____ is requested to pay for Project Costs (as defined in the Indenture) of the Project Equipment. The total amount of this requisition and all prior requisitions are as follows:

<u><i>Date of Project Costs</i></u>	<u><i>Amount Submitted in this Requisition</i></u>	<u><i>Requisitions Submitted to Date (Including this Requisition)</i></u>

2. Said Project Costs shall be paid in whole from Bond proceeds in such amounts, to such payees and for such purposes as set forth on **Schedule 1** hereto.

3. Each of the items for which payment is requested are or were desirable and appropriate in connection with the purchase and installation of the Project Equipment (as defined in the Trust Indenture), have been properly incurred and are a proper charge against the Project Fund, and have been paid by the Company 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.

4. As of this date, except for the amounts referred to above, to the best of my knowledge there are no outstanding disputed statements for which payment is requested for labor, wages, materials, supplies or services in connection with the purchase and installation of the Project Equipment which, if unpaid, might become the basis of a vendors', mechanics', laborers' or materialmen's statutory or similar lien upon the Project Equipment or any part thereof.

5. With respect to this disbursement, the undersigned (i) certifies it has reviewed any wire instructions set forth herein to confirm such wire instructions are accurate, and (ii) agrees it will not seek

recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with its instructions herein.

6. With respect to all personal property described in this Requisition Certificate and for which Project Costs are disbursed pursuant to this Requisition Certificate, in consideration of such disbursement, such personal property is hereby BARGAINED and SOLD, and the Company by these presents does now GRANT and CONVEY, unto the CITY OF INDEPENDENCE, MISSOURI, and its successors and assigns, all of its right, title and interest, if any, in and to such personal property, and such personal property shall constitute a portion of the "Project Equipment" as defined under the Lease Agreement dated as of February 1, 2026, between the Company and the City. The property is being conveyed "as is," "where is" and "with all faults" as of the date of this Requisition Certificate, without any representation or warranty whatsoever as to its condition, fitness for any particular purpose, merchantability, or any other warranty, express or implied.

NEBIUS, INC.

By: _____
Authorized Company Representative

SCHEDULE 1 TO REQUISITION CERTIFICATE

PROJECT COSTS

<u>Payee and Address</u>	<u>Description</u>	<u>Amount</u>
--------------------------	--------------------	---------------

EXHIBIT D

FORM OF CERTIFICATE OF INSURANCE COMPLIANCE

The undersigned, being the Authorized Company Representative for Nebius, Inc., as tenant (the "Company"), under a certain Lease Agreement dated as of February 1, 2026, between the City of Independence, Missouri (the "City"), and the Company (the "Lease"), and as beneficiary of the City's Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026, issued pursuant to a certain Trust Indenture dated as of February 1, 2026 (the "Indenture"), hereby certifies pursuant to Article VII of Lease:

1. All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings set forth in the Lease.

2. The policies of insurance required to in place pursuant to Article VII of the Lease are effective and the premiums with respect thereto have been paid in full as of the date set forth below. Such policies comply with the terms and provisions set forth in Article VII, and the Company is in compliance with the provisions of Article VII.

3. The undersigned will notify the Trustee 10 days prior to any cancellation or material change to such policies; the policies currently in effect have an expiration date of _____, 20__.

4. The Trustee may conclusively rely on this Certificate of Insurance Compliance without further investigation.

5. Attached hereto are insurance certificates showing compliance with the liability and casualty insurance requirements of Article VII of the Lease.

IN WITNESS WHEREOF, the undersigned Authorized Company Representative has signed this Certificate, and the statements of fact made in this Certificate are true and correct.

Authorized Company Representative

Date: _____

ATTACHMENTS:

1. Liability insurance certificate(s)
2. Casualty insurance certificate(s)

Note: all insurance certificates must show the City and the Trustee as additional insureds.

EXHIBIT E

FORM OF COMPLETION CERTIFICATE

The undersigned, being the Authorized Company Representative for Nebius, Inc., as tenant (the "Company"), under a certain Lease Agreement dated as of February 1, 2026, between the City of Independence, Missouri (the "City"), and the Company (the "Lease"), and as beneficiary of the City's Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026, issued pursuant to a certain Trust Indenture dated as of February 1, 2026 (the "Indenture"), hereby certifies pursuant to Article IV of the Lease:

1. All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings set forth in the Lease.

2. The acquisition and installation of the Project Equipment has been completed.

3. All costs and expenses incurred in the acquisition and installation of the Project Equipment have been paid except costs and expenses the payment of which is not yet due or is being retained or contested in good faith by the Company.

4. The Trustee is retaining \$_____ for the payment of amounts with respect to item (3) above.

5. The Trustee may conclusively rely on this Certificate without further investigation.

6. This Certificate is given without prejudice to any rights against third parties which exist at the date hereof or which may subsequently come into being.

IN WITNESS WHEREOF, the undersigned Authorized Company Representative has signed this Certificate, and the statements of fact made in this Certificate are true and correct.

Authorized Company Representative

Date: _____

APPENDIX I
PERFORMANCE AGREEMENT

(See Tab No. 4)

**CITY OF INDEPENDENCE, MISSOURI,
As Lessor,**

AND

**MISSOURI ADC HOLDINGS, LLC,
As Lessee**

LEASE AGREEMENT

Dated as of February 1, 2026

Relating to:

**\$6,609,000,000
(Aggregate Maximum Principal Amount)
City of Independence, Missouri
Taxable Industrial Development Revenue Bonds
(Nebius Project - Real Property)
Series 2026**

Certain rights of the City of Independence, Missouri (the “City”), in this Lease Agreement have been pledged and assigned to BOKF, N.A., Kansas City, Missouri, as Trustee under the Trust Indenture dated as of February 1, 2026, between the City and the Trustee. Such pledge and assignment does not include the Unassigned Rights (defined in the Indenture).

LEASE AGREEMENT

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Appendix I: Performance Agreement

LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of February 1, 2026 (the “Lease”), is between the **CITY OF INDEPENDENCE, MISSOURI**, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri, as lessor (the “City”), and **MISSOURI ADC HOLDINGS, LLC**, a Delaware limited liability company, as lessee, and its successors or assigns, as permitted hereunder (the “Company”);

RECITALS:

1. The City is authorized under Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200 of the Revised Statutes of Missouri, as amended (the “Act”), to purchase, construct, extend and improve certain “projects” (as defined in the Act) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, warehousing, office industry and industrial development purposes upon such terms and conditions as the City shall deem advisable.

2. Pursuant to the Act, the City Council passed an ordinance (the “Ordinance”) on _____, 2026, authorizing the City to issue its Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026, in the maximum principal amount of \$6,609,000,000 (the “Bonds”), for the purpose of acquiring, constructing and improving certain real property located at and surrounding 501 North Bly Road in the City (the “Project Site,” as more fully described on **Exhibit A** hereto), including the construction and improvement of multiple buildings with a combined square footage of approximately 2,100,000 square feet on the Project Site (the “Project Improvements,” as more fully described on **Exhibit B** hereto).

3. Pursuant to the Ordinance, the City is authorized to enter into a Trust Indenture of even date herewith (the “Indenture”) with BOKF, N.A., Kansas City, Missouri, as Trustee (the “Trustee”), for the purpose of issuing and securing the Bonds, as therein provided, and to enter into this Lease with the Company under which the City will construct and improve the Project Improvements, and lease the Project Site and the Project Improvements as they may at any time exist (collectively, the “Project”), to the Company in consideration of rental payments by the Company that will be sufficient to pay the principal of and interest on the Bonds.

4. In consideration of the terms and conditions of this Lease, the Ordinance, issuance of the Bonds and certain other agreements, the City and the Company have concurrently herewith entered into a Performance Agreement of even date herewith (the “Performance Agreement”), pursuant to which the Company has agreed to make certain payments in lieu of taxes.

5. Pursuant to the foregoing, the City desires to lease the Project to the Company and the Company desires to lease the Project from the City, for the rentals and upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the City and the Company do hereby represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. In addition to any words and terms defined elsewhere in this Lease and the words and terms defined in **Section 101** of the Indenture which definitions are hereby incorporated herein by reference, and terms defined, the following words and terms as used in this Lease shall have the following meanings:

“Additional Rent” means the additional rental described in **Sections 5.2** and **6.2** of this Lease.

“Basic Rent” means the rental described in **Section 5.1** of this Lease.

“Certificate of Insurance Compliance” means a certificate in substantially the form set forth on **Exhibit D** hereto evidencing the Company’s compliance with the insurance requirements set forth in **Article VII** hereto, fully executed by the Authorized Company Representative and upon which the Trustee may conclusively rely without further investigation or inquiry.

“CID” means the EastGate Commerce Center Community Improvement District created by ordinance of the City.

“CID Special Assessments” means any special assessments imposed on the Project by the CID.

“City Code” means the City’s Code of Ordinances published most recently in 2021, as the same may be amended by the City from time to time.

“Completion Certificate” means a certificate in substantially the form set forth on **Exhibit E** hereto evidencing the Completion Date as set forth in **Article IV** hereto, fully executed by the Authorized Company Representative and upon which the Trustee may conclusively rely without further investigation or inquiry.

“Environmental Law” means and includes the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act, the Superfund Amendments and Reauthorization Act of 1986, any other “Superfund” or “Superlien” law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous materials, as now or at any time hereafter in effect.

“Equipment Lease” means the Lease Agreement relating to personal property to be located on the Project Site between the City and the Equipment Lessee.

“Equipment Lessee” means Nebius, Inc., and its successors and assigns as permitted under the Equipment Lease.

“Financing Document” means any loan agreement, credit agreement, indenture, mortgage, participation agreement, lease agreement, sublease, ground lease, hedging agreement or other document executed by or on behalf of a Financing Party.

“Financing Party” means any Person providing debt, lease or equity financing or other financing (including equity contributions or commitments) or hedging arrangements, or any renewal, extension or

refinancing of any such financing or hedging arrangements, or any guarantee, insurance, letters of credit or credit support for or in connection with such financing or hedging arrangements, in connection with the development, construction, ownership, purchase, lease, operation or maintenance of the Project or interests or rights in the Lease, or any part thereof, including any trustee or agent acting on any such Person's behalf.

"Full Insurable Value" means the actual replacement cost of the Project less physical depreciation as determined in accordance with **Section 7.1(a)** hereof.

"Lease Term" means the period from the effective date of this Lease until the expiration thereof pursuant to **Section 3.2** hereof.

"Leasehold Mortgage" means any leasehold mortgage, leasehold deed of trust, assignment of rents and leases, security agreement or other agreement relating to the Project permitted pursuant to the provisions of **Section 10.4** hereof.

"Net Proceeds" means, when used with respect to any insurance or condemnation award with respect to the Project, the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including reasonable attorneys' fees, trustee's fees and any extraordinary expenses of the City and the Trustee) incurred in the collection of such gross proceeds.

"Permitted Encumbrances" means, as of any particular time, as the same may encumber the Project Site, (a) liens for ad valorem taxes and special assessments not then delinquent, (b) the Indenture, this Lease, and the Performance Agreement, (c) utility, access and other easements and rights-of-way, mineral rights, restrictions, exceptions and encumbrances that will not materially interfere with or impair the operations being conducted on the Project Site or easements granted to the City, (d) such minor defects, irregularities, encumbrances, easements, mechanic's liens, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Project Site and as do not in the aggregate materially impair the property affected thereby for the purpose for which it was acquired or is held by the City, (e) liens or security interests granted pursuant to any Leasehold Mortgage or any Financing Documents, and (f) such exceptions to title set forth in the title report included in the transcript of proceedings relating to the Bonds.

"Plans and Specifications" means the plans and specifications prepared for and showing the Project, as amended by the Company from time to time prior to the Completion Date, the same being duly certified by the Company, and on file with the Company, or with the architect/engineers retained by the Company for the Project, and which shall be available for reasonable inspection by the City, the Trustee and their duly appointed representatives.

"Project Site" means the real property upon which the property comprising the Project is located as more fully described in **Exhibit A**.

Section 1.2. Rules of Interpretation.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(b) Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing Persons shall include firms, associations and corporations, including governmental entities, as well as natural Persons.

(c) Wherever in this Lease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

(d) All references in this instrument to designated "Articles," "Sections" and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words "herein," "hereof," "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other subdivision.

(e) The Table of Contents and the Article and Section headings of this Lease shall not be treated as a part of this Lease or as affecting the true meaning of the provisions hereof.

(f) Whenever an item or items are listed after the word "including," such listing is not intended to be a listing that excludes items not listed.

Section 1.3. Acceptance of Indenture. The Company acknowledges that it has received an executed copy of the Indenture and that it is familiar with the terms and conditions of the Indenture. The Company further covenants that it will comply with all the conditions and covenants contained in the Indenture relating to the Company and the Project, and that it will not take any action which would cause a default thereunder or jeopardize the rights of the Trustee, the City or the Bondowners.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by the City. The City makes the following representations as the basis for the undertakings on its part herein contained:

(a) The City is a constitutional charter city and municipal corporation duly organized and validly existing under the laws of the State of Missouri. Under the provisions of the Act, the City has lawful power and authority to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder. By proper action of its governing body, the City has been duly authorized to execute and deliver this Lease, acting by and through its duly authorized officers;

(b) As of the date of delivery hereof, the City has acquired the Project Site and agrees to construct and improve or cause to be constructed and improved thereon the Project Improvements. The City agrees to lease the Project to the Company and sell the Project to the Company if the Company exercises its option to purchase the Project or upon termination of this Lease as provided for herein, all for the purpose of furthering the public purposes of the Act;

(c) The purchase, construction, extension and improvement of the Project and the leasing of the Project by the City to the Company will further the public purposes of the Act;

(d) To the City's knowledge, no member of the City Council or any other officer of the City has any significant or conflicting interest, financial, employment or otherwise, in the Company or in the transactions contemplated hereby;

(e) To finance the costs of the Project, the City proposes to issue the Bonds which will be scheduled to mature as set forth in **Article II** of the Indenture and will be subject to redemption prior to maturity in accordance with the provisions of **Article III** of the Indenture;

(f) The Bonds are to be issued under and secured by the Indenture, pursuant to which the Project and the net earnings therefrom, including all rents, revenues and receipts to be derived by the City from the leasing or sale of the Project (except for the Unassigned Rights), will be pledged and assigned to the Trustee as security for payment of the principal of and interest on the Bonds and amounts owing pursuant to the Lease;

(g) The City will not mortgage or take any affirmative action that would permit a lien to be placed on the Project or pledge the revenues derived therefrom for any bonds or other obligations, other than the Bonds, except at the request of or with the written consent of the Authorized Company Representative; and

(h) The City shall have no authority to operate the Project as a business or in any other manner except as the lessor thereof or potentially as lessee of a portion thereof, except subsequent to an Event of Default hereunder.

Section 2.2. Representations by the Company. The Company makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and is in good standing under the laws of and authorized to do business in the State of Missouri;

(b) The Company has lawful power and authority to enter into this Lease and to carry out its obligations hereunder and by proper action of its members the Company has been duly authorized to execute and deliver this Lease, acting by and through its duly authorized officers and representatives;

(c) The execution and delivery of this Lease, the consummation of the transactions contemplated hereby, and the performance of or compliance with the terms and conditions of this Lease by the Company will not, to the best of the Company's knowledge, conflict with or result in a material breach of any of the terms, conditions or provisions of, or constitute a material default under, any mortgage, deed of trust, lease or any other restrictions or any agreement or instrument to which the Company is a party or by which it or any of its property is bound, or the Company's organizational documents, or any order, rule or regulation applicable to the Company or any of its property of any court or governmental body, or constitute a material default under any of the foregoing, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Company under the terms of any instrument or agreement to which the Company is a party;

(d) The Project will comply in all material respects with all presently applicable building and zoning, health, environmental and safety orders and laws and all other applicable laws, rules and regulations, including the City Code; and

(e) The Project is located wholly within the corporate limits of the City of Independence, Missouri.

ARTICLE III

GRANTING PROVISIONS

Section 3.1. Granting of Leasehold Estate. The City hereby exclusively rents, leases and lets the Project to the Company, and the Company hereby rents, leases and hires the Project from the City, subject to Permitted Encumbrances for the rentals and upon and subject to the terms and conditions herein contained.

Section 3.2. Lease Term. This Lease shall become effective upon its delivery, and subject to sooner termination pursuant to the provisions of this Lease, shall have a term commencing as of the date of this Lease and terminating on **December 1, 2046**.

Section 3.3. Possession and Use of the Project.

(a) The City covenants and agrees that as long as neither the City nor the Trustee has exercised any of the remedies set forth in **Section 12.2(b)** following the occurrence and continuance of an Event of Default, the Company shall have sole and exclusive possession of the Project (subject to Permitted Encumbrances and the City's and the Trustee's right of access pursuant to **Section 10.3** hereof) and shall and may peaceably and quietly have, hold and enjoy the Project during the Lease Term. The City covenants and agrees that it will not take any action, other than expressly pursuant to **Article XII** hereof, to prevent the Company from having quiet and peaceable possession and enjoyment of the Project during the Lease Term and will, at the request and expense of the Company, cooperate with the Company in order that the Company may have quiet and peaceable possession and enjoyment of the Project and will defend the Company's enjoyment and possession thereof against all parties. The City will at the Company's request reasonably cooperate with the Company in obtaining financing for the Project Equipment, as detailed in **Section 10.4** of this Lease.

(b) Subject to the provisions of this Section, the Company shall have the right to use the Project for any lawful purpose contemplated by the Act, this Lease, and the Performance Agreement. The Company shall comply in all material respects with all statutes, laws, ordinances, codes, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Project or to any adjoining public ways, as to the manner of use or the condition of the Project or of adjoining public ways. In the event of demonstrated noncompliance with such statutes, laws, ordinances, codes, orders, judgments, decrees, regulations, directions and requirements the Company will take all reasonable steps to comply with such statutes, laws, ordinances, codes, orders, judgments, decrees, regulations, directions and requirements. The Company shall also comply with the mandatory requirements, rules and regulations of all insurers under the policies carried under the provisions of **Article VII** hereof. The Company shall pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of the Company to comply with the provisions of this Section. Notwithstanding any provision contained in this Section, however, the Company shall have the right, at

its own cost and expense, to contest or review by legal or other appropriate procedures the validity or legality of any such governmental statute, law, ordinance, code, order, judgment, decree, regulation, direction or requirement, or any such requirement, rule or regulation of an insurer, and during such contest or review the Company may refrain from complying therewith.

Section 3.4. Title to the Project. Subject to the terms herein, the City shall be the sole owner of the Project during the Lease Term.

ARTICLE IV

CONSTRUCTION AND IMPROVEMENT OF THE PROJECT

Section 4.1. Issuance of the Bonds. The City agrees that, upon request of the Company, it will issue, sell and cause to be delivered the Bonds to the purchaser thereof in accordance with the provisions of the Indenture and the Bond Purchase Agreement. The proceeds of the sale of the Bonds, when received, shall be paid over to the Trustee for the account of the City. The Trustee shall promptly deposit such proceeds, when received, as provided in the Indenture, to be used and applied as hereinafter provided in this Lease and in the Indenture. Alternatively, the Trustee may, (pursuant to **Section 208(d)** of the Indenture) endorse the Bonds in an amount equal to the requisition certificates submitted pursuant to **Section 4.4** below. In that event, the purchaser of the Bonds shall be deemed to have deposited funds with the Trustee in an amount equal to the amount stated in the requisition certificate.

Section 4.2. Construction and Improvement of the Project. The City and the Company agree that the Company, as the agent of the City, shall, but solely from the Project Fund, construct and improve the Project as follows:

(a) The City has acquired the Project Site prior to the execution hereof. Concurrently with the execution of this Lease, (i) a deed and any other necessary instruments of transfer will be delivered to the City and placed of record, and (ii) the commitment for title insurance or ownership and encumbrance report (which may be provided in the form of a copy of the commitment for an owner's or loan policy of title insurance relating to the Company's acquisition of or private financing for the Project) required by **Article VII** hereof will be delivered to the City and the Trustee;

(b) On behalf of the City, the Company will construct and improve the Project Improvements on the Project Site and otherwise improve the Project Site in accordance with the Plans and Specifications and in a manner materially consistent with the description of the Project Improvements included in **Exhibit B** to this Lease. The Company may revise the Plans and Specifications from time to time as it deems necessary to carry out the Project, but revisions that would alter the intended purpose of the Project may be made only with the prior written approval of the City. The Company agrees that the aforesaid construction and improvement will, with such changes and additions as may be made hereunder, result in facilities suitable for use by the Company for its purposes, and that all real and personal property described in the Plans and Specifications, with such changes and additions as may be made hereunder, is desirable and appropriate in connection with the Project. The provisions of this paragraph are in addition to and do not supersede the provisions of **Section 8.2**; and

(c) The Company agrees that it will use reasonable efforts to cause the construction and improvement of the Project to be completed as soon as commercially practicable with all reasonable dispatch. In the event such construction and improvement commences prior to the receipt of proceeds from the sale of the Bonds, the Company agrees to advance all funds necessary for such purpose.

Section 4.3. Project Costs. The City hereby agrees to pay for, but solely from the Project Fund, and hereby authorizes and directs the Trustee to pay for, but solely from the Project Fund, all Project Costs upon receipt by the Trustee of a certificate pursuant to **Section 4.4** hereof. The Company may not submit any requisition certificates for Project Costs incurred after the Completion Date. The Company must submit all requisitions for Project Costs incurred before the Completion Date within three months after the Completion Date.

Section 4.4. Payment for Project Costs. All Project Costs as specified in **Section 4.3** hereof shall be paid by the Trustee from the Project Fund as more fully provided in the Indenture, and the City hereby irrevocably authorizes and directs the Trustee to make disbursements from the Project Fund, upon receipt by the Trustee of certificates in substantially the form attached hereto as **Exhibit C**, 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.

The Company shall make good faith efforts to submit disbursements certificates (as described in the paragraph above) for all Project Costs within 90 days after incurring such Project Costs, but in no case later than December 31 of the year in which the Project Costs were incurred. In connection with each disbursement certificate submitted to the Trustee, and within 10 days of submittal thereof, the Company shall pay an issuance fee to the City in an amount equal to 0.01236% of the total Project Costs contained in such disbursement certificate, which amount shall be reported to the Trustee and added to the Cumulative Outstanding Principal Amount of the Bonds.

Section 4.5. Establishment of Completion Date. The Completion Date shall be evidenced to the Trustee by the delivery of a Completion Certificate. The Company and the City agree to cooperate in causing such certificate to be furnished to the Trustee.

Section 4.6. Surplus or Deficiency in Project Fund.

(a) Upon receipt of the certificate described in **Section 4.5** hereof, the Trustee shall, as provided in **Section 504** of the Indenture, transfer any remaining moneys then in the Project Fund to the Bond Fund to be applied as directed by the Company solely to (1) the payment of principal and premium, if any, of the Bonds through the payment (including regularly scheduled principal payments, if any) or redemption thereof at the earliest date permissible under the terms of the Indenture, or (2) at the option of the Company, to the purchase of Bonds at such earlier date or dates as the Company may elect. Any amount so deposited in the Bond Fund may be invested as permitted by **Section 702** of the Indenture.

(b) If the Project Fund shall be insufficient to pay fully all Project Costs and to complete the Project free of liens and encumbrances other than Permitted Encumbrances, the Company shall pay, in cash, the full amount of any such deficiency by making payments thereof directly to the contractors and to the suppliers of materials and services as the same shall become due, and the Company shall save the City and the Trustee whole and harmless from any obligation to pay such deficiency.

Section 4.7. Project Property of City. The Project Site and the Project Improvements, which the Company desires to convey to the City, including all work and materials on the Project Improvements as such work progresses, and all additions or enlargements thereto or thereof, the Project as fully completed, anything under this Lease which becomes, is deemed to be, or constitutes a part of the Project, and the Project as repaired, rebuilt, rearranged, restored or replaced by the Company under the provisions of this Lease, except as otherwise specifically provided herein, shall immediately when erected or installed become the absolute property of the City, subject only to this Lease, the Indenture, Permitted Encumbrances and the Leasehold Mortgage or Financing Documents, if any.

Section 4.8. Non-Project Improvements, Machinery and Equipment Property of the Company. Any improvements or items of machinery or equipment which do not constitute part of the Project Improvements and the entire purchase price of which is paid for by the Company with the Company's own funds, and no part of the purchase price of which is paid for from funds deposited pursuant to the terms of this Lease in the Project Fund, shall be the property of the Company and shall not constitute a part of the Project for purposes of **Section 6.4** hereof and therefore are subject to taxation, to the extent otherwise provided by law.

Section 4.9. Environmental Matters. The Company acknowledges that it is responsible for maintaining the Project in compliance with all Environmental Laws. In the event that the Company fails to undertake to comply with any final, non-appealable order issued by any local, state or federal authority under applicable Environmental Law, the City or the Trustee, immediately after notice to the Company, may elect (but shall not be required) to undertake such compliance. Any moneys expended by the City or the Trustee in efforts to comply with any applicable Environmental Law (including the reasonable cost of hiring consultants, undertaking sampling and testing, performing any cleanup necessary or useful in the compliance process and reasonable attorneys' fees) shall be due and payable as Additional Rent hereunder with interest thereon at the average rate of interest per annum on the Bonds, plus two (2) percentage points, from the date such cost is incurred. There shall be unlimited recourse to the Company to the extent of any liability incurred by the City or the Trustee with respect to any breaches of the provisions of this section.

The Company shall and does hereby indemnify the City and the Trustee and agrees to defend and hold them harmless from and against all loss, cost, damage and expense (including, without limitation, reasonable attorneys' fees and costs associated incurred in the investigation, defense and settlement of claims) that they may incur, directly or indirectly, as a result of or in connection with the assertion against them or any of them of any claim relating to the presence on, escape or removal from the Project during the term of this Lease of any hazardous substance or other material regulated by any applicable Environmental Law, or compliance with any applicable Environmental Law, whether such claim is raised before, during or after the term of this Lease, including claims relating to personal injury or damage to property; provided, however, this indemnity shall only relate to claims resulting from the City's ownership of the Project and the Trustee's acceptance of its duties as Trustee hereunder.

ARTICLE V

RENT PROVISIONS

Section 5.1. Basic Rent. The Company covenants and agrees to pay to the Trustee in same day funds for the account of the City during this Lease Term, for deposit in the Bond Fund on or before 10:00 a.m., Trustee's local time, on or before each December 1, commencing **December 1, 2026** and

continuing until the principal of and interest on the Bonds which are then outstanding and have not been subject to early redemption shall have been fully paid, an amount which, when added to any collected funds then on deposit in the Bond Fund and available on such Payment Date, shall be equal to the total amount payable on each December 1 as interest on the Bonds. On **December 1, 2046** (or such earlier date as the Company may elect to redeem the Bonds), the Company shall also pay an amount equal to all principal then due on the Bonds in connection with such maturity or redemption. All payments of Basic Rent provided for in this Section shall be paid directly to the Trustee and shall be deposited in accordance with the provisions of the Indenture into the Bond Fund and shall be used and applied by the Trustee in the manner and for the purposes set forth in this Lease and the Indenture, provided that if the Company is the Owner of all the Bonds Outstanding, payment of Basic Rent as provided for in this Section may be made via a transaction entry on the trust records held by the Trustee and the Paying Agent consistent with **Section 204** of the Indenture. Any Basic Rent paid by the Company which exceeds the total amount payable on such payment dates shall be immediately paid to the Company by wire transfer. At its option, on the final Payment Date, the Company may deliver to the Trustee for cancellation Bonds not previously paid and the Company shall receive a credit against the Basic Rent payable by the Company in an amount equal to the principal amount of the Bonds so tendered for cancellation plus accrued interest thereon.

Section 5.2. Additional Rent. The Company shall pay as Additional Rent, within 30 days after receiving an itemized invoice therefor, the following amounts as and when the same become due:

(a) all reasonable fees, charges and expenses, including agent and counsel fees, of the City or the Trustee incurred under the Indenture, this Lease, or any other document entered into in connection with the Bonds, as and when the same become due. The annual administrative fee of the City shall be capped at \$_____. The Trustee fees due hereunder shall be capped at \$_____ annually. The parties agree the aggregate fees under this subsection shall be limited to \$****5,000****;

(b) all costs incident to the payment of the principal of and interest on the Bonds as the same becomes due and payable, including all costs and expenses in connection with the call, redemption and payment of all outstanding Bonds;

(c) all reasonable costs which are reasonably incurred and actually made in connection with the enforcement of any rights against the Company or the Project or in connection with a failure of the Company to perform its obligations under this Lease, the Indenture, or the Performance Agreement by the City, the Trustee or the Bondowners, including counsel fees and expenses;

(d) all amounts payable under the Performance Agreement; or

(e) all other payments of whatever nature which Company has agreed to pay or assume under the provisions of this Lease.

Section 5.3. Obligations of Company Absolute and Unconditional.

(a) The obligation of the Company to pay Basic Rent and Additional Rent are in consideration of the City's obligations to issue the Bonds under the Indenture. The obligations of the Company under this Lease to make payments of Basic Rent and Additional Rent on or before the date the same become due, and to perform all of its other obligations, covenants and agreements hereunder shall be absolute and unconditional, without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any

circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Project has been started or completed, or whether the City's title thereto or to any part thereof is defective or nonexistent, and notwithstanding any damage to, loss, theft or destruction of, the Project or any part thereof, any failure of consideration or frustration of commercial purpose, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Project, legal curtailment of the Company's use thereof, the eviction or constructive eviction of the Company, any change in the tax or other laws of the United States of America, the State of Missouri or any political subdivision thereof, any change in the City's legal organization or status, or any default of the City hereunder, and regardless of the invalidity of any action of the City; provided, however, that nothing in this **Section 5.3(a)** or **Section 5.3(b)** is intended or shall be deemed to affect or impair in anyway the rights of the Company to tender Bonds for redemption in satisfaction of Basic Rent as provided in **Section 5.1** and **Section 5.4** hereof, nor the right of the Company to terminate this Lease and repurchase the Project as provided in **Article XI** hereof.

(b) Nothing in this Lease shall be construed to release the City from the performance of any agreement on its part herein contained or as a waiver by the Company of any rights or claims the Company may have against the City under this Lease or otherwise, but any recovery upon such rights and claims shall be had from the City separately, it being the intent of this Lease that the Company shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Lease (including the obligation to pay Basic Rent and Additional Rent) for the benefit of the Owners and the City. The Company may, however, at its own cost and expense and in its own name or in the name of the City, prosecute or defend any action or proceeding or take any other action involving third Persons which the Company deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event the City hereby agrees to cooperate fully with the Company and to take all action necessary to effect the substitution of the Company for the City in any such action or proceeding if the Company shall so request.

Section 5.4. Prepayment of Basic Rent. The Company may at any time and from time to time prepay a portion of the Basic Rent provided for hereunder (subject to the limitations of **Section 301(a)** of the Indenture relating to the redemption of the Bonds). During such times as the amount held by the Trustee in the Bond Fund shall be sufficient to pay, at the time required, the principal of and interest on all the Bonds then remaining unpaid, the Company shall not be obligated to make payments of Basic Rent under the provisions of this Lease.

Subject to **Section 301(a)** of the Indenture relating to the redemption of Bonds, the Company, at its option, may deliver to the Trustee for cancellation Bonds owned by the Company and not previously paid, and the Company shall receive a credit against amounts payable by the Company for the redemption of Bonds in an amount equal to the principal amount of the Bonds so tendered for cancellation, plus accrued interest thereon.

ARTICLE VI

MAINTENANCE, TAXES AND UTILITIES

Section 6.1. Maintenance and Repairs. Throughout the Lease Term the Company shall, at its own expense, keep the Project in as reasonably safe condition as the operation thereof will permit, and keep the Project in good repair and in good operating condition, making from time to time all necessary repairs thereto and renewals and replacements thereof it determines to be necessary. Without limiting the

generality of the foregoing, the Company shall at all times remain in compliance with all provisions of the City Code relating to maintenance and appearance.

Section 6.2. Taxes, Assessments and Other Governmental Charges.

(a) Subject to the Performance Agreement and subsection (b) of this Section, the Company shall promptly pay and discharge, as the same become due, all taxes and assessments, general and special, and other governmental charges of any kind whatsoever that may be lawfully taxed, charged, levied, assessed or imposed upon or against or be payable for or in respect of the Project, or any part thereof or interest therein (including the leasehold estate of the Company therein) or any buildings, improvements, machinery and equipment at any time installed thereon by the Company, or the income therefrom, including any new taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against real or personal property, and further including all utility charges, assessments and other general governmental charges and impositions whatsoever, foreseen or unforeseen, which if not paid when due would materially impair the security of the Bonds or materially encumber the City's title to the Project; provided that with respect to any special assessments or other governmental charges that are lawfully levied and assessed which may be paid in installments, the Company shall be obligated to pay only such installments thereof as become due and payable during the Lease Term.

(b) The Company may, in its own name or in the City's name, contest the validity or amount of any tax, assessment or other governmental charge which the Company is required to bear, pay and discharge pursuant to the terms of this Article by appropriate legal proceedings instituted before the tax, assessment or other governmental charge complained of becomes delinquent if and provided (1) the Company, before instituting any such contest, gives the City and the Trustee written notice of its intention to do so, (2) the Company diligently prosecutes any such contest, at all times effectively stays or prevents any official or judicial sale therefor, under execution or otherwise, and (3) the Company promptly pays any final judgment enforcing the tax, assessment or other governmental charge so contested and thereafter promptly procures record release or satisfaction thereof. The City agrees to cooperate fully with the Company in connection with any and all administrative or judicial proceedings related to any tax, assessment or other governmental charge. The Company shall save and hold harmless the City and the Trustee from any costs and expenses the City and the Trustee may incur related to any of the above.

(c) Nothing in this Lease shall be construed to require the Company to make duplicate tax payments. The Company shall receive a credit against any payments in lieu of taxes due under the Performance Agreement to the extent of any ad valorem taxes imposed and paid by the Company with respect to the Project paid pursuant to this Section.

(d) Notwithstanding anything in this Lease to the contrary, the Company shall promptly pay and discharge, as the same become due, all CID Special Assessments without challenge or contest to the validity or amount of the CID Special Assessments.

Section 6.3. Utilities. All utilities and utility services used by the Company in, on or about the Project shall be paid for by the Company and shall be contracted for by the Company in the Company's own name (or the name(s) of its Affiliates), and the Company shall, at its sole cost and expense, procure any and all permits, licenses or authorizations necessary in connection therewith. The Company recognizes that the cost of utilities includes payments in lieu of tax charged by the City to its City-operated utilities under Section 16.07.001 of the City Code.

Section 6.4. Tax Exemptions.

(a) The City and the Company agree that while the Project is owned by the City and is subject to this Lease, the Project and the leasehold interest of the Company in the Project will be exempt from all *ad valorem* current or future property taxes by reason of such ownership (during the period in which the Project is owned by the City), and the City agrees that it will (at the expense of the Company) cooperate with the Company to defend such exemption against all parties in accordance with the Performance Agreement attached hereto as *Appendix I*. Notwithstanding the foregoing, Company will annually pay to the City the payments with respect to the Project set forth in the Performance Agreement.

(b) The City will provide to the Company a sales tax exemption certificate to allow for the construction materials purchased for the Project to be exempt from sales tax at the time and subject to the conditions set forth in **Section 4.8** of the Performance Agreement. The Company shall not use the sales tax exemption certificate for the purchase of any property other than construction materials.

ARTICLE VII

INSURANCE

Section 7.1. Title Commitment or Report. Before conveying title to any real property to the City, the Company will purchase, from a title insurance company reasonably acceptable to the City, a commitment for title insurance or provide such other report in a form reasonably acceptable to the City showing the ownership of and encumbrances on the Project Site. Copies of such report shall be provided to the City and the Trustee. Such report may be provided in the form of a copy of the commitment for an owner's or loan policy of title insurance relating to the Company's acquisition of or private financing for the Project.

Section 7.2. Property Insurance.

(a) The Company shall at its sole cost and expense obtain and shall maintain throughout the Lease Term, a policy or policies of insurance (including, if appropriate, builder's risk insurance) to keep the Project constantly insured against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State of Missouri in an amount equal to the Full Insurable Value thereof (subject to reasonable loss deductible provisions). The insurance required pursuant to this Section shall be maintained with a generally recognized responsible insurance company or companies authorized to do business in the State of Missouri or generally recognized international insurers or reinsurers with an A.M. Best rating of B+ or the equivalent thereof or better as may be selected by the Company. All such policies of insurance pursuant to this Section, and all renewals thereof, shall name the Company as insured and the City and the Trustee shall be named as loss payees, as their respective interests may appear, and shall contain a provision that the issuer of such insurance will provide at least 10 days' advance written notice to, the Company of the cancellation of such insurance. Company agrees it shall immediately forward any notice of cancellation it receives from the issuer of such insurance to the City and Trustee. The Company shall provide the City and the Trustee, on an annual basis, commencing on December 1, 2026 with a Certificate of Insurance Compliance, in the form of **Exhibit D** attached hereto, certifying compliance with this Section and containing copies of the insurance policies required under this Section, or certificates thereof. The Trustee shall be entitled to conclusively rely upon such certificate as to the Company's compliance with the insurance requirements. The Trustee makes no representation as to, and shall have no responsibility for the sufficiency or adequacy of, the insurance.

(b) In the event of loss or damage to the Project, the Net Proceeds of property insurance carried pursuant to this Section shall be applied as provided in **Article IX** of this Lease, or as may be directed by, or on behalf of, the Owners of 100% in principal amount of the Bonds outstanding.

Section 7.3. Commercial General Liability Insurance.

(a) The Company shall at its sole cost and expense maintain or cause to be maintained at all times during the Lease Term general accident and commercial general liability insurance under which the City, the Company and the Trustee shall be named as additional insureds, properly protecting and indemnifying the City and the Trustee, in an amount not less than the limits of liability set by Section 537.610 of the Revised Statutes of Missouri (subject to loss deductible clauses not to exceed \$100,000). The policies of said insurance shall contain a provision that the issuer of such insurance will provide at least 10 days' advance written notice to the Company of the cancellation of such insurance. The Company agrees it shall immediately forward any notice of cancellation it receives from the issuer of such insurance to the City and Trustee. The Company shall provide the City and the Trustee, on an annual basis, commencing on December 1, 2026 with a Certificate of Insurance Compliance, in the form of **Exhibit D** attached hereto, certifying compliance with this Section and containing copies of the insurance policies required under this Section, or certificates thereof. The Trustee shall be entitled to conclusively rely upon such certificate as to the Company's compliance with the insurance requirements. The Trustee makes no representation as to, and shall have no responsibility for the sufficiency or adequacy of, the insurance.

(b) In the event of a public liability occurrence, the Net Proceeds of liability insurance carried pursuant to this Section shall be applied toward the extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Section 7.4. Workers' Compensation. The Company agrees throughout the Lease Term to maintain or cause to be maintained the Workers' Compensation coverage required by the laws of the State of Missouri.

Section 7.5. Blanket Insurance Policies; Self-Insurance. The Company may satisfy any of the insurance requirements set forth in this Article by using blanket policies of insurance, provided each and all of the requirements and specifications of this Article respecting insurance are complied with. Nothing in this Lease shall be construed from prohibiting the Company from self-insuring provided the Company, or in combination with its parent corporation, has a net worth in excess of \$200,000,000, as determined by accounting principles generally accepted in the United States of America.

ARTICLE VIII

ALTERATION OF THE PROJECT

Section 8.1. Additions, Modifications and Improvements to the Project. The Company shall have and is hereby given the right, at its sole cost and expense, to make such additions, modifications and improvements in and to any part of the Project as the Company from time to time may deem necessary or desirable for its business purposes. All additions, modifications and improvements made by the Company pursuant to the authority of this Section shall (a) be made in workmanlike manner and will comply in all material respects with all laws and ordinances applicable thereto, (b) when commenced, be prosecuted to completion with due diligence, and (c) when completed, be deemed a part of the Project; *provided, however*, that subject to the terms of the Equipment Lease, additions of

machinery and equipment installed on the Project Site by the Company not purchased or acquired from funds deposited with the Trustee hereunder and not constituting repairs or replacements due to damage of the Project shall remain the property of the Company, may be removed by the Company, and shall be subject to *ad valorem* taxes.

Section 8.2. Additional Improvements on the Project Site. The Company may, at its sole cost and expense, construct on portions of the Project Site not theretofore occupied by buildings or improvements such additional buildings and improvements as the Company from time to time may deem necessary or desirable for its business purposes. All additional buildings and improvements constructed on the Project Site by the Company, and not paid for with Bond proceeds, pursuant to the authority of this Section shall not be included as Project Improvements and, during the life of this Lease, shall remain the property of the Company and may be added to, altered or razed and removed by the Company at any time. All additional buildings and improvements shall be made in a good and workmanlike manner and in material compliance with all laws, codes, orders and ordinances applicable thereto and when commenced shall be prosecuted to completion with due diligence. The Company covenants and agrees (a) to make any repairs and restorations required to be made to the Project because of the construction of, addition to, alteration or removal of said additional buildings or improvements, and (b) to promptly and with due diligence either raze and remove or repair, replace or restore any of said additional buildings and improvements as may from time to time be damaged by fire or other casualty. The Company shall pay all *ad valorem* taxes and assessments payable with respect to such additional buildings and improvements which remain the property of the Company. If for any reason the County Assessor determines that such additional buildings and improvements are not subject to *ad valorem* taxes, the Company shall make payments in lieu of taxes in an amount equal to the taxes that would otherwise be due under this Section.

Section 8.3. Permits and Authorizations. The Company shall not do or permit others under its control to do any work on the Project related to any repair, rebuilding, restoration, replacement, modification or addition to the Project, or any part thereof, unless all requisite municipal and other governmental permits and authorizations shall have been first procured. All such work shall be done in a good and workmanlike manner and in material compliance with all applicable building, zoning and other laws, ordinances, codes and governmental regulations. In the event of demonstrated noncompliance with such laws, ordinances, codes, governmental regulations and requirements the Company will take all reasonable steps to comply with laws, ordinances, codes, governmental regulations and requirements.

Section 8.4. Mechanics' Liens.

(a) The Company will not directly or indirectly create, incur, assume or suffer to exist any lien on or with respect to the Project, except Permitted Encumbrances, and the Company shall promptly notify the City of the imposition of such lien of which the Company is aware and shall promptly, at its own expense, take such action as may be necessary to fully discharge or release any such lien. Whenever and as often as any mechanics' or other similar lien is filed against the Project, or any part thereof, purporting to be for or on account of any labor done or materials or services furnished in connection with any work in or about the Project, the Company shall discharge the same of record within 90 days after the date of filing. Notice is hereby given that the City shall not be liable for any labor or materials furnished the Company or anyone claiming by, through or under the Company upon credit, and that, except as otherwise stated in a memorandum of this Lease recorded with the recorder of deeds, no mechanics' or other similar lien for any such labor, services or materials shall attach to or affect the reversionary or other estate of the City in and to the Project or any part thereof.

(b) Notwithstanding paragraph (a) above, the Company may contest any such mechanics' or other similar lien if the Company (1) within said 90-day period stated above notifies the City and the Trustee in writing of its intention so to do, (2) diligently prosecutes such contest, (3) at all times effectively stays or prevents any official or judicial sale of the Project, or any part thereof or interest therein, under execution or otherwise, (4) promptly pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim and (5) thereafter promptly procures record release or satisfaction thereof. The Company may permit the lien so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Company is notified by the City that, in the opinion of counsel, by nonpayment of any such items, the interest of the City in the Project will be subject to loss or forfeiture. In that event, the Company shall promptly, at its own expense, take such action as may be reasonably necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The Company shall save and hold harmless the City from any loss, costs or expenses the City may incur related to any such contest. The Company shall reimburse the City for any expense incurred by it in connection with the imposition of any such lien or in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim. The City shall cooperate fully with the Company in any such contest.

ARTICLE IX

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 9.1. Damage or Destruction.

(a) If the Project is damaged or destroyed by fire or any other casualty, whether or not covered by insurance, the Company, as promptly as practicable, shall either (i) make the determination described in subsection (f) below, or (ii) repair, restore, replace or rebuild the same as nearly as may be practicable to their condition and character immediately prior to such damage or destruction, and so that upon completion of such repairs, restoration, replacement or rebuilding the Project is of a value not less than the value thereof immediately before the occurrence of such damage or destruction or, at the Company's option, construct upon the Project Site new buildings and improvements thereafter together with all new machinery, equipment and fixtures which are either to be attached to or are to be used in connection with the operation or maintenance thereof, provided that (A) the value thereof shall not be less than the value of such destroyed or damaged Project Improvements immediately before the occurrence of such damage or destruction and (B) the nature of such new buildings, improvements, machinery, equipment and fixtures will not impair the character of the Project as an enterprise permitted by the Act.

If the Company elects to construct any such new buildings and improvements, for all purposes of this Lease, any reference to the words "Project Improvements" shall be deemed to also include any such new buildings and improvements and all additions thereto and all replacements and alterations thereof.

Unless the Company makes the determination described in subsection (f) below, the Net Proceeds of casualty insurance required by **Article VII** hereof received with respect to such damage or loss to the Project shall be used to pay the cost of repairing, restoring, replacing or rebuilding the Project or any part thereof. Insurance monies in an amount less than \$5,000,000 may be paid to or retained by the Company to be held in trust and used as provided herein. Insurance monies in any amount of \$5,000,000 or more shall be (i) paid to the Trustee and deposited in the Project Fund and shall be disbursed as provided in **Section 4.4** hereof to pay the cost of repairing, restoring, replacing or rebuilding the Project or any part thereof, or (ii) if determined by the Owners of 100% in principal amount of the Bonds Outstanding, applied as directed by, or on behalf of, such Owners of 100% in principal amount of the Bonds

Outstanding. If the Company makes the determination described in subsection (f) below, the Net Proceeds shall be deposited with the Trustee and used to redeem Bonds as provided in subsection (f).

(b) If any of the insurance monies paid by the insurance company as hereinabove provided remain after the completion of such repairs, restoration, replacement or rebuilding, and this Lease has not been terminated, the excess shall be deposited in the Bond Fund, subject to the rights of any leasehold mortgagee or Financing Party. Completion of such repairs, restoration, replacement or rebuilding shall be evidenced by a certificate of completion in accordance with the provisions of **Section 4.5** hereof. If the Net Proceeds are insufficient to pay the entire cost of such repairs, restoration, replacement or rebuilding, the Company shall pay the deficiency.

(c) Except as otherwise provided in this Lease, in the event of any such damage by fire or any other casualty, the provisions of this Lease shall be unaffected and the Company shall remain and continue liable for the payment of all Basic Rent and Additional Rent and all other charges required hereunder to be paid by the Company, as though no damage by fire or any other casualty has occurred.

(d) The City and the Company agree that they will cooperate with each other, to such extent as such other party may reasonably require, in connection with the prosecution or defense of any action or proceeding arising out of, or for the collection of any insurance monies that may be due in the event of, any loss or damage, and that they will execute and deliver to such other parties such instruments as may be required to facilitate the recovery of any insurance monies.

(e) The Company agrees to give prompt notice to the City and the Trustee with respect to all fires and any other casualties occurring in, on, at or about the Project Site which damages a material portion of the Project.

(f) If the Company determines that rebuilding, repairing, restoring or replacing the Project is not practicable or desirable, or if the Company does not have the right under the Leasehold Mortgage (if any) or Financing Documents (if any) to use any Net Proceeds for repair or restoration of the Project, any Net Proceeds of casualty insurance required by **Article VII** hereof received with respect to such damage or loss shall, after payment of all Additional Rent then due and payable, be paid into the Bond Fund and shall be used to redeem Bonds on the earliest practicable redemption date or to pay the principal of any Bonds as the same become due, all subject to rights of the mortgagee under the Leasehold Mortgage (if any) and the Financing Party under the Financing Documents (if any). The Company agrees to be reasonable in exercising its judgment pursuant to this subsection (f). Alternatively, if the Company is the sole owner of the Bonds and it has determined that rebuilding, repairing, restoring or replacing the Project is not practicable or desirable, it may tender Bonds to the Trustee for cancellation in a principal amount equal to the Net Proceeds of the casualty insurance, and retain such proceeds for its own account.

(g) The Company shall not, by reason of its inability to use all or any part of the Project during any period in which the Project is damaged or destroyed or is being repaired, rebuilt, restored or replaced, nor by reason of the payment of the costs of such rebuilding, repairing, restoring or replacing, be entitled to any reimbursement from the City, the Trustee or the Owners or to any abatement or diminution of the rentals payable by the Company under this Lease or of any other obligations of the Company under this Lease except as expressly provided in this Section.

Section 9.2. Condemnation.

(a) If during the Lease Term, title to, or the temporary use of, all or any part of the Project is condemned by or sold under threat of condemnation to any authority possessing the power of eminent domain, to such extent that the claim or loss resulting from such condemnation is greater than \$1,000,000, the Company shall, within 90 days after the date of entry of a final order in any eminent domain proceedings granting condemnation or the date of sale under threat of condemnation, notify the City, the Trustee, the mortgagee under the Leasehold Mortgage (if any) and the Financing Party under the Financing Documents (if any) in writing as to the nature and extent of such condemnation or loss of title and whether it is practicable and desirable to acquire or construct substitute improvements.

(b) If the Company determines that such substitution is practicable and desirable, the Company shall proceed promptly with and complete with reasonable dispatch the acquisition or construction of such substitute improvements, so as to place the Project in substantially the same condition as existed before the exercise of the said power of eminent domain, including the acquisition or construction of other improvements suitable for the Company's operations at the Project (which improvements will be deemed a part of the Project and available for use and occupancy by the Company without the payment of any rent other than herein provided, to the same extent as if such other improvements were specifically described herein and demised hereby); provided, that such improvements will be acquired by the City subject to no liens, security interests or encumbrances before the lien and/or security interest afforded by the Indenture and this Lease other than Permitted Encumbrances. In such case, any Net Proceeds received from any award or awards with respect to the Project or any part thereof made in such condemnation or eminent domain proceedings, or of the sale proceeds, shall be applied in the same manner as provided in **Section 9.1** hereof (with respect to the receipt of casualty insurance proceeds).

(c) If the Company determines that it is not practicable or desirable to acquire or construct substitute improvements, any Net Proceeds of condemnation awards received by the Company shall, after payment of all Additional Rent then due and payable, be paid into the Bond Fund and shall be used to redeem Bonds on the earliest practicable redemption date or to pay the principal of any Bonds as the same becomes due and payable, provided that if the Company is the sole owner of the Bonds and it has determined that acquiring and constructing substitute improvements is not practicable or desirable, it may tender Bonds to the Trustee for cancellation in a principal amount equal to the Net Proceeds of the condemnation awards, and retain such proceeds for its own account, all subject to the rights of the mortgagee under the Leasehold Mortgage (if any) and Financing Party under the Financing Documents (if any).

(d) The Company shall not, by reason of its inability to use all or any part of the Project during any such period of restoration or acquisition nor by reason of the payment of the costs of such restoration or acquisition, be entitled to any reimbursement from the City, the Trustee or the Owners or to any abatement or diminution of the rentals payable by the Company under this Lease nor of any other obligations hereunder except as expressly provided in this Section.

(e) The City shall cooperate fully with the Company in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Project or any part thereof, and shall, to the extent it may lawfully do so, permit the Company to litigate in any such proceeding in the name and on behalf of the City. In no event will the City voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the prior written consent of the Company.

Section 9.3. Bondowner Approval. Notwithstanding anything to the contrary contained in this **Article IX**, the proceeds of any insurance received subsequent to a casualty or of any condemnation proceedings (or threats thereof) may prior to the application thereof by the City or the Trustee be applied as directed by the Owners of 100% of the principal amount of Bonds outstanding, subject and subordinate to the rights of the City and the Trustee to be paid all their expenses (including reasonable attorneys' fees, trustee's fees and any extraordinary expenses of the City and the Trustee) incurred in the collection of such gross proceeds. For purposes of this Section only, any person to whom Bonds have been pledged in good faith shall be deemed to be the Owner of the Bonds.

ARTICLE X

SPECIAL COVENANTS

Section 10.1. No Warranty of Condition or Suitability by the City; Exculpation and Indemnification. The City makes no warranty, either express or implied, as to the condition of the Project or that it will be suitable for the Company's purposes or needs. The Company releases the City and the Trustee from, agrees that the City and the Trustee shall not be liable for and agrees to hold the City and the Trustee harmless against, any loss or damage to property or any injury to or death of any Person that may be occasioned by any cause whatsoever pertaining to the Project or the Company's use thereof, unless such loss is the result of the City's or the Trustee's gross negligence or willful misconduct. This provision shall survive termination of this Lease.

Section 10.2. Surrender of Possession. Upon accrual of the City's right of re-entry to the extent provided in **Section 12.2(b)** hereof, the Company shall peacefully surrender possession of the Project to the City in good condition and repair, ordinary wear and tear excepted; provided, however, the Company may within 90 days (or such later date as the City may agree to) after the termination of this Lease remove from the Project Site any buildings, improvements, furniture, trade fixtures, machinery and equipment owned by the Company and not constituting part of the Project. All repairs to and restorations of the Project required to be made because of such removal shall be made by and at the sole cost and expense of the Company, and during said 90-day (or extended) period the Company shall bear the sole responsibility for and bear the sole risk of loss for said buildings, improvements, furniture, trade fixtures, machinery and equipment owned by the Company and not constituting part of the Project. All buildings, improvements, furniture, trade fixtures, machinery and equipment owned by the Company and which are not so removed from the Project before the expiration of said period shall be the separate and absolute property of the City.

Section 10.3. City's Right of Access to the Project. Subject to the confidentiality and security requirements of the Company and its end clients, the Company agrees that the City and the Trustee and their duly authorized agents shall have the right at reasonable times during regular business hours, subject to five business days advance written notice except in the event of an emergency, and the Company's usual business proprietary, safety and security requirements, to enter upon the Project Site (a) to examine and inspect the Project without interference or prejudice to the Company's operations or to the development of the Project, (b) as may be reasonably necessary to cause to be completed the purchase and installation provided for in **Section 4.2** hereof, (c) performing such work in and about the Project Site made necessary by reason of the Company's default under any of the provisions of this Lease for which notice and an opportunity to cure have been provided, and (d) following an Event of Default, exhibiting

the Project to prospective purchasers, lessees or trustees. The Company shall have the right to have to representatives present during any such examination or inspection.

Section 10.4. Granting of Easements; Leasehold Mortgages and Financing Arrangements.

(a) Subject to **Sections 10.4(c) and (d)**, if no Event of Default under this Lease has happened and is continuing, the Company may at any time or times (i) grant subleases (as permitted in **Section 13.1** hereof), easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements that are for the direct use of the Project, or part thereof, by the grantee, (ii) release or terminate existing subleases, easements, licenses, rights-of-way and other rights or privileges, all with or without consideration and upon such terms and conditions as the Company shall reasonably determine, or (iii) incur Permitted Encumbrances. The Company may take such actions and may execute any applicable documents in the Company's own name. No separate signature of or authorization from the City shall be required for the execution and delivery of any such document, although the City agrees to execute and deliver such confirming documents as are described below, under the procedures described below, if the Company chooses to make such a request. All third parties entering into agreements with the Company or receiving delivery of or the benefit of such agreements or documents shall be entitled to rely upon the same as having been executed and delivered by the City, unless such third party has actual or constructive notice, expressly in writing, that the agency herein granted by the City to the Company has been terminated by the City because of an uncured Event of Default hereunder. The City agrees that it will execute and deliver and will cause and direct the Trustee to execute and deliver any instrument necessary or appropriate to confirm and grant, release or terminate any such sublease, easement, license, right-of-way or other right or privilege or any such agreement or other arrangement, upon receipt by the City and the Trustee of: (i) a copy of the instrument of grant, release or termination or of the agreement or other arrangement, (ii) a written application signed by an Authorized Company Representative requesting such instrument, and (iii) a certificate executed by an Authorized Company Representative stating that such grant or release is not detrimental to the proper conduct of the business of the Company, will not impair the effective use or interfere with the efficient and economical operation of the Project, will not materially adversely affect the security intended to be given by or under the Indenture and will be a Permitted Encumbrance. If no Event of Default has happened and is continuing beyond any applicable grace period, any payments or other consideration received by the Company for any such grant or with respect to or under any such agreement or other arrangement shall be and remain the property of the Company; but, subject to **Sections 10.4(c) and (d)**, upon (i) termination of this Lease for any reason other than the redemption of the Bonds and/or the purchase of the Project by the Company or (ii) the occurrence and continuance of an Event of Default by the Company, all rights then existing of the Company with respect to or under such grant shall inure to the benefit of and be exercisable by the City and the Trustee.

(b) The Company may mortgage the leasehold estate created by this Lease, with prior notice to but without the consent of the City, provided and upon condition that a duplicate original or certified copy or photostatic copy of each such mortgage, and the note or other obligation secured thereby, is delivered to the City within thirty (30) days after the execution thereof.

(c) The City acknowledges and agrees that the Company may finance and refinance its rights and interests in the Project, this Lease, and the leasehold estate created hereby with prior notice to but without the consent of the City, and may collaterally assign its interest in the Lease and the agreements evidencing or relating to the Bonds, provided and upon condition that a duplicate original or certified copy or photostatic copy of each such Financing Document is delivered to the City within thirty (30) days after the execution thereof. The Company may require the City to mortgage the fee estate held by the

City with prior notice to but without the consent of the City, and the City agrees that it will execute any documents necessary or appropriate to mortgage the fee estate as may be reasonably requested by the Company or any Financing Party. In either case, in connection therewith, the Company shall have the right to assign this Lease, the leasehold estate, any sublease, and any rights in connection therewith, and/or grant liens or security interests therein, to any Financing Party and the City will reasonably cooperate with such Financing Party and the Company. Any further sublease or assignment by any Financing Party shall be subject to the provisions of **Section 13.1**.

(d) Upon notice by the Company to the City in writing that it has executed one or more Financing Documents under which it has granted rights in this Lease to a Financing Party, which includes the name and address of such Financing Party, then the following provisions shall apply in respect of each such Financing Party:

(1) there shall be no merger of this Lease or of the leasehold estate created hereby with the fee title to the Project, notwithstanding that this Lease or said leasehold estate and said fee title shall be owned by the same Person or Persons, without the prior written consent of such Financing Party;

(2) the City shall serve upon each such Financing Party (at the address, if any, provided to the City) a copy of each notice of the occurrence of an Event of Default and each notice of termination given to the Company under this Lease, at the same time as such notice is served upon the Company. No such notice to the Company shall be effective unless a copy thereof is thus served upon each Financing Party;

(3) each Financing Party shall have the same period of time which the Company has, after the service of any required notice upon it, within which to remedy or cause to be remedied any payment default under this Lease which is the basis of the notice plus thirty (30) days, and the City shall accept performance by such Financing Party as timely performance by the Company;

(4) the City may exercise any of its rights or remedies with respect to any other Event of Default by the Company, subject to the rights of the Financing Parties under this **Section 10.4(d)** as to such other events of default;

(5) upon the occurrence and continuance of an Event of Default by the Company under this Lease, other than a default in the payment of money, the City shall take no action to effect a termination of this Lease by service of a notice or otherwise, without first giving notice thereof to each such Financing Party and permitting such Financing Party (or its designee, nominee, assignee or transferee) a reasonable time within which to remedy such default in the case of an Event of Default which is susceptible of being cured (provided that the period to remedy such event of default shall continue beyond any period set forth in the Lease to effect said cure so long as the Financing Party (or its designee, nominee, assignee or transferee) is diligently prosecuting such cure); provided that the Financing Party (or its designee, nominee, assignee or transferee) shall pay or cause to be paid to the City and the Trustee all expenses, including reasonable counsel fees, court costs and disbursements incurred by the City or the Trustee in connection with any such default;

(6) the Financing Parties (and their designees, nominees, assignees or transferees) shall have the right to enter, possess and use the Project at such reasonable times and manner as

are necessary or desirable to effectuate the remedies and enforce their respective rights under the Financing Documents;

(7) any indemnification of the City and Trustee pursuant to **Section 4.9** shall also apply to the Financing Party; and

(8) Any notice sent by the Company to the City and the Trustee pursuant to any provision of this Lease shall also be sent to the Financing Party.

(e) The City will reasonably cooperate with the Company in efforts to document and meet the requirements of any Financing Party for financing for the Project Improvements. In connection with the execution of one or more Financing Documents, upon the request of the Company, the City agrees to execute such documents as shall be reasonably requested by a Financing Party and which are usual and customary in connection with the closing of the financing or refinancing pursuant to the Financing Documents. The Company agrees to reimburse the City for any and all costs and expenses incurred by the City pursuant to this Section, including reasonable attorneys' fees and expenses, in complying with such request. Notwithstanding anything in this Section to the contrary, the City shall not be required to sign any document that causes it to undertake any duties or payment obligations and shall make only such representations as it deems appropriate in its sole discretion.

(f) Notwithstanding anything in this Lease to the contrary, (1) the City shall not be required to sign any document that causes it to undertake any duties or payment obligations and shall make only such representations as it deems appropriate in its sole discretion, (2) the City shall not be required to expend any funds in connection with any Financing Documents or in connection with its cooperation with respect to requests of any Financing Party or undertake any investigation in connection therewith, and (3) any costs (including fees of counsel to the City) that are incurred by the City related to a request under this Section shall be reimbursed to the City by the Company.

(g) Nothing in this Lease shall, or shall be deemed to, subordinate any obligation to, lien or security interests in favor of, or other right of, any Financing Party under any Financing Document to this Lease or the obligations of the Company hereunder. The Company shall not be required to subordinate its obligations, liens or security interests under any Financing Document to this Lease or its obligations hereunder.

Section 10.5. Indemnification of City and Trustee. The Company shall indemnify and save and hold harmless the City and the Trustee and their governing body members, officers, agents and employees (collectively, the "Indemnified Parties") from and against all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, by or on behalf of any person, firm or corporation arising from the issuance of the Bonds and the execution of this Lease, the Indenture or any other documents entered into in connection with the Bonds and from the conduct or management of, or from any work or thing done in or on the Project during the Lease Term, and against and from all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, arising during the Lease Term from (a) any condition of the Project, (b) any Event of Default on the part of the Company for which notice and opportunity to cure has been provided in the performance of any of its obligations under this Lease or any related document, (c) any contract entered into by the Company in connection with the purchase, construction, extension or improvement of the Project (including any failure to comply with Section 107.170 of the Missouri Revised Statutes, as amended, with respect to such contract), (d) any act of negligence of the Company or of any of its agents, contractors, servants, employees or licensees relating to the Project, (e) unless the Company has been released from liability pursuant to **Section 13.1**, any act of negligence of any assignee or sublessee of the Company, or of any agents, contractors,

servants, employees or licensees of any assignee or sublessee of the Company, (f) obtaining any applicable state and local sales and use tax exemptions for materials or goods that become part of the Project, and (g) any claim relating to the presence on, escape or removal from the Project during the term of the Lease of any hazardous substance or other material regulated by any applicable Environmental Law, or compliance with any applicable Environmental Law, whether such claim arises before, during or after the term of this Lease, including claims relating to personal injury or damage to property; provided, however, the indemnification contained in this **Section 10.5** shall not (i) extend to the City if such claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, are the result of work being performed at the Project by employees of the City or the result of negligence or willful misconduct by the City (unless relating to a failure to comply with Section 107.170 of the Missouri Revised Statutes, as amended), or (ii) extend to the Trustee if such claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, are the result of the negligence or willful misconduct of the Trustee or (iii) the performance or failure to perform by the City or the Trustee of its obligations under this Lease, the Performance Agreement, or any related documents. Upon notice from the City or the Trustee, the Company shall defend them or either of them in any such action or proceeding. This **Section 10.5** shall survive any termination of this Lease or the satisfaction and discharge of the Indenture.

In case any action shall be brought against one or more of the Indemnified Parties based upon the foregoing indemnification and in respect of which indemnity may be sought against the Company, the Indemnified Parties shall promptly notify the Company in writing and the Company shall promptly assume the defense thereof, including the employment of counsel, the payment of all reasonable expenses and the right to negotiate and consent to settlement. If the Company shall have wrongfully failed to assume the defense of such action, the reasonable fees and expenses of counsel retained by the Indemnified Party shall be paid by the Company. If any of the Indemnified Parties is advised by counsel retained by the Company to defend such action that there may be legal defenses available to it which are adverse to or in conflict with those available to the Company or any other Indemnified Party, and that the defense of such Indemnified Party should be handled by separate counsel, the Company shall not have the right to assume the defense of such Indemnified Party, but shall be responsible for the reasonable fees and expenses of counsel retained by such Indemnified Party in assuming its own defense, provided, such counsel shall be acceptable to the Company. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties. The Company shall not be liable for any settlement of any such action effected without its consent by any of the Indemnified Parties, but if settled with the consent of the Company or if there be a final judgment for the plaintiff in any such action against the Company or any of the Indemnified Parties, with or without the consent of the Company, the provided that the Company was given prompt written notice and the ability to assume the defense thereof as required by this paragraph, the Company agrees to indemnify and hold harmless the Indemnified Parties to the extent provided herein.

Section 10.6. Depreciation, Investment Tax Credit and Other Tax Benefits. The City agrees that any depreciation, investment tax credit or any other tax benefits with respect to the Project or any part thereof shall be made available to the Company, and the City will fully cooperate with the Company in any effort by the Company to avail itself of any such depreciation, investment tax credit or other tax benefits.

Section 10.7. Company to Maintain its Corporate Existence. The Company agrees that until the Bonds are paid or payment is provided for in accordance with the terms of the Indenture, it will maintain its corporate existence, and will not dissolve or otherwise dispose of all or substantially all of its assets; provided, however, that the Company may, without violating the agreement contained in this Section, consolidate with or merge into another domestic corporation (i.e., a corporation incorporated and

existing under the laws of one of the states of the United States) or permit one or more other domestic corporations to consolidate with or merge into it, or may sell or otherwise transfer to another domestic corporation all or substantially all of its assets as an entirety and thereafter dissolve, provided, the surviving, resulting or transferee corporation either (A) becomes, in connection with the consolidation, merger or sale of assets becomes the Owner of 100% in principal amount of the Bonds outstanding and expressly assumes in writing all of the obligations of the Company contained in this Lease and the Performance Agreement, or (B) if not the Owner of 100% in principal amount of the Bonds outstanding, expressly assumes in writing all the obligations of the Company contained in this Lease and the Performance Agreement; and, further provided, that if not the Owner of 100% in principal amount of the Bonds outstanding, the surviving, resulting or transferee corporation, as the case may be, has a consolidated net worth (after giving effect to said consolidation, merger or transfer) at least (i) equal to or greater than that of the Company immediately prior to said consolidation, merger or transfer, or (ii) \$100,000,000. The term “net worth,” as used in this Section, shall mean the difference obtained by subtracting total liabilities (not including as a liability any capital or surplus item) from total assets of the Company and all of its subsidiaries. In any such consolidation, merger or transfer the Company shall comply with the provisions of **Section 13.1** hereof to the extent applicable.

Section 10.8. Security Interests. At the written request of the Company or the Owner of the Bonds, the City agrees to enter into statements of continuation necessary and requested by the Company and the Owner of the Bonds for continuance of the perfection of the security interests granted by the City in favor of the Trustee in the Project. Upon the written instructions of the Owner of the Bonds, the Trustee, at the Company’s expense, shall file all statements of continuation the Owner of the Bonds shall deem necessary to be filed and shall continue or cause to be continued the liens of such instruments for so long as the Bonds shall be Outstanding. The City and the Company shall cooperate with the Trustee in this regard by executing such continuation statements and providing such information as the Trustee may require to renew such liens.

Section 10.9. Data Center Specific Covenants and Agreements.

(a) All cooling systems constructed or installed as part of the Project must be closed-loop systems that do not continually draw water from the City’s water supply system.

(b) The Project must at all times comply with the City Code’s requirements for noise (Article 7.10 of the City Code) and lighting (Section 14-508 of the City Code).

(c) The Company shall maintain compliance with the electrical services agreement entered into with respect to the delivery of electricity to the Project Site or shall cause the Equipment Lessee to do so.

(d) On or before the delivery date of this Lease, the Company shall deposit \$2,500,000 with the City for the purpose of making repairs and improvements to Little Blue Parkway. Such funds will be spent for such purpose at the times and in the manner determined by the City in its sole discretion.

(e) During the term of this Lease, the Company shall maintain contact with and take suggestions from the community through the operation of an advisory board. The board shall consist of 5 to 10 members to be appointed by City Council to such terms as may be stated by City Council. The City will make space available for meetings of the advisory board in a municipal building. Meetings shall occur quarterly during the initial 5 year term of this Lease and annually thereafter, at such times as are determined by the members of the advisory board and the Company. The requirements of this subsection shall not survive the Lease Term. The Company shall send at least one representative of the Company to

each meeting of the advisory board. The implementation of any suggestions shall be subject to the Company's discretion.

(f) If there is a cessation of data center operations at the Project Site, other than temporary closures customary in the industry, then the Company shall remove all physical improvements related to the Project that are specific to data center operations (cooling systems and other infrastructure) and restore their locations to a greenfield state (referred to as "Decommissioning") within two years of such cessation. Buildings and site improvements that are appropriate for repurposing as office or light industrial space are not subject to such Decommissioning requirement. If the Decommissioning is not complete by the time stated above, the City may undertake or may engage a third party to undertake, the Decommissioning at the expense of the Company. The Company shall be responsible to repair any damage to roads resulting from the Decommissioning process. "Cessation of data center operations" for the purpose of this paragraph means the Project Site has not been operated as a data center for a period of one year after completion of the Project, unless the Project has been subject to a casualty and the Company is intending to rebuild the Project or the Company's interest in this Agreement has been transferred pursuant to the provisions hereof and the Project continues in operation thereafter. This subsection (f) shall survive the termination of this Lease.

ARTICLE XI

OPTION AND OBLIGATION TO PURCHASE THE PROJECT

Section 11.1. Option to Purchase the Project. The Company shall have, and is hereby granted, the option to purchase the Project at any time, upon payment in full of all Bonds then outstanding or provision for their payment having been made pursuant to **Article XIII** of the Indenture. To exercise such option the Company shall give written notice to the City and to the Trustee, and shall specify therein the date of closing such purchase, which date shall be not less than 15 nor more than 90 days from the date such notice is mailed unless otherwise agreed by the Company, the City and the Trustee, and in case of a redemption of the Bonds in accordance with the provisions of the Indenture, the Company shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. Notwithstanding the forgoing, if the City or the Trustee provides notice of its intent to exercise its remedies hereunder (a "Remedies Notice"), the Company shall be deemed to have exercised its repurchase option under this Section on the 29th day following the issuance of the Remedies Notice without any further action by the Company; provided said notice has not been rescinded by such date (such option to take place on the 29th day following the issuance of the Remedies Notice). The Company may rescind such exercise by providing written notice to the City and the Trustee on or prior to the 29th day following the issuance of the Remedies Notice and by taking such action as may be required to cure the default that led to the giving of the Remedies Notice. The purchase price payable by the Company in the event of its exercise of the option granted in this Section shall be the sum of the following:

- (a) an amount of money which, when added to the amount then on deposit in the Bond Fund, will be sufficient to redeem all the then outstanding Bonds on the earliest redemption date next succeeding the closing date, including, without limitation, principal and interest to accrue to said redemption date and redemption expense; plus
- (b) an amount of money equal to the Trustee's agreed to and reasonable fees, charges and expenses under the Indenture accrued and to accrue until such redemption of the Bonds; plus

(c) an amount of money equal to all payments due and payable pursuant to the Performance Agreement through the end of the calendar year in which the date of purchase occurs; plus

(d) the sum of \$10.00.

At its option, to be exercised at least 5 days prior to the date of closing such purchase, the Company may deliver to the Trustee for cancellation Bonds not previously paid, and the Company shall receive a credit against the purchase price payable by the Company in an amount equal to 100% of the principal amount of the Bonds so delivered for cancellation, plus the accrued interest thereon.

Section 11.2. Conveyance of the Project. At the closing of the purchase of the Project pursuant to this Article, the City will upon receipt of the purchase price deliver to the Company the following:

(a) If the Indenture shall not at the time have been satisfied in full, a release from the Trustee of the Project from the lien and/or security interest of the Indenture and this Lease and appropriate termination of financing statements as required under the Uniform Commercial Code; and

(b) Documents, including without limitation a deed as to the Project Site, conveying to the Company legal title to the Project, as it then exists, in recordable form, subject to the following: (i) those liens and encumbrances, if any, to which title to the Project was subject when conveyed to the City; (ii) those liens and encumbrances created by the Company or to the creation or suffering of which the Company consented; (iii) those liens and encumbrances resulting from the failure of the Company to perform or observe any of the agreements on its part contained in this Lease; (iv) Permitted Encumbrances other than the Indenture and this Lease; and (v) if the Project or any part thereof is being condemned, the rights and title of any condemning authority.

Section 11.3. Relative Position of Option and Indenture. The options and obligation to purchase the Project granted to the Company in this Article shall be and remain prior and superior to the Indenture and may be exercised whether or not the Company is in default under this Lease, the Indenture or the Performance Agreement, provided that such default will not result in nonfulfillment of any condition to the exercise of any such option and further provided that all options herein granted shall terminate upon the termination of this Lease.

Section 11.4. Obligation to Purchase the Project. As additional consideration for the Company's use of the Project, the Company hereby agrees to purchase, and the City hereby agrees to sell, the Project upon the occurrence of (a) the expiration of the Lease Term following full payment of the Bonds or provision for payment thereof having been made in accordance with the provisions of the Indenture, and (b) the final payments due under the Performance Agreement. The amount of the purchase price under this Section shall be \$10 plus an amount sufficient to redeem all the then Outstanding Bonds, plus accrued interest and the reasonable fees and expenses of the City and the Trustee.

If the Company fails to complete the purchase of the Project at the time required by this Section, the City is specifically authorized to convey the Project back to the Company with or without terminating this Lease and, in such case, may unilaterally terminate this Lease by an instrument signed by the City alone.

ARTICLE XII

DEFAULTS AND REMEDIES

Section 12.1. Events of Default. If any one or more of the following events shall occur and be continuing, it is hereby defined as and declared to be and to constitute an “Event of Default” or “default” under this Lease:

(a) Default in the due and punctual payment of Basic Rent for a period of 10 days following written notice to the Company by the City or the Trustee; or

(b) Default in the due and punctual payment of Additional Rent for a period of 60 days following written notice to the Company by the City or the Trustee; or

(c) Default in the due observance or performance of any other covenant, agreement, obligation or provision of this Lease on the Company’s part to be observed or performed, and such default shall continue for 60 days after the City or the Trustee has given the Company written notice specifying such default (or such longer period as shall be reasonably required to cure such default; provided that (1) the Company has commenced such cure within said 60 day period, and (2) the Company diligently prosecutes such cure to completion); or

(d) The Company: (1) admits in writing its inability to pay its debts as they become due; or (2) files a petition in bankruptcy or for reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Bankruptcy Code as now or in the future amended or any other similar present or future federal or state statute or regulation, or files a pleading asking for such relief; or (3) make an assignment for the benefit of creditors pursuant to Section 426.010 et seq RSMo.; or (4) consents to the appointment of a trustee, receiver or liquidator for all or a major portion of its property or fails to have the appointment of any trustee, receiver or liquidator made without the Company’s consent or acquiescence, vacated or set aside; or (5) is finally adjudicated as bankrupt or insolvent under any federal or state law; or (6) is subject to any proceeding, or suffers the entry of a final and non-appealable court order, under any federal or state law appointing a trustee, receiver or liquidator for all or a major part of its property or ordering the winding-up or liquidation of its affairs, or approving a petition filed against it under the Bankruptcy Code, as now or in the future amended, which order or proceeding, if not consented to by it, is not dismissed, vacated, denied, set aside or stayed within 90 days after the day of entry or commencement; or (7) suffers a writ or warrant of attachment or any similar process to be issued by any court against all or any substantial portion of its property, and such writ or warrant of attachment or any similar process is not contested, stayed, or is not released within 60 days after the final entry, or levy or after any contest is finally adjudicated or any stay is vacated or set aside; or

(e) the Project Site or any material portion thereof remains uncared for and abandoned for a period of 180 consecutive days which is not due to a casualty event that is in the process of remediation; or

(f) The occurrence and continuance of an event of default giving rise to the enforcement of remedies under the Performance Agreement or the Equipment Lease, following any applicable notices and grace periods provided in the applicable document.

Section 12.2. Remedies on Default. If any Event of Default referred to in **Section 12.1** hereof has occurred and continues beyond any applicable grace period provided to cure, then the City may at the City's election (subject, however, to any restrictions against acceleration of the maturity of the Bonds or termination of this Lease in the Indenture), then or at any time thereafter, and while such Event of Default shall continue beyond any applicable grace period, take any one or more of the following actions, in addition to pursuing any other remedies available by law:

(a) cause all amounts payable with respect to the Bonds for the remainder of the term of this Lease to become due and payable after giving 60 days prior written notice thereof to the Company, as provided in the Indenture; or

(b) give the Company written notice of the City's intention to terminate this Lease on a date specified therein, which date shall not be earlier than 60 days after such notice is given, and if all defaults have not then been cured, on the date so specified, the Owners shall tender or be deemed to have tendered the outstanding principal amount of the Bonds for cancellation with instruction that such tender is in lieu of payment in accordance with **Section 11.1** hereof and this Lease shall thereupon be terminated, and the City will promptly convey the Project in accordance with **Section 11.2** hereof.

Section 12.3. Survival of Obligations. The Company covenants and agrees with the City and Owners that those of its obligations under this Lease which by their nature require performance after the end of the term of this Lease, or which are expressly stated herein as intended to survive expiration or termination of this Lease, shall survive the cancellation and termination of this Lease, for any cause.

Section 12.4. Performance of the Company's Obligations by the City. If an Event of Default occurs as a result of any failure by the Company, then the City, or the Trustee in the City's name, may (but shall not be obligated so to do) upon the continuance of such failure on the Company's part for 30 days after written notice of such failure is given to the Company by the City or the Trustee, and without waiving or releasing the Company from any obligation hereunder, as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all reasonable sums so paid by the City or the Trustee and all necessary incidental reasonable costs and expenses incurred by the City or the Trustee (including, without limitation, attorneys' fees and expenses incurred by the City or the Trustee) in performing such obligations shall be deemed Additional Rent and shall be paid to the City or the Trustee on demand, and if not so paid by the Company, the City or the Trustee shall have the same rights and remedies provided for in **Section 12.2** hereof in the case of default by the Company in the payment of Basic Rent.

Section 12.5. Rights and Remedies Cumulative. The rights and remedies reserved by the Trustee, the City and the Company hereunder and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. The Trustee, the City and the Company shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Lease, notwithstanding availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity.

Section 12.6. Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by the Company of any covenant, agreement or undertaking by the Company, the Trustee or the City may nevertheless accept from the Company any payment or payments hereunder without in any way waiving the Trustee or the

City's right to exercise any of its rights and remedies provided for herein with respect to any such breach or breaches of the Company which were in existence at the time such payment or payments were accepted by the Trustee or the City.

Section 12.7. Trustee's Exercise of the City's Remedies. Whenever any Event of Default shall have occurred and be continuing, the Trustee may, but except as otherwise provided in the Indenture shall not be obliged to, exercise any or all of the rights of the City under this Article (except with respect to the Unassigned Rights), upon notice as required of the City unless the City has already given the required notice. In addition, the Trustee shall have available to it all of the remedies prescribed by the Indenture.

ARTICLE XIII

ASSIGNMENT AND SUBLEASE

Section 13.1. Assignment; Sublease.

(a) The Company may assign, transfer, encumber or dispose of this Lease or any interest therein or part thereof for any lawful purpose under the Act. With respect to any assignment, the Company shall comply with the following conditions:

(1) Such assignment shall be in writing, duly executed and acknowledged by the assignor and in proper form for recording;

(2) Such assignment shall include the entire then unexpired term of this Lease; and

(3) A duplicate original of such assignment shall be delivered to the City and the Trustee within 10 days after the execution thereof, together with an assumption agreement, duly executed and acknowledged by the assignee in proper form for recording, by which the assignee shall assume all of the terms, covenants and conditions of this Lease on the part of the Company to be performed and observed.

For any assignment of this Lease (except (i) as otherwise allowed under **Section 10.4** with respect to financing arrangements, (ii) any assignment to any Financing Party or (iii) any affiliate or successor to the Company by reason of a merger or consolidation, reorganization, combination, division, transfer or sale of assets or any similar transaction by operation of law or otherwise, to the extent permitted by **Section 10.7** (the transactions covered by clauses (i), (ii) and (iii), "Permitted Assignments"), the Company shall obtain the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed. Permitted Assignments shall not require notice to, or consent of, the City, except as described in **Section 13.1(a)(3)**. The City may require that any assignee for which consent is required demonstrate to the City's reasonable satisfaction that it has sufficient financial, management, property ownership and operation capabilities, and that it is interested in the long-term viability of the Project. Any assignee of all the rights of the Company shall agree to be bound by the terms of this Lease and any other documents related to the issuance of the Bonds. Upon such assignment of all the rights of the Company and agreement by the assignee to be bound by the terms of this Lease and any other documents related to the Bonds, the Company shall be released from and have no further obligations under this Lease or any agreement related to the issuance of the Bonds.

(b) The Company shall have the right to sublet all or any part of the Project to a single entity for any lawful purpose under the Act. The Company shall, within 10 days after the delivery thereof, furnish or cause to be furnished to the City and the Trustee a true and correct copy of each such sublease. The Company may redact any and all financial terms therein. Any sublease may provide, at the Company's option, that the City's consent shall not be required in respect of any further subletting thereunder if such further subletting is for a similar purpose as the original sublease and is for a purpose permissible under the Act. Notwithstanding the foregoing, the Company may, in the ordinary course of its business, and without the prior approval of the City, enter into leases or subleases with one or more persons or entities for the various units within the Project to be used for commercial or industrial purposes or other uses commonly associated with an industrial complex such as the Project. For the avoidance of doubt, a lease agreement is concurrently entered into between the City and Nebius, Inc. for the lease of project equipment located at the Project Site which the City acknowledges and approves.

Section 13.2. Assignment of Revenues by City. The City shall assign and pledge any rents, revenues and receipts receivable under this Lease, to the Trustee pursuant to the Indenture as security for payment of the principal of, interest and premium, if any, on the Bonds and the Company hereby consents to such pledge and assignment. The City and the Company recognize that the Trustee is a third party creditor beneficiary of this Lease.

Section 13.3. Prohibition Against Fee Mortgage of Project. With the exception of mortgages permitted pursuant to **Section 10.4(c)** at the request and direction of the Company, the City shall not mortgage its fee interest in the Project, but may assign its interest in and pledge any moneys receivable under this Lease to the Trustee pursuant to the Indenture as security for payment of the principal of and interest on the Bonds.

Section 13.4. Restrictions on Sale or Encumbrance of Project by City. During this Lease Term, the City agrees that, except to secure the Bonds to be issued pursuant to the Indenture, and except as permitted pursuant to **Section 10.4(c)**, it will not sell, assign, encumber, transfer or convey the Project or any interest therein, but may assign its interest in and pledge any moneys receivable under this Lease to the Trustee pursuant to the Indenture as security for payment of the principal of and interest on the Bonds.

ARTICLE XIV

AMENDMENTS, CHANGES AND MODIFICATIONS

Section 14.1. Amendments, Changes and Modifications. Except as otherwise provided in this Lease or in the Indenture, subsequent to the issuance of Bonds and prior to the payment in full of the Bonds (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Lease may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the Trustee, given in accordance with the provisions of the Indenture.

ARTICLE XV

MISCELLANEOUS PROVISIONS

Section 15.1. Notices. All notices, certificates or other communications required or desired to be given hereunder shall be in writing and shall be governed by **Section 1403** of the Indenture.

Section 15.2. City Shall Not Unreasonably Withhold Consents and Approvals. Wherever in this Lease it is provided that the City shall, may or must give its approval or consent, or execute supplemental agreements or schedules, unless stated that such matter is in the City's sole discretion, the City shall not unreasonably, arbitrarily or unnecessarily withhold or refuse to give such approvals or consents or refuse to execute such supplemental agreements or schedules; provided, however, that nothing in this Lease shall be interpreted to affect the City's rights to approve or deny any additional project or matter unrelated to the Project subject to zoning, building permit or other regulatory approvals by the City.

Section 15.3. Net Lease. The parties hereto agree (a) that this Lease shall be deemed and construed to be a net lease, (b) that the payments of Basic Rent are designed to provide the City and the Trustee funds adequate in amount to pay all principal of and interest accruing on the Bonds as the same become due and payable, (c) that to the extent that the payments of Basic Rent are not sufficient to provide the City and the Trustee with funds sufficient for the purposes aforesaid, the Company shall be obligated to pay, and it does hereby covenant and agree to pay, upon demand therefor, as Additional Rent, such further sums of money, in cash, as may from time to time be required for such purposes, and (d) that if after the principal of and interest on the Bonds and all costs incident to the payment of the Bonds (including the fees and expenses of the City and the Trustee) have been paid in full the Trustee or the City holds unexpended funds received in accordance with the terms hereof such unexpended funds shall, after payment therefrom of all sums then due and owing by the Company under the terms of this Lease, and except as otherwise provided in this Lease and the Indenture, become the absolute property of and be paid over forthwith to the Company.

Section 15.4. Limitation on Liability of City. No provision, covenant or agreement contained in this Lease, the Indenture or the Bonds, or any obligation herein or therein imposed upon the City, or the breach thereof, shall constitute or give rise to or impose upon the City a pecuniary liability or a charge upon the general credit or taxing powers of the City or the State of Missouri.

Section 15.5. Governing Law. This Lease shall be construed in accordance with and governed by the laws of the State of Missouri.

Section 15.6. Binding Effect. This Lease shall be binding upon and shall inure to the benefit of the City and the Company and their respective successors and assigns.

Section 15.7. Severability. If for any reason any provision of this Lease shall be determined to be invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected thereby.

Section 15.8. Execution in Counterparts. This Lease may be executed in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 15.9. Electronic Storage and Notice. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. If the Company elects to give instructions by electronic notice to the Trustee, the Trustee may deem such instructions controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's

reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Company agrees to assume all risks arising out of the use of such electronic notice to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 15.10 Complete Agreement. THE COMPANY AND THE CITY UNDERSTAND THAT ORAL OR UNEXECUTED AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT THE COMPANY AND THE CITY FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS THE COMPANY AND THE CITY REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS LEASE AND THE PERFORMANCE AGREEMENT, WHICH ARE THE COMPLETE AND EXCLUSIVE STATEMENTS OF THE AGREEMENT BETWEEN THE COMPANY AND THE CITY, EXCEPT AS THE COMPANY AND THE CITY MAY LATER AGREE IN WRITING TO MODIFY THIS LEASE OR THE PERFORMANCE AGREEMENT.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed in their respective names by their duly authorized signatories, all as of the date first above written.

CITY OF INDEPENDENCE, MISSOURI

By: _____
Name: Lisa Reynolds
Title: Interim City Manager

[SEAL]

ATTEST:

By: _____
Name: Susanne Holland
Title: City Clerk

MISSOURI ADC HOLDINGS, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

EXHIBIT A

PROJECT SITE

The following described real estate located in Jackson County, Missouri:

[**INSERT LEGAL DESCRIPTION**]

EXHIBIT B

PROJECT IMPROVEMENTS

The Project Improvements consist of the following, to the extent paid for in whole with Bond proceeds:

A data center campus consisting of multiple buildings with a combined square footage of approximately 2,100,000 square feet to be constructed on the Project Site, together with related site improvements. The Project Improvements do not include any machinery or equipment other than fixtures and systems that are incorporated into the construction of the building and the related site improvements.

EXHIBIT C

FORM OF REQUISITION CERTIFICATE

Requisition No. _____
Date: _____

REQUISITION CERTIFICATE

TO: BOKF, N.A., AS TRUSTEE UNDER A TRUST INDENTURE DATED AS OF FEBRUARY 1, 2026, BETWEEN CITY OF INDEPENDENCE, MISSOURI, AND THE TRUSTEE, AND THE LEASE AGREEMENT DATED AS OF FEBRUARY 1, 2026, BETWEEN CITY OF INDEPENDENCE, MISSOURI AND MISSOURI ADC HOLDINGS, LLC

The undersigned Authorized Company Representative hereby states and certifies that:

1. A total of \$ _____ is requested to pay for Project Costs (as defined in the Indenture) of the Project Improvements. The total amount of this requisition and all prior requisitions are as follows:

<u><i>Date of Project Costs</i></u>	<u><i>Amount Submitted in this Requisition</i></u>	<u><i>Requisitions Submitted to Date (Including this Requisition)</i></u>

2. Said Project Costs shall be paid in whole from Bond proceeds in such amounts, to such payees and for such purposes as set forth on **Schedule 1** hereto.

3. Each of the items for which payment is requested are or were desirable and appropriate in connection with the construction and improvement of the Project (as defined in the Trust Indenture), have been properly incurred and are a proper charge against the Project Fund, and have been paid by the Company 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.

4. As of this date, except for the amounts referred to above, to the best of my knowledge there are no outstanding disputed statements for which payment is requested for labor, wages, materials, supplies or services in connection with the construction and improvement of the Project which, if unpaid, might become the basis of a vendors', mechanics', laborers' or materialmen's statutory or similar lien upon the Project or any part thereof.

5. With respect to this disbursement, the undersigned (i) certifies it has reviewed any wire instructions set forth herein to confirm such wire instructions are accurate, and (ii) agrees it will not seek

recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with its instructions herein.

MISSOURI ADC HOLDINGS, LLC

By: _____
Authorized Company Representative

SCHEDULE 1 TO REQUISITION CERTIFICATE

PROJECT COSTS

<u>Payee and Address</u>	<u>Description</u>	<u>Amount</u>
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EXHIBIT D

FORM OF CERTIFICATE OF INSURANCE COMPLIANCE

The undersigned, being the Authorized Company Representative for Missouri ADC Holdings, LLC, as tenant (the "Company"), under a certain Lease Agreement dated as of February 1, 2026, between the City of Independence, Missouri (the "City"), and the Company (the "Lease"), and as beneficiary of the City's Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026, issued pursuant to a certain Trust Indenture dated as of February 1, 2026 (the "Indenture"), hereby certifies pursuant to Article VII of Lease:

1. All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings set forth in the Lease.

2. The policies of insurance required to in place pursuant to Article VII of the Lease are effective and the premiums with respect thereto have been paid in full as of the date set forth below. Such policies comply with the terms and provisions set forth in Article VII, and the Company is in compliance with the provisions of Article VII.

3. The undersigned will notify the Trustee 10 days prior to any cancellation or material change to such policies; the policies currently in effect have an expiration date of _____, 20__.

4. The Trustee may conclusively rely on this Certificate of Insurance Compliance without further investigation.

5. Attached hereto are insurance certificates showing compliance with the liability and casualty insurance requirements of Article VII of the Lease.

IN WITNESS WHEREOF, the undersigned Authorized Company Representative has signed this Certificate, and the statements of fact made in this Certificate are true and correct.

Authorized Company Representative

Date: _____

ATTACHMENTS:

1. Liability insurance certificate(s)
2. Casualty insurance certificate(s)

Note: all insurance certificates must show the City and the Trustee as additional insureds.

EXHIBIT E

FORM OF COMPLETION CERTIFICATE

The undersigned, being the Authorized Company Representative for Missouri ADC Holdings, LLC, as tenant (the "Company"), under a certain Lease Agreement dated as of February 1, 2026, between the City of Independence, Missouri (the "City"), and the Company (the "Lease"), and as beneficiary of the City's Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026, issued pursuant to a certain Trust Indenture dated as of February 1, 2026 (the "Indenture"), hereby certifies pursuant to Article IV of the Lease:

1. All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings set forth in the Lease.

2. The construction and improvement of the Project has been completed in accordance with the Plans and Specifications.

3. All costs and expenses incurred in the construction and improvement of the Project have been paid except costs and expenses the payment of which is not yet due or is being retained or contested in good faith by the Company.

4. The Trustee is retaining \$_____ for the payment of amounts with respect to item (3) above.

5. The Trustee may conclusively rely on this Certificate without further investigation.

6. This Certificate is given without prejudice to any rights against third parties which exist at the date hereof or which may subsequently come into being.

IN WITNESS WHEREOF, the undersigned Authorized Company Representative has signed this Certificate, and the statements of fact made in this Certificate are true and correct.

Authorized Company Representative

Date: _____

APPENDIX I
PERFORMANCE AGREEMENT

(See Tab No. 4)

PERFORMANCE AGREEMENT

Dated as of February 1, 2026

BETWEEN

CITY OF INDEPENDENCE, MISSOURI

AND

NEBIUS, INC.

Prepared By:

**Gilmore & Bell, P.C.
Kansas City, Missouri**

PERFORMANCE AGREEMENT

THIS PERFORMANCE AGREEMENT, dated as of February 1, 2026 (the “Agreement”), between the **CITY OF INDEPENDENCE, MISSOURI**, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri (the “City”), and **NEBIUS, INC.**, a Delaware corporation (the “Company”);

RECITALS:

1. The City is authorized and empowered pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the “Act”), to purchase, construct, extend, improve and equip certain projects and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, research and development, warehousing, office industry and industrial development purposes upon such terms and conditions as the City shall deem advisable.

2. Pursuant to the Act, the City Council of the City gave notice to the affected taxing jurisdictions in accordance with Section 100.059.1 of the Act and held a public hearing to finance the costs of a project for the Company consisting of acquiring and installing certain equipment (the “Project Equipment,” as more fully described on Exhibit A hereto) at a site located at and surrounding 501 North Bly Road in the City (the “Project Site,” as more fully described on Exhibit A hereto), out of the proceeds of industrial development revenue bonds to be issued under the Act to provide funds to pay the costs of the Project Equipment, and to lease or sell the Project Equipment to the Company for the purpose of financing the costs of the Project Equipment.

3. Pursuant to an ordinance or ordinances (the “Ordinance”) passed by the City Council, the City has approved a plan for the Company’s industrial development project and has been authorized to execute and deliver (a) a Trust Indenture of even date herewith (the “Indenture”) between the City and BOKF, N.A., Kansas City, Missouri, as trustee (the “Trustee”), for the purpose of issuing and securing the City’s Taxable Industrial Development Revenue Bonds (Nebius Project - Equipment), Series 2026 in the maximum principal amount of \$144,023,000,000 (the “Bonds”), (b) a Lease Agreement of even date herewith (the “Lease”) with the Company under which the City, as lessor, will acquire and install the Project Equipment and will lease the Project Equipment to the Company, in consideration of rentals which will be sufficient to pay the principal of and interest on the Bonds, and (c) this Agreement for the purpose of setting forth the terms and conditions of the Project Equipment’s exemption from ad valorem property taxes and certain payments in lieu of taxes to be made by the Company with respect to the Project Equipment.

4. Pursuant to the foregoing, the City desires to enter into this Agreement with the Company in consideration of the Company’s desire to acquire and install the Project Equipment upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the City and the Company hereby represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. In addition to the terms otherwise defined herein, the following words and terms as used herein shall have the following meanings:

“Agreement” means this Performance Agreement dated as of February 1, 2026, between the City and the Company, as from time to time amended and supplemented in accordance with the provisions hereof.

“Company” means Nebius, Inc., a Delaware corporation, and its successors and assigns.

“Excusable Delay” means any delay beyond the reasonable control of the Company caused by damage or destruction by fire or other casualty, acts of God, strike, shortage of materials or labor, equipment, utilities, or transportation; civil disorder, war, epidemic or pandemic, supply-chain disruptions, failure or refusal of any governmental entity to issue any permits and/or legal authorization necessary for the installation of the Project Equipment, tariffs, governmental actions or inactions, changes in law or interpretation thereof, unavailability of labor, adverse weather conditions and any other events or conditions, which shall include but not be limited to any litigation interfering with or delaying the installation of all or any portion of the Project Equipment, which in fact prevents the Company from continuing installation of the Project Equipment.

“Indenture” means the Trust Indenture dated as of February 1, 2026, between the City and BOKF, N.A., Kansas City, Missouri, as Trustee, relating to the issuance of the Bonds, as amended or supplemented from time to time.

“PILOT Payments” or **“PILOTS”** means the payments in lieu of taxes provided for in **Article III** hereof.

“Project Equipment” means the personal property to be acquired and installed at the Project Site pursuant to **Article IV** of the Lease and paid for in whole or in part from the proceeds of Bonds, as described in **Exhibit A** attached hereto.

“Project Site” means the location described in **Exhibit A** attached hereto and by this reference made a part hereof.

“Taxes Otherwise Due” means the *ad valorem* property taxes that would have been due on the Project Equipment for the year were it not for ownership thereof by the City, as calculated by the City in accordance with Section 137.122 of the Revised Statutes of Missouri, as amended, and using the then-current tax rates of all applicable taxing jurisdictions.

ARTICLE II

REPRESENTATIONS

Section 2.1. City’s Representations. The City hereby represents that the Project Equipment will significantly benefit the City and the State of Missouri by (i) stimulating economic development in the City and the State; and (ii) increasing local and state tax revenues.

Section 2.2. Company's Representations. The Company hereby represents that the Project Equipment will benefit the City and the State of Missouri by (i) stimulating economic development in the City and the State; and (ii) increasing local and state tax revenues.

ARTICLE III

PROPERTY TAX EXEMPTION; PAYMENT IN LIEU OF TAXES

Section 3.1. Property Tax Exemption. So long as the City owns title to the Project Equipment, the City expects that the Project Equipment will be exempt from ad valorem property taxes. The first year of the exemption period for purposes of this Agreement shall begin with tax year **2027** (for any equipment placed in service during 2026). Notwithstanding any other provision of this Agreement to the contrary, the last year of such exemption period shall be tax year **2046**. The Company covenants and agrees that, during each year the Project Equipment is exempt from ad valorem taxes by reason hereof, the Company will make annual payments in lieu of taxes to the City (each such payment, a "**PILOT**") as described in this **Article III**. The City and the Company hereby agree that the tax abatement provided by this Agreement shall only apply to property financed with the proceeds of the Bonds (i.e., property constituting a part of the Project Equipment) and shall not apply to property not financed with proceeds of the Bonds.

Section 3.2. Payments In Lieu of Taxes for Project Equipment. The Company covenants and agrees to make PILOT Payments to the City on or before each December 31, commencing December 31, 2027, as follows:

No PILOT Payment shall be due for calendar year 2026.

For calendar years 2027 through 2046, the PILOT Payment shall be equal to 10% of the Taxes Otherwise Due on the Project Equipment.

On or before March 1 of each year, the Company shall provide to the City a report on property comprising the Project Equipment as of January 1 of such year in substantially the form attached hereto as **Exhibit B**.

Section 3.3. Adjustment to PILOT Payments Based on Certain Failures by Company.

(a) In the event the Company fails to spend an amount at least equal to the Investment Milestone Requirement (set out below) by each applicable Investment Milestone Date (set out below), as certified to the Trustee and the City through requisition certificates submitted to the Trustee in accordance with the Lease, the Company shall make additional PILOT Payments in an amount equal to the Investment Deficiency Percentage (calculated as shown below) multiplied by the amount of the difference between the PILOT Payments set out under **Section 3.2** hereof and the Taxes Otherwise Due during the year in which the failure occurs and any subsequent year in which such failure persists as of September 30 of such year and during which the exemption from property tax applies by virtue of City ownership. The Investment Deficiency Percentage shall be calculated, beginning at zero percent (0%) for compliance, in accordance with the following formula, with the result expressed as a percentage:

Investment Deficiency Percentage = $(1 - (\text{certified Project Costs} / \text{applicable Investment Milestone Requirement})) \times 100$.

Investment Milestone Date	Investment Milestone Requirement
September 30, 2030	\$11,900,000,000

Each Investment Milestone Requirement shown above shall apply on and from the applicable Investment Milestone Date shown above to and including the September 30 prior to the next Investment Milestone Date shown (if any).

(b) [Reserved].

(c) If the Company ceases operations of the Project Equipment, other than temporary closures customary in the applicable industry, then in addition to any other remedies that may be available to the City under the Lease or hereunder, the PILOT Payments shall be increased to an amount equal to 100% of the Taxes Otherwise Due during the year in which the failure occurs and any subsequent year during which such failure persists and during which the Project Equipment is exempt from ad valorem property taxes as provided herein. "Ceases operations" or "cessation of operations" for the purpose of this paragraph means the Company completely vacates, abandons and permanently ceases operations at the Project Site for a period of 180 consecutive days after the initial installation of Project Equipment, unless the Project Equipment has been subject to a casualty and the Company is intending to restore the Project Equipment or the Company's interest in this Agreement has been transferred pursuant to the provisions hereof and the Project Equipment continues in operation thereafter. The Company shall not be deemed to have ceased operations during any time when a tenant is operating at the Project Equipment and the provisions of the Lease regarding maintenance of the Project Equipment are satisfied.

(d) The maximum PILOT Payment (including all payments under **Section 3.2** and **Section 3.3** hereof) for any year pursuant to this Agreement shall not exceed 100% of the Taxes Otherwise Due were it not for ownership of the Project Equipment by the City and, as such, no redundant or duplicative payments shall be required on the part of the Company to the City.

Section 3.4. Distribution of PILOTS. Within 30 days of the date of receipt of each PILOT, the City shall or shall cause the County or another designated billing/collection agent to distribute each PILOT among the taxing jurisdictions in proportion to the amount of taxes which would have been paid for such year had the Project Equipment not been exempt from taxation pursuant to this Agreement. The allocation between school districts shall be in proportion to the total investment located within each school district's boundaries, which allocation shall be certified to the City by the Company upon request.

Section 3.5. Obligation of City to Effect Tax Abatement. The City agrees to take all actions within its control to obtain and/or maintain in effect the exemption referred to in **Section 3.1** above, including any filing required with any governmental authorities; provided, however, the City shall not be liable for any failure of Jackson County, Missouri or any other governmental taxing authority to recognize the exemption provided herein. The City covenants that it will not voluntarily take any action that may cause or induce the levy or assessment of ad valorem taxes on the Project Equipment. In the event such a levy or assessment should occur, the City shall, at the Company's request and at the Company's expense, fully cooperate with the Company in all reasonable ways to prevent and/or remove any such levy or assessment against the Project Equipment.

Section 3.6. Administration Costs. Under Section 100.050 of the Act, the City may require the Company to reimburse the City for its actual costs of issuing the Bonds and administering the plan including costs associated with this Agreement, in an amount of no greater than \$5,000 per year. The City will provide a statement for such costs to the Company not later than November 15th of each year

and the Company will reimburse the City for its costs on or before December 31 of each year continuing until December 31 of the year in which this Agreement expires or is terminated.

Section 3.7. Other Property Taxes In Connection with the Project Equipment. The property tax exemption provided by the City's ownership of the Project Equipment is expected to apply to all interests in the Project Equipment during the period it is owned by the City. If any ad valorem property taxes are levied by or on behalf of any taxing jurisdiction against any interest in the Project Equipment during the period the City owns the Project Equipment (including, without limitation, any ad valorem taxes levied against the Company's rights in the Lease), the amount of ad valorem tax payments related to such levy or levies which are paid by the Company and received by the City and other taxing jurisdictions shall be credited against and reduce on a *pro rata* basis the amount of the PILOT Payments the Company is obligated to pay pursuant to this Agreement so that no duplicative payments are made. The Company shall be responsible for any taxes related to any interest in the Project Equipment which the Company owns in its own name or granted to the Company other than pursuant to the Lease.

Section 3.8. Credits for Certain Payments. Nothing in this Agreement shall be construed to require the Company to make duplicate tax payments. The Company shall receive a credit hereunder to the extent it has made any payment for ad valorem property taxes on the Project Equipment to the City, to Jackson County, Missouri or to the State of Missouri.

Section 3.9. Company's Right To Protest Taxes. Notwithstanding any other provision of this Agreement to the contrary, nothing in this Agreement shall be construed to limit or in any way restrict the availability of any provision of Missouri law which confers upon the Company the right to appeal, protest or otherwise contest any property tax valuation, assessment, classification or similar action. However, no such appeal, protest or contest shall affect the amount or timing of PILOT Payments to be made under this Agreement.

Section 3.10. No Abatement on Special Assessments, Licenses or Fees. The City and the Company hereby agree that the property tax exemptions described in this Agreement shall not apply to special assessments and shall not serve to reduce or eliminate any other licenses or fees owing to the City or any other taxing jurisdiction with respect to the Project Equipment. The Company hereby agrees to make payments with respect to all special assessments, licenses and fees which would otherwise be due with respect to the Project Equipment if such Project Equipment was not owned by the City.

ARTICLE IV

COVENANTS, REPRESENTATIONS AND AGREEMENTS

Section 4.1. Inspection. The Company agrees that the City and its duly authorized agents shall have the right at reasonable times (during business hours), subject to at least five business days advance written notice and to the Company's and subject to the industry accepted business proprietary, safety and security requirements of the Company and its end clients and without interference or prejudice to the Company's operations or the acquisition or installation of the Project Equipment, to enter upon the Project Site to examine and inspect the Project Equipment and the records of the Company which demonstrate compliance with this Agreement, not more than once annually.

Section 4.2. Compliance with Laws. The Project Equipment will comply in all material respects with all applicable building and zoning, health, environmental and safety ordinances and laws and all other applicable laws, rules and regulations.

Section 4.3. Acquisition and Installation of the Project Equipment. The Project Equipment will be acquired and installed consistent with the provisions of the Lease. In the event the Project Equipment is not acquired and installed in compliance with the provisions of the Lease, the City reserves the right to declare an Event of Default in accordance with **Section 6.1** hereof.

Section 4.4. Representations and Warranties.

(a) The Company represents, warrants and covenants that as of the date of this Agreement and during the term of this Agreement, or such shorter period as may be expressly provided for below:

(1) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is in good standing under the laws of and authorized to do business in the State of Missouri;

(2) The Company has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(3) The execution, delivery and performance by the Company of this Agreement has been duly authorized by all necessary corporate action, and does not violate the organizational documents of the Company, as the same may be amended and supplemented, or to the best of the Company's knowledge, any applicable provision of law, nor does it constitute a breach of or default under or require any consent under any agreement, instrument or document to which the Company is now a party or by which the Company is now or may become bound;

(4) To the best of the Company's knowledge, there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting the Company that would impair its ability to perform under this Agreement; and

(5) The Company has obtained (or prior to the applicable time required will obtain) and will maintain all government permits, certificates and consents (including without limitation appropriate environmental approvals) necessary to conduct its business and to acquire, install and operate the Project Equipment.

(b) The City represents, warrants and covenants that as of the date of this Agreement and during the term of this Agreement, or such shorter period as may be expressly provided for below:

(1) The City is a constitutional charter city and municipal corporation duly organized and validly existing under the laws of the State of Missouri;

(2) The execution, delivery and performance by the City of this Agreement have been duly authorized by all necessary City actions;

(3) The City has the right, power and authority to enter into, execute, deliver and perform this Agreement; and

(4) To the best of the City's knowledge, there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting the City that would impair its ability to perform under this Agreement.

Section 4.5. Survival of Covenants. All warranties, representations, covenants and agreements of the Company and the City contained herein which are specifically designated to survive the termination of this Agreement or which by nature must survive for the benefit thereof to be realized (such as indemnity obligations) shall survive termination of this Agreement for any reason.

Section 4.6. Indemnification. The Company shall indemnify and defend the City to insure that the City and the Trustee are held harmless from and against all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, by or on behalf of any person, firm or corporation arising from the conduct or management of, or from any work or thing done in, on or about, the Project Equipment during the term of the Lease, and against and from all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, arising during the term of the Lease from any event described in **Section 10.5** of the Lease to the extent and subject to the limitations provided therein. This section shall not apply to the negligence or willful misconduct of the City or its officers, employees or agents.

Section 4.7. Costs of Issuance of the Bonds. The Company agrees to pay on the date of the initial issuance of the Bonds, all costs of issuance incurred in connection therewith.

Section 4.8. No Sales Tax Exemption. The Bond transaction does not authorize sales tax exemption for the acquisition of the Project Equipment. The Company may pursue other statutory exemptions from sales tax for such purchases, but shall not use any sales tax exemption certificate granted by the City with respect to the construction of improvements on the Project Site for the acquisition of any Project Equipment.

ARTICLE V

SALE AND ASSIGNMENT

The benefits granted by the City to the Company pursuant to this Agreement shall belong solely to the Company, and such benefits shall not be transferred, assigned, pledged or in any other manner hypothecated (other than to an affiliate of the Company or in connection with Permitted Encumbrances (as defined in the Lease) without the express written consent of the City which shall not be unreasonably conditioned, withheld or delayed; but nothing herein shall preclude the Company from assigning or pledging its interest in the Project Equipment or incurring Permitted Encumbrances (as defined in the Lease) so long as the Company continues to possess the Project Equipment and otherwise remains responsible for its undertakings herein. Notwithstanding the foregoing, the Company may, without the City's consent, transfer its interests in this Agreement to any entity or person to whom the Lease has been assigned in accordance with **Article XIII** thereof or incur Permitted Encumbrances (as defined in the Lease).

ARTICLE VI

DEFAULT AND REMEDIES

Section 6.1. Events of Default. If any one or more of the following events shall occur and be continuing, it is hereby defined as and declared to be and to constitute an Event of Default hereunder:

- (a) the Company fails to make any PILOT Payments required to be paid hereunder within 30 days after written notice and demand by the City; or

(b) any representation of the Company contained herein proves to be materially false or erroneous and is not corrected or brought into compliance within 60 days (or such longer period as the City and the Company may agree in writing) after the City has given written notice to the Company specifying the false or erroneous representation and requiring it to be remedied; provided, that if such matter is not subject to cure within such 60 days (or such longer period as the City and Company agree in writing) after such notice, the Company fails to initiate action to cure the default within such 60 days after such notice and fails to pursue such action diligently.

Section 6.2. Remedies on Default. Upon an Event of Default hereunder this Agreement may be terminated by written notice to the Company from the City. Within thirty days of written notice of the dollar amounts due (which shall be given to the Company by the City as soon as possible after such amounts are ascertainable), the Company shall make a PILOT to the City equal to (i) the pro rata amount payable pursuant to **Section 3.3** hereof from January 1 of the year in question through the effective date of termination, plus (ii) the pro rata amount of taxes that would be due for the remaining portion of the year assuming the Project Equipment was placed on the tax rolls effective on the date of termination through December 31; provided, however, the payment of PILOTS following cessation of construction or operations shall be governed by **Section 3.3**.

Upon any termination of this Agreement the Company agrees to pay interest and penalties on all amounts due hereunder to the same extent as if such payments were taxes under Missouri law.

Section 6.3. Payments on Defaulted Amounts. Any amounts due hereunder which are not paid when due shall bear interest at the interest rate imposed by Missouri law on overdue ad valorem real estate taxes from the date such payment was first due.

Section 6.4. Enforcement. In addition to the remedies specified in **Section 6.2**, upon the occurrence of an Event of Default, the City or any taxing jurisdictions that would benefit from the PILOT Payments due and owing under this Agreement may bring an action for specific performance to enforce such payments. In the event of litigation pertaining to the enforcement of this Agreement, the losing party shall pay all costs of litigation, including reasonable attorneys' fees.

Section 6.5. Failure of the City to Perform its Obligations. In the event the City shall fail to perform any of its obligations hereunder for (i) a period of 30 days (or such longer period as the Company and the City may agree in writing) following written notice to the City from the Company of such failure which notice shall include a specific description of the City's failure hereunder), or (ii) if such failure is not subject to cure within such 30 days, the City shall have failed to initiate action to cure such default and shall pursue such action diligently; the Company may declare that the City is in default under this Agreement and may pursue any legal remedy available to it to enforce this Agreement.

ARTICLE VII

TERM OF AGREEMENT

This Agreement shall become effective upon execution, and subject to earlier termination pursuant to the provisions of this Agreement (including particularly **Article VI** hereof), shall have an initial term commencing as of the date of this Agreement and terminating on **December 1, 2046** (the "**Stated Expiration Date**"). This Agreement shall automatically terminate prior to the Stated Expiration Date in the event the Bonds (or any Bonds issued to refund the Bonds) are no longer outstanding.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. Severability. If for any reason any provision of this Agreement shall be determined to be invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected thereby.

Section 8.2. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Missouri.

Section 8.3. Execution in Counterparts. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 8.4. Waiver. The City and the Company acknowledge and agree that the amounts payable hereunder shall constitute payments due the City under the Lease executed in connection with the Bonds. The Company shall not be entitled to any extension of payment of such amounts as a result of a filing by or against the Company in any bankruptcy court.

Section 8.5. Entire Agreement. This Agreement constitutes the entire agreement relating to the subject matter contained herein and supersedes all prior agreements and understandings, both written and oral, between the City and the Company with respect to the subject matter hereof.

Section 8.6. Electronic Storage of Documents. The City and the Company agree that the transaction described herein may be conducted and related documents may be stored by electronic means.

Section 8.7. Notices. All notices, certificates or other communications required or desired to be given hereunder shall be given in the manner specified in the Lease.

Section 8.8. Employee Verification. The Company will comply with and satisfy the requirements of Section 285.530.2, RSMo., as amended, which requires (1) any business entity receiving tax abatement to, by sworn affidavit and provision of documentation, annually affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the business entity receiving tax abatement, and (2) every such business entity to annually sign an affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the entity receiving tax abatement. The Company shall provide such affidavits and documentation to the City on or before November 15 of each year during the term of this Agreement, beginning November 15, 2026, and also upon execution of this Agreement.

Section 8.9. Complete Agreement. The Company and the City understand that oral agreements or commitments to loan money, extend credit or to forbear from enforcing repayment of a debt including promises to extend or renew such debt are not enforceable. To protect the Company and the City from misunderstanding or disappointment, any agreements the Company and the City reach covering such matters are contained in this Agreement and the Lease, which are the complete and exclusive statements of the agreement between the Company and the City, except as the Company and the City may later agree in writing to modify this Agreement and the Lease.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective corporate names, all as of the date first above written.

CITY OF INDEPENDENCE, MISSOURI

By: _____
Name: Lisa Reynolds
Title: Interim City Manager

[SEAL]

ATTEST:

By: _____
Name: Susanne Holland
Title: City Clerk

NEBIUS, INC.,
a Delaware corporation

By: _____
Name:
Title:

EXHIBIT A

PROJECT EQUIPMENT

The Project Equipment consists of the following, to the extent located at the Project Site and paid for in whole with Bond proceeds:

Data servers, specialized mechanical, electrical and plumbing systems, HVAC systems, and data center support equipment sufficient to operate a data center of at least 800 megawatts.

PROJECT SITE

The following described real estate located in Jackson County, Missouri:

[**INSERT LEGAL DESCRIPTION**]

EXHIBIT B

ANNUAL PROJECT EQUIPMENT REPORT

Report Due Date: March 1, 20__

Relating to

\$144,023,000,000

(Aggregate Maximum Principal Amount)

City of Independence, Missouri

Taxable Industrial Development Revenue Bonds

(Nebius Project - Equipment)

Series 2026

In connection with the above-described Bonds, and the Performance Agreement dated as of February 1, 2026 between the City of Independence, Missouri (the “City”), and Nebius, Inc. (the “Company”), the Company hereby certifies that the Project Equipment (including all personal property located on the Project Site that is being treated as exempt from property taxation in connection with the Bonds) existing as of January 1 of the year of the Report Due Date shown above, is described as follows:

Description of Project Equipment Item	Serial Number or other Identification	Quantity	Original Cost	Placed in Service Date	Recovery Period	School District

“Original cost” means the price paid for the item without freight, installation, or sales or use tax.

“Placed in Service Date” means the first date that property that is located on the Project Site and is ready and available for use, whether or not the property is being used.

“Recovery period” means the recovery period allowed for the applicable property under the Internal Revenue Code (using the General Depreciation System, not the Alternative Depreciation System).

“School District” should be designated as either “Independence” or “Fort Osage” depending on location of property.

NEBIUS, INC.,
a Delaware corporation

By: _____

Name:

Title:

PERFORMANCE AGREEMENT

Dated as of February 1, 2026

BETWEEN

CITY OF INDEPENDENCE, MISSOURI

AND

MISSOURI ADC HOLDINGS, LLC

Prepared By:

**Gilmore & Bell, P.C.
Kansas City, Missouri**

PERFORMANCE AGREEMENT

THIS PERFORMANCE AGREEMENT, dated as of February 1, 2026 (the “**Agreement**”), between the **CITY OF INDEPENDENCE, MISSOURI**, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri (the “**City**”), and **MISSOURI ADC HOLDINGS, LLC**, a Delaware limited liability company (the “**Company**”);

RECITALS:

1. The City is authorized and empowered pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the “**Act**”), to purchase, construct, extend and improve certain projects and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, research and development, warehousing, office industry and industrial development purposes upon such terms and conditions as the City shall deem advisable.

2. Pursuant to the Act, the City Council of the City gave notice to the affected taxing jurisdictions in accordance with Section 100.059.1 of the Act and held a public hearing to finance the costs of a project (the “**Project**”) for the Company consisting of acquiring, constructing and improving certain real property located at and surrounding 501 North Bly Road in the City (the “**Project Site**”), including the construction and improvement of multiple buildings with a combined square footage of approximately 2,100,000 square feet on the Project Site, out of the proceeds of industrial development revenue bonds to be issued under the Act to provide funds to pay the costs of the Project, and to lease or sell the Project to the Company for the purpose of financing the costs of the Project.

3. Pursuant to an ordinance or ordinances (the “**Ordinance**”) passed by the City Council, the City has approved a plan for the Company’s industrial development project and has been authorized to execute and deliver (a) a Trust Indenture of even date herewith (the “**Indenture**”) between the City and BOKF, N.A., Kansas City, Missouri, as trustee (the “**Trustee**”), for the purpose of issuing and securing the City’s Taxable Industrial Development Revenue Bonds (Nebius Project - Real Property), Series 2026 in the maximum principal amount of \$6,609,000,000 (the “**Bonds**”), (b) a Lease Agreement of even date herewith (the “**Lease**”) with the Company under which the City, as lessor, will construct, extend and improve the Project and will lease the Project to the Company, in consideration of rentals which will be sufficient to pay the principal of and interest on the Bonds, and (c) this Agreement for the purpose of setting forth the terms and conditions of the Project’s exemption from ad valorem property taxes and certain payments in lieu of taxes to be made by the Company with respect to the Project.

4. Pursuant to the foregoing, the City desires to enter into this Agreement with the Company in consideration of the Company’s desire to construct, extend and improve the Project upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the City and the Company hereby represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. In addition to the terms otherwise defined herein, the following words and terms as used herein shall have the following meanings:

“Agreement” means this Performance Agreement dated as of February 1, 2026, between the City and the Company, as from time to time amended and supplemented in accordance with the provisions hereof.

“Company” means Missouri ADC Holdings, LLC, a Delaware limited liability company, and its successors and assigns.

“Completed Square Footage” means, as of January 1 of a year for which a PILOT Payment is being calculated, the total square footage of interior building space located on the Project Site which is contained in a building for which a certificate of occupancy has been issued by the City, *provided that*, if a certificate of occupancy is issued in January or February of a calendar year, it shall be deemed to have been issued on December 31 of the prior calendar year for purposes of this definition.

“Excusable Delay” means any delay beyond the reasonable control of the Company caused by damage or destruction by fire or other casualty, acts of God, strike, shortage of materials or labor, equipment, utilities, or transportation; civil disorder, war, epidemic or pandemic, supply-chain disruptions, failure or refusal of any governmental entity to issue any permits and/or legal authorization necessary for the construction of the Project, tariffs, governmental actions or inaction, changes in law or interpretation thereof, unavailability of labor, adverse weather conditions and any other events or conditions, which shall include but not be limited to any litigation interfering with or delaying the construction of all or any portion of the Project, which in fact prevents the Company from continuing construction of the Project.

“Indenture” means the Trust Indenture dated as of February 1, 2026, between the City and BOKF, N.A., Kansas City, Missouri, as Trustee, relating to the issuance of the Bonds, as amended or supplemented from time to time.

“PILOT Payments” or **“PILOTS”** means the payments in lieu of taxes provided for in **Article III** hereof.

“Project” means, collectively, the Project Site and the Project Improvements as they may at any time exist.

“Project Improvements” shall have the same meaning as provided in **Exhibit B** to the Indenture.

“Project Site” means all of the real estate described in **Exhibit A** attached hereto and by this reference made a part hereof.

ARTICLE II

REPRESENTATIONS

Section 2.1. City's Representations. The City hereby represents that the Project will significantly benefit the City and the State of Missouri by (i) stimulating economic development in the City and the State; and (ii) increasing local and state tax revenues.

Section 2.2. Company's Representations. The Company hereby represents that the Project will benefit the City and the State of Missouri by (i) stimulating economic development in the City and the State; and (ii) increasing local and state tax revenues.

ARTICLE III

PROPERTY TAX EXEMPTION; PAYMENT IN LIEU OF TAXES

Section 3.1. Property Tax Exemption. So long as the City owns title to the Project, the City expects that the Project will be exempt from ad valorem property taxes. The first year of the exemption period for purposes of this Agreement shall begin with tax year **2026** and the **Exhibit B** "PILOT per Square Foot" calculations and payments shall begin with tax year **2027**. Notwithstanding any other provision of this Agreement to the contrary, the last year of such exemption period shall be tax year **2046**. The Company covenants and agrees that, during each year the Project is exempt from ad valorem taxes by reason hereof, the Company will make annual payments in lieu of taxes to the City (each such payment, a "PILOT") as described in this **Article III**. The City and the Company hereby agree that the tax abatement provided by this Agreement shall only apply to property financed with the proceeds of the Bonds (i.e., property constituting a part of the Project) and shall not apply to property not financed with proceeds of the Bonds. No machinery or equipment other than fixtures and systems that are incorporated into the construction of the building and related site improvements shall be purchased with the proceeds of the Bonds.

Section 3.2. Payments In Lieu of Taxes for Project. The Company covenants and agrees to make PILOT Payments to the City on or before each December 31, commencing December 31, 2026, as follows:

For calendar year 2026, the PILOT Payment shall be \$6,977.

For calendar years 2027 through 2046, the PILOT Payment shall be equal to the Completed Square Footage multiplied by the "PILOT per Square Foot" set out for such year on **Exhibit B**; *provided that*, if any buildings are partially complete on January 1 of such calendar years, the PILOT Payment for such partially completed buildings shall be calculated based on the square footage under construction, multiplied by the "PILOT per Square Foot" and pro-rated by percentage of completion at January 1, which percentage shall be certified in good faith to the City by an Authorized Company Representative upon request by the City; *and further provided that*, if construction has yet to start on the Project on January 1 of any such calendar year, the PILOT Payment shall be equal to \$6,977.

The parties agree that if a Certificate of Occupancy for particular building(s) is expected to be issued in any year but has not actually been issued by November 1, the Company will advise the City of the expected square footage of such building(s) which will be used for purposes of determining the PILOT on a timely basis.

Section 3.3. Adjustment to PILOT Payments Based on Certain Failures by Company.

(a) In the event the Company fails to spend at least \$3,100,000,000 (approximately 80% of anticipated Project Costs) on the Project on or before September 30, 2031 (as certified to the Trustee and the City through requisition certificates submitted to the Trustee in accordance with the Lease), the Company shall make additional PILOT Payments in an amount equal to the Investment Deficiency Percentage (calculated as shown below) multiplied by the amount of the difference between the PILOT Payments set out under **Section 3.2** hereof and the total ad valorem property taxes that would otherwise have been due on the Project (were it not for City ownership) during the year in which the failure occurs and any subsequent year in which such failure persists as of September 30 of such year and during which the exemption from property tax applies by virtue of City ownership. The Investment Deficiency Percentage shall be calculated, beginning at zero percent (0%) for compliance, in accordance with the following formula, with the result expressed as a percentage:

$$\text{Investment Deficiency Percentage} = (1 - (\text{certified Project Costs} / \$3,100,000,000)) \times 100.$$

(b) If for any reason a cessation of construction of the Project occurs after construction has commenced and prior to completion of the Project, the amount of the PILOT Payments shall be increased to 100% of the ad valorem property taxes that would otherwise have been due on the Project for each year following such cessation of construction including the year of cessation of construction, during which such cessation of construction continues. "Cessation of construction," for the purpose of this paragraph, means no construction activities have occurred on the Project for a period of 90 consecutive days, except (i) during any period of Excusable Delay; (ii) unless the Project has been subject to a casualty and the Company has elected to rebuild the Project in accordance with the provisions of the Lease; or (iii) if the Company's interest in this Agreement has been transferred pursuant to **Article V** hereof and the construction of the Project continues thereafter.

(c) If the Company ceases operations at the Project, other than temporary closures customary in the applicable industry, then in addition to any other remedies that may be available to the City under the Lease or hereunder, the PILOT Payments shall be increased to an amount equal to 100% of the ad valorem property taxes that would otherwise have been due on the Project during the year in which the failure occurs and any subsequent year during which such failure persists and during which the Project is exempt from ad valorem property taxes as provided herein. "Ceases operations" or "cessation of operations" for the purpose of this paragraph means the Company completely vacates, abandons and permanently ceases operations and fails to maintain the Project Site for a period of 180 consecutive days after completion of the Project, unless the Project has been subject to a casualty and the Company is intending to rebuild the Project or the Company's interest in this Agreement has been transferred pursuant to the provisions hereof and the Project continues in operation thereafter. The Company shall not be deemed to have ceased operations during any time when a tenant is operating at the Project Site and the provisions of the Lease regarding maintenance of the Project are satisfied.

(d) The maximum PILOT Payment (including all payments under **Section 3.2** and **Section 3.3** hereof) for any year pursuant to this Agreement shall not exceed 100% of the ad valorem property taxes that would otherwise have been due on the Project were it not for ownership of the Project by the City and, as such, no redundant or duplicative payments shall be required on the part of the Company to the City.

Section 3.4. Distribution of PILOTS. Within 30 days of the date of receipt of each PILOT, the City shall or shall cause the County or another designated billing/collection agent to distribute each PILOT among the taxing jurisdictions in proportion to the amount of taxes which would have been paid for such year had the Project not been exempt from taxation pursuant to this Agreement. The allocation

between school districts shall be in proportion to the total investment located within each school district's boundaries, which allocation shall be certified to the City by the Company upon request.

Section 3.5. Obligation of City to Effect Tax Abatement. The City agrees to take all actions within its control to obtain and/or maintain in effect the exemption referred to in **Section 3.1** above, including any filing required with any governmental authorities; provided, however, the City shall not be liable for any failure of Jackson County, Missouri or any other governmental taxing authority to recognize the exemption provided herein. The City covenants that it will not voluntarily take any action that may cause or induce the levy or assessment of ad valorem taxes on the Project. In the event such a levy or assessment should occur, the City shall, at the Company's request and at the Company's expense, fully cooperate with the Company in all reasonable ways to prevent and/or remove any such levy or assessment against the Project.

Section 3.6. Administration Costs. Under Section 100.050 of the Act, the City may require the Company to reimburse the City for its actual costs of issuing the Bonds and administering the plan including costs associated with this Agreement, in an amount of no greater than \$1,000 per year. The City will provide a statement for such costs to the Company not later than November 15th of each year and the Company will reimburse the City for its costs on or before December 31 of each year continuing until December 31 of the year in which this Agreement expires or is terminated.

Section 3.7. Other Property Taxes In Connection with the Project. The property tax exemption provided by the City's ownership of the Project is expected to apply to all interests in the Project during the period it is owned by the City. If any ad valorem property taxes are levied by or on behalf of any taxing jurisdiction against any interest in the Project during the period the City owns the Project (including, without limitation, any ad valorem taxes levied against the Company's rights in the Lease), the amount of ad valorem tax payments related to such levy or levies which are paid by the Company and received by the City and other taxing jurisdictions shall be credited against and reduce on a *pro rata* basis the amount of the PILOT Payments the Company is obligated to pay pursuant to this Agreement so that no duplicative payments are made. The Company shall be responsible for any taxes related to any interest in the Project which the Company owns in its own name or granted to the Company other than pursuant to the Lease.

Section 3.8. Credits for Certain Payments. Nothing in this Agreement shall be construed to require the Company to make duplicate tax payments. The Company shall receive a credit hereunder to the extent it has made any payment for ad valorem property taxes on the Project to the City, to Jackson County, Missouri or to the State of Missouri.

Section 3.9. Company's Right To Protest Taxes. Notwithstanding any other provision of this Agreement to the contrary, nothing in this Agreement shall be construed to limit or in any way restrict the availability of any provision of Missouri law which confers upon the Company the right to appeal, protest or otherwise contest any property tax valuation, assessment, classification or similar action. However, no such appeal, protest or contest shall affect the amount or timing of PILOT Payments to be made under this Agreement.

Section 3.10. No Abatement on Special Assessments, Licenses or Fees. The City and the Company hereby agree that the property tax exemptions described in this Agreement shall not apply to special assessments and shall not serve to reduce or eliminate any other licenses or fees owing to the City or any other taxing jurisdiction with respect to the Project. The Company hereby agrees to make payments with respect to all special assessments, licenses and fees which would otherwise be due with respect to the Project if such Project was not owned by the City.

ARTICLE IV

COVENANTS, REPRESENTATIONS AND AGREEMENTS

Section 4.1. Inspection. The Company agrees that the City and its duly authorized agents shall have the right at reasonable times (during business hours), subject to at least five business days advance written notice and subject to the industry accepted usual business proprietary, safety and security requirements of the Company and its end clients and without interference or prejudice to the Company's operations or development of the Project Improvements, to enter upon the Project Site to examine and inspect the Project and the records of the Company which demonstrate compliance with this Agreement, but not more than once annually.

Section 4.2. Compliance with Laws. The Project will comply in all material respects with all applicable building and zoning, health, environmental and safety ordinances and laws and all other applicable laws, rules and regulations.

Section 4.3. Construction and Improvement of the Project. The Project will be constructed and improved consistent with the provisions of the Lease. In the event the Project is not constructed and improved in compliance with the provisions of the Lease, the City reserves the right to declare an Event of Default in accordance with **Section 6.1** hereof.

Section 4.4. Representations and Warranties.

(a) The Company represents, warrants and covenants that as of the date of this Agreement and during the term of this Agreement, or such shorter period as may be expressly provided for below:

(1) The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and is in good standing under the laws of and authorized to do business in the State of Missouri;

(2) The Company has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(3) The execution, delivery and performance by the Company of this Agreement has been duly authorized by all necessary corporate action, and does not violate the organizational documents of the Company, as the same may be amended and supplemented, or to the best of the Company's knowledge, any applicable provision of law, nor does it constitute a breach of or default under or require any consent under any agreement, instrument or document to which the Company is now a party or by which the Company is now or may become bound;

(4) To the best of the Company's knowledge, there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting the Company that would impair its ability to perform under this Agreement; and

(5) The Company has obtained (or prior to the applicable time required will obtain) and will maintain all government permits, certificates and consents (including without limitation appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project.

(b) The City represents, warrants and covenants that as of the date of this Agreement and during the term of this Agreement, or such shorter period as may be expressly provided for below:

(1) The City is a constitutional charter city and municipal corporation duly organized and validly existing under the laws of the State of Missouri;

(2) The execution, delivery and performance by the City of this Agreement have been duly authorized by all necessary City actions;

(3) The City has the right, power and authority to enter into, execute, deliver and perform this Agreement; and

(4) To the best of the City's knowledge, there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting the City that would impair its ability to perform under this Agreement.

Section 4.5. Survival of Covenants. All warranties, representations, covenants and agreements of the Company and the City contained herein which are specifically designated to survive the termination of this Agreement or which by nature must survive for the benefit thereof to be realized (such as indemnity obligations) shall survive termination of this Agreement for any reason.

Section 4.6. Indemnification. The Company shall indemnify and defend the City to insure that the City and the Trustee are held harmless from and against all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, by or on behalf of any person, firm or corporation arising from the conduct or management of, or from any work or thing done in, on or about, the Project during the term of the Lease, and against and from all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, arising during the term of the Lease from any event described in **Section 10.5** of the Lease to the extent and subject to the limitations provided therein. This section shall not apply to the negligence or willful misconduct of the City or its officers, employees or agents.

Section 4.7. Costs of Issuance of the Bonds. The Company agrees to pay on the date of the initial issuance of the Bonds, all costs of issuance incurred in connection therewith.

Section 4.8. Sales Tax Exemptions. Upon request of the Company, the City will issue a sales tax exemption certificate to the Company for construction materials to be purchased for the Project and the City shall provide such other documentation as may be necessary from time to time to effect said sales tax exemption. The Company shall use the exemption certificate only for the purchase of construction materials to be incorporated into the Project on the Project Site and shall not use the exemption certificate for the purchase of any personal property other than construction materials. The Company shall indemnify and defend the City and its respective officers, employees and agents against and from any and all causes of action or actions in law or equity, liens, claims damages, loss, costs or expenses of any nature whatsoever by any person or entity, arising out of the utilization of the sales tax exemption certificate.

ARTICLE V

SALE AND ASSIGNMENT

The benefits granted by the City to the Company pursuant to this Agreement shall belong solely to the Company, and such benefits shall not be transferred, assigned, pledged or in any other manner hypothecated (other than to an affiliate of the Company or in connection with Permitted Encumbrances (as defined in the Lease) without the express written consent of the City which shall not be unreasonably

conditioned, withheld or delayed; but nothing herein shall preclude the Company from assigning or pledging its interest in the Project (or incurring Permitted Encumbrances (as defined in the Lease) so long as the Company continues to occupy the Project and otherwise remains responsible for its undertakings herein. Notwithstanding the foregoing, the Company may, without the City's consent, transfer its interests in this Agreement to any entity or person to whom the Lease has been assigned in accordance with **Article XIII** thereof (or incur Permitted Encumbrances (as defined in the Lease).

ARTICLE VI

DEFAULT AND REMEDIES

Section 6.1. Events of Default. If any one or more of the following events shall occur and be continuing, it is hereby defined as and declared to be and to constitute an Event of Default hereunder:

(a) the Company fails to make any PILOT Payments required to be paid hereunder within 30 days after written notice and demand by the City; or

(b) any representation of the Company contained herein proves to be materially false or erroneous and is not corrected or brought into compliance within 60 days (or such longer period as the City and the Company may agree in writing) after the City has given written notice to the Company specifying the false or erroneous representation and requiring it to be remedied; provided, that if such matter is not subject to cure within such 60 days (or such longer period as the City and Company agree in writing) after such notice, the Company fails to initiate action to cure the default within such 60 days after such notice and fails to pursue such action diligently.

Section 6.2. Remedies on Default. Upon an Event of Default hereunder this Agreement may be terminated by written notice to the Company from the City. Within thirty days of written notice of the dollar amounts due (which shall be given to the Company by the City as soon as possible after such amounts are ascertainable), the Company shall make a PILOT to the City equal to (i) the pro rata amount payable pursuant to **Section 3.3** hereof from January 1 of the year in question through the effective date of termination, plus (ii) the pro rata amount of taxes that would be due for the remaining portion of the year assuming the Project was placed on the tax rolls effective on the date of termination through December 31; provided, however, the payment of PILOTS following cessation of construction or operations shall be governed by **Section 3.3**.

Upon any termination of this Agreement the Company agrees to pay interest and penalties on all amounts due hereunder to the same extent as if such payments were taxes under Missouri law.

Section 6.3. Payments on Defaulted Amounts. Any amounts due hereunder which are not paid when due shall bear interest at the interest rate imposed by Missouri law on overdue ad valorem real estate taxes from the date such payment was first due.

Section 6.4. Enforcement. In addition to the remedies specified in **Section 6.2**, upon the occurrence of an Event of Default, the City or any taxing jurisdictions that would benefit from the PILOT Payments due and owing under this Agreement may bring an action for specific performance to enforce such payments. In the event of litigation pertaining to the enforcement of this Agreement, the losing party shall pay all costs of litigation, including reasonable attorneys' fees.

Section 6.5. Failure of the City to Perform its Obligations. In the event the City shall fail to perform any of its obligations hereunder for (i) a period of 30 days (or such longer period as the Company and the City may agree in writing) following written notice to the City from the Company of such failure which notice shall include a specific description of the City's failure hereunder), or (ii) if

such failure is not subject to cure within such 30 days, the City shall have failed to initiate action to cure such default and shall pursue such action diligently; the Company may declare that the City is in default under this Agreement and may pursue any legal remedy available to it to enforce this Agreement.

ARTICLE VII

TERM OF AGREEMENT

This Agreement shall become effective upon execution, and subject to earlier termination pursuant to the provisions of this Agreement (including particularly **Article VI** hereof), shall have an initial term commencing as of the date of this Agreement and terminating on **December 1, 2046** (the “**Stated Expiration Date**”). This Agreement shall automatically terminate prior to the Stated Expiration Date in the event the Bonds (or any Bonds issued to refund the Bonds) are no longer outstanding.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. Severability. If for any reason any provision of this Agreement shall be determined to be invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected thereby.

Section 8.2. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Missouri.

Section 8.3. Execution in Counterparts. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 8.4. Waiver. The City and the Company acknowledge and agree that the amounts payable hereunder shall constitute payments due the City under the Lease executed in connection with the Bonds. The Company shall not be entitled to any extension of payment of such amounts as a result of a filing by or against the Company in any bankruptcy court.

Section 8.5. Entire Agreement. This Agreement constitutes the entire agreement relating to the subject matter contained herein and supersedes all prior agreements and understandings, both written and oral, between the City and the Company with respect to the subject matter hereof.

Section 8.6. Electronic Storage of Documents. The City and the Company agree that the transaction described herein may be conducted and related documents may be stored by electronic means.

Section 8.7. Notices. All notices, certificates or other communications required or desired to be given hereunder shall be given in the manner specified in the Lease.

Section 8.8. Employee Verification. The Company will comply with and satisfy the requirements of Section 285.530.2, RSMo., as amended, which requires (1) any business entity receiving tax abatement to, by sworn affidavit and provision of documentation, annually affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the business entity receiving tax abatement, and (2) every such business entity to annually sign an affidavit affirming that it does not knowingly employ any person who is an unauthorized

alien in connection with the entity receiving tax abatement. The Company shall provide such affidavits and documentation to the City on or before November 15 of each year during the term of this Agreement, beginning November 15, 2026, and also upon execution of this Agreement.

Section 8.9. Complete Agreement. The Company and the City understand that oral agreements or commitments to loan money, extend credit or to forbear from enforcing repayment of a debt including promises to extend or renew such debt are not enforceable. To protect the Company and the City from misunderstanding or disappointment, any agreements the Company and the City reach covering such matters are contained in this Agreement and the Lease, which are the complete and exclusive statements of the agreement between the Company and the City, except as the Company and the City may later agree in writing to modify this Agreement and the Lease.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective corporate names, all as of the date first above written.

CITY OF INDEPENDENCE, MISSOURI

By: _____
Name: Lisa Reynolds
Title: Interim City Manager

[SEAL]

ATTEST:

By: _____
Name: Susanne Holland
Title: City Clerk

MISSOURI ADC HOLDINGS, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

EXHIBIT A

Legal Description

The following described real estate located in Jackson County, Missouri:

[**INSERT LEGAL DESCRIPTION**]

EXHIBIT B

PILOT SCHEDULE

Year	PILOT per Square Foot	Notes
2027	\$0.1442	Abatement Year 1
2028	0.1442	Abatement Year 2
2029	0.1442	Abatement Year 3
2030	0.1442	Abatement Year 4
2031	0.1442	Abatement Year 5
2032	0.1442	Abatement Year 6
2033	0.1442	Abatement Year 7
2034	0.1442	Abatement Year 8
2035	0.1442	Abatement Year 9
2036	0.1442	Abatement Year 10
2037	0.1442	Abatement Year 11
2038	0.1442	Abatement Year 12
2039	0.1854	Abatement Year 13
2040	0.2369	Abatement Year 14
2041	0.2987	Abatement Year 15
2042	0.3914	Abatement Year 16
2043	0.4944	Abatement Year 17
2044	0.6386	Abatement Year 18
2045	0.8137	Abatement Year 19
2046	1.0403	Abatement Year 20

MUNICIPAL DIVISION SUMMARY REPORTING FORM

Refer to instructions for directions and term definitions. Complete a report each month even if there has not been any court activity.

<u>I. COURT INFORMATION</u>		Municipality: INDEPENDENCE		Reporting Period: Jan 1, 2026 - Jan 29, 2026	
Mailing Address: 111 EAST MAPLE, INDEPENDENCE, MO 64050					
Physical Address: 111 EAST MAPLE, INDEPENDENCE, MO 64050			County: Jackson County		Circuit: 16
Telephone Number:			Fax Number:		
Prepared by: Dawna Cordon			E-mail Address: dawna.cordon@courts.mo.gov		
Municipal Judge: Garry L Helm					
<u>II. MONTHLY CASELOAD INFORMATION</u>					
		Alcohol & Drug Related Traffic	Other Traffic	Non-Traffic Ordinance	
A. Cases (citations/informations) pending at start of month		518	24,027	10,572	
B. Cases (citations/informations) filed		22	1,168	397	
C. Cases (citations/informations) disposed					
1. jury trial (Springfield, Jefferson County, and St. Louis County only)		0	1	0	
2. court/bench trial - GUILTY		0	2	20	
3. court/bench trial - NOT GUILTY		0	1	3	
4. plea of GUILTY in court		17	835	196	
5. Violations Bureau Citations (i.e. written plea of guilty) and bond forfeiture by court order (as payment of fines/costs)		0	294	0	
6. dismissed by court		3	60	37	
7. <i>nolle prosequi</i>		2	97	37	
8. certified for jury trial (not heard in Municipal Division)		0	0	0	
9. TOTAL CASE DISPOSITIONS		22	1,290	293	
D. Cases (citations/informations) pending at end of month [pending caseload = (A+B)-C9]		518	23,903	10,654	
E. Trial de Novo and/or appeal applications filed		0	0	0	
<u>III. WARRANT INFORMATION (pre- & post-disposition)</u>			<u>IV. PARKING TICKETS</u>		
1. # Issued during reporting period	1,073	1. # Issued during period		0	
2. # Served/withdrawn during reporting period	636	☒ Court staff does not process parking tickets			
3. # Outstanding at end of reporting period	27,870				

MUNICIPAL DIVISION SUMMARY REPORTING FORM

COURT INFORMATION	Municipality: INDEPENDENCE	Reporting Period: Jan 1, 2026 - Jan 29, 2026
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V. DISBURSEMENTS

Excess Revenue (minor traffic and municipal ordinance violations, subject to the excess revenue percentage limitation)		Other Disbursements: Enter below additional surcharges and/or fees not listed above. Designate if subject to the excess revenue percentage limitation. Examples include, but are not limited to, arrest costs and witness fees.	
Fines - Excess Revenue	\$97,654.50	Bad Check Fee	\$75.00
Clerk Fee - Excess Revenue	\$10,993.98	Court Automation	\$8,103.45
Crime Victims Compensation (CVC) Fund surcharge - Paid to City/Excess Revenue	\$338.98	Law Enf Arrest-Local	\$2,600.50
Bond forfeitures (paid to city) - Excess Revenue	\$1,230.00	Total Other Disbursements	\$10,778.95
Total Excess Revenue	\$110,217.46	Total Disbursements of Costs, Fees, Surcharges and Bonds Forfeited	\$185,594.50
Other Revenue (non-minor traffic and ordinance violations, not subject to the excess revenue percentage limitation)		Bond Refunds	\$11,730.50
		Total Disbursements	\$197,325.00
Fines - Other	\$35,628.50		
Clerk Fee - Other	\$2,897.68		
Judicial Education Fund (JEF) ☒ Court does not retain funds for JEF	\$0.00		
Peace Officer Standards and Training (POST) Commission surcharge	\$1,157.61		
Crime Victims Compensation (CVC) Fund surcharge - Paid to State	\$8,253.98		
Crime Victims Compensation (CVC) Fund surcharge - Paid to City/Other	\$89.32		
Law Enforcement Training (LET) Fund surcharge	\$2,304.00		
Domestic Violence Shelter surcharge	\$4,582.50		
Inmate Prisoner Detainee Security Fund surcharge	\$2,299.50		
Restitution	\$0.00		
Parking ticket revenue (including penalties)	\$0.00		
Bond forfeitures (paid to city) - Other	\$7,385.00		
Total Other Revenue	\$64,598.09		

Municipal Division Summary Reporting

16th Judicial Circuit - Jackson County - Independence Municipal Division

I. COURT INFORMATION

Reporting Period:		
January	2026	Court activity occurred in reporting period: Yes
Clerk's Physical Address:	Mailing Address:	Vendor
111 East Maple Independence, MO 64051	PO Box 1019 Independence, MO 64051	Incode (Tyler Technologies)
Telephone Number:	Fax Number:	
(816) 325-7235		
Prepared by:	Prepared by E-mail Address:	Municipal Judge(s) Active During Reporting Period:
Dawna Cordon	dawna.cordon@courts.mo.gov	Garry L Helm, Susan G. Watkins

II. MONTHLY CASELOAD INFORMATION		Alcohol & Drug Related Traffic	Other Traffic	Non-Traffic Ordinance
A. Cases (citations / informations) pending at start of month		8,593	78,495	43,749
B. Cases (citations / informations) filed				
C. Cases (citations / informations) disposed				
1. jury trial (Springfield, Jefferson County, and St. Louis County only)		0	0	0
2. court / bench trial - GUILTY		0	0	0
3. court / bench trial - NOT GUILTY		0	0	0
4. plea of GUILTY in court		0	0	0
5. violations Bureau Citations (i.e., written plea of guilty) and bond forfeitures by court order (as payment of fines / costs)		1	73	22
6. dismissed by court		0	2	22
7. nolle prosequi		0	5	8
8. certified for jury trial (not heard in the Municipal Division)		0	0	0
9. TOTAL CASE DISPOSITIONS		1	80	52
D. Cases (citations / informations) pending at end of month [pending caseload = (A + B) – C9]		8,592	78,415	43,697
E. Trial de Novo and / or appeal applications filed		0	0	0

Municipal Division Summary Reporting

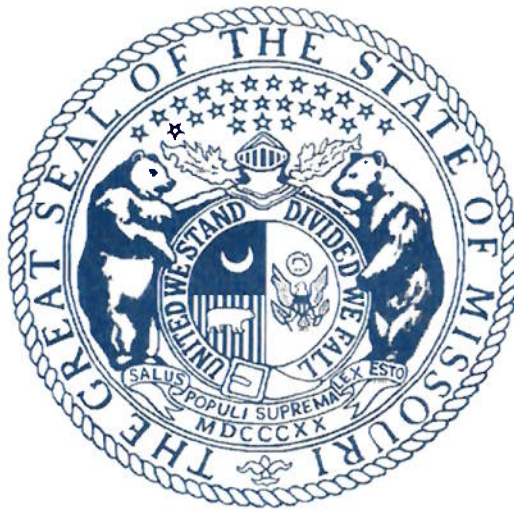
Court Information	Municipality: 16th Judicial Circuit - Jackson County - Independence Municipal Division	Reporting Period: January - 2026
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III. WARRANT INFORMATION (pre- & post-disposition)		IV. PARKING TICKETS	
1. # Issued during reporting period:	264	Does court staff process parking tickets? Yes	
2. # Served/withdrawn during reporting period:	567	1. # Issued during reporting period:	0
3. # Outstanding at end of reporting period:	36,393		

V. DISBURSEMENTS	
Excess Revenue (minor traffic and municipal ordinance violations, subject to the excess revenue percentage limitation)	
Fines – Excess Revenue	\$3,740.50
Clerk Fee – Excess Revenue	\$444.00
Crime Victims Compensation (CVC) Fund surcharge – Paid to City/Excess Revenue	\$0.00
Bond forfeitures (paid to city) – Excess Revenue	\$895.00
Total Excess Revenue	\$5,079.50
Other Revenue (non-minor traffic and ordinance violations, not subject to the excess revenue percentage limitation)	
Fines – Other	\$12,175.03
Clerk Fee – Other	\$830.00
Judicial Education Fund (JEF) Court does not retain funds for JEF: Yes	
Peace Officer Standards and Training (POST) Commission surcharge	\$105.00
Crime Victims Compensation (CVC) Fund surcharge – Paid to State	\$760.65
Crime Victims Compensation (CVC) Fund surcharge – Paid to City/Other	\$0.00
Law Enforcement Training (LET) Fund surcharge	\$215.00
Domestic Violence Shelter surcharge	\$410.00
Inmate Prisoner Detainee Security Fund surcharge	\$210.00
Restitution	\$0.00
Parking ticket revenue (including penalties)	\$0.00
Bond forfeitures (paid to city) – Other	\$2,740.00
Total Other Revenue	\$17,445.68
Other Disbursements: Enter below additional surcharges and/or fees not listed above. Designate if subject to the excess revenue percentage limitation. Examples include, but are not limited to, arrest costs and witness fees.	
Copies, certified copies, records checks	\$95.00
Total Other Disbursements	\$95.00
Total Disbursements of Costs, Fees, Surcharges and Bonds Forfeited	\$22,620.18
Bond Refunds	\$10,223.79
Total Disbursements	\$32,843.97

OFFICIAL CERTIFICATION

PRIMARY ELECTION CITY OF INDEPENDENCE STATE OF MISSOURI County of Jackson



Tuesday, February 3, 2026

**Jackson County Board of Election Commissioners
215 N. Liberty, P.O. Box 296
Independence, Missouri 64051**

**Michael K. Whitehead
Chairman**

**Henry R. Carner
Secretary**

**Colleen M. Scott
Member**

**Lyle K. Query
Member**

**Tammy L. Brown
Director**

**Sara A. Zorich
Director**



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Election Summary Report
JACKSON COUNTY, MISSOURI
PRIMARY ELECTION
FEBRUARY 3, 2026
ELECTION DAY
OFFICIAL

Date: 2/6/2026
Time: 11:21:05 AM
Page 1/1

Registered Voters 69,755 - Total Ballots 8,023 : 11.50%

29 of 29 Precincts Reporting 100.00%

CITY OF INDEPENDENCE - MAYOR

Number of Precincts	29	
Precincts Reporting	29	100.00%
Vote For 1		
Total Votes	7,996	
KEVIN KING	2,054	25.69%
BRIDGET MCCANDLESS	3,403	42.56%
MIKE HUFF	1,756	21.96%
BRICE STEWART	783	9.79%

INDEPENDENCE COUNCILMEMBER-AT-LARGE

Number of Precincts	29	
Precincts Reporting	29	100.00%
Vote For 2		
Total Votes	13,337	
JARED FEARS	3,323	24.92%
CODY ATKINSON	3,046	22.84%
CHARLINE GRAY	1,660	12.45%
JACKIE DORMAN	2,213	16.59%
LUCY YOUNG	3,095	23.21%

Voter Turnout
JACKSON COUNTY, MISSOURI
PRIMARY ELECTION
FEBRUARY 3, 2026
ELECTION DAY
OFFICIAL

Date: 2/6/2026
Time: 10:47:11 AM
Page 1/1

Precincts	Ballots Cast	Registered Voters	% Turnout
B1 01, 02, 03	229	4347	5.27%
B1 04	108	1128	9.57%
B1 05, B2 01	172	2003	8.59%
B2 02, 03, 04	261	3477	7.51%
B2 05, B6 03, 04, 05	578	4433	13.04%
B2 06, 07	190	2435	7.80%
B3 01	236	2918	8.09%
B3 02	249	2793	8.92%
B4 02, 03, 04	350	3137	11.16%
B4 05, 08, 10	190	2472	7.69%
B4 06, 07, 09	165	1881	8.77%
B4 11, B5 05	406	3039	13.36%
B5 01, 02	282	3500	8.06%
B5 03	125	1085	11.52%
B5 04	217	2031	10.68%
B6 01	194	2650	7.32%
B6 02	281	2429	11.57%
B7 01	206	1704	12.09%
B7 02	266	2400	11.08%
B7 03	250	2396	10.43%
B7 04, 05	313	3246	9.64%
B8 01, 02	699	5374	13.01%
B8 04	242	2032	11.91%
B8 05, 06	409	2410	16.97%
FO 02, SN 06	94	719	13.07%
PR 01, SN 01, 02	61	1181	5.17%
SN 04	151	1263	11.96%
SN 05	95	1272	7.47%
ABSENTEE	1004	69755	1.44%
Total	8023	69755	11.50%

CITY OF INDEPENDENCE - MAYOR

Jurisdiction	Reg. Voters	Total Votes	KEVIN KING		BRIDGET MCCANDLES		MIKE HUFF		BRICE STEWART		Over votes		Under votes	
				S		S								
Jurisdiction Wide														
B1 01, 02, 03														
Normal	4347	229	72	31.44%	74	32.31%	60	26.20%	23	10.04%	0	0	0	0
Absentee	4347	0	0	-	0	-	0	-	0	-	0	0	0	0
Provisional	4347	0	0	-	0	-	0	-	0	-	0	0	0	0
B1 04														
Normal	1128	104	31	29.81%	32	30.77%	32	30.77%	9	8.65%	2	2	2	2
Absentee	1128	0	0	-	0	-	0	-	0	-	0	0	0	0
Provisional	1128	0	0	-	0	-	0	-	0	-	0	0	0	0
B1 05, B2 01														
Normal	2003	172	54	31.40%	55	31.98%	40	23.26%	23	13.37%	0	0	0	0
Absentee	2003	0	0	-	0	-	0	-	0	-	0	0	0	0
Provisional	2003	0	0	-	0	-	0	-	0	-	0	0	0	0
B2 02, 03, 04														
Normal	3477	261	82	31.42%	64	24.52%	78	29.89%	37	14.18%	0	0	0	0
Absentee	3477	0	0	-	0	-	0	-	0	-	0	0	0	0
Provisional	3477	0	0	-	0	-	0	-	0	-	0	0	0	0
B2 05, B6 03, 04, 05														
Normal	4433	577	148	25.65%	244	42.29%	128	22.18%	57	9.88%	0	1	0	0
Absentee	4433	0	0	-	0	-	0	-	0	-	0	0	0	0
Provisional	4433	0	0	-	0	-	0	-	0	-	0	0	0	0
B2 06, 07														
Normal	2435	190	55	28.95%	63	33.16%	53	27.89%	19	10.00%	0	0	0	0
Absentee	2435	0	0	-	0	-	0	-	0	-	0	0	0	0
Provisional	2435	0	0	-	0	-	0	-	0	-	0	0	0	0
B3 01														
Normal	2918	236	106	44.92%	47	19.92%	47	19.92%	36	15.25%	0	0	0	0
Absentee	2918	0	0	-	0	-	0	-	0	-	0	0	0	0
Provisional	2918	0	0	-	0	-	0	-	0	-	0	0	0	0
B3 02														
Normal	2793	249	115	46.18%	62	24.90%	44	17.67%	28	11.24%	0	0	0	0
Absentee	2793	0	0	-	0	-	0	-	0	-	0	0	0	0
Provisional	2793	0	0	-	0	-	0	-	0	-	0	0	0	0
B4 02, 03, 04														
Normal	3137	348	91	26.15%	137	39.37%	95	27.30%	25	7.18%	0	1	0	0
Absentee	3137	0	0	-	0	-	0	-	0	-	0	0	0	0
Provisional	3137	0	0	-	0	-	0	-	0	-	0	1	0	0

CITY OF INDEPENDENCE - MAYOR

	Reg. Voters	Total Votes	KEVIN KING	BRIDGET MCCANDLES	MIKE HUFF	BRICE STEWART	Over votes	Under votes
B4 05, 08, 10								
Normal	2472	189	56 29.63%	71 37.57%	39 20.63%	23 12.17%	0	0
Absentee	2472	0	0 -	0 -	0 -	0 -	0	0
Provisional	2472	1	1 100.00%	0 -	0 -	0 -	0	0
B4 06, 07, 09								
Normal	1881	164	40 24.39%	73 44.51%	35 21.34%	16 9.76%	0	0
Absentee	1881	0	0 -	0 -	0 -	0 -	0	0
Provisional	1881	1	0 -	0 -	1 100.00%	0 -	0	0
B4 11, B5 05								
Normal	3039	403	102 25.31%	207 51.36%	71 17.62%	23 5.71%	0	2
Absentee	3039	0	0 -	0 -	0 -	0 -	0	0
Provisional	3039	1	0 -	0 -	1 100.00%	0 -	0	0
B5 01, 02								
Normal	3500	281	66 23.49%	123 43.77%	60 21.35%	32 11.39%	0	1
Absentee	3500	0	0 -	0 -	0 -	0 -	0	0
Provisional	3500	0	0 -	0 -	0 -	0 -	0	0
B5 03								
Normal	1085	123	27 21.95%	47 38.21%	34 27.64%	15 12.20%	0	2
Absentee	1085	0	0 -	0 -	0 -	0 -	0	0
Provisional	1085	0	0 -	0 -	0 -	0 -	0	0
B5 04								
Normal	2031	217	36 16.99%	104 47.93%	54 24.88%	23 10.60%	0	0
Absentee	2031	0	0 -	0 -	0 -	0 -	0	0
Provisional	2031	0	0 -	0 -	0 -	0 -	0	0
B6 01								
Normal	2650	194	72 37.11%	44 22.68%	48 24.74%	30 15.46%	0	0
Absentee	2650	0	0 -	0 -	0 -	0 -	0	0
Provisional	2650	0	0 -	0 -	0 -	0 -	0	0
B6 02								
Normal	2429	281	80 28.47%	119 42.35%	54 19.22%	28 9.96%	0	0
Absentee	2429	0	0 -	0 -	0 -	0 -	0	0
Provisional	2429	0	0 -	0 -	0 -	0 -	0	0
B7 01								
Normal	1704	206	36 17.48%	117 56.80%	39 18.93%	14 6.80%	0	0
Absentee	1704	0	0 -	0 -	0 -	0 -	0	0
Provisional	1704	0	0 -	0 -	0 -	0 -	0	0
B7 02								
Normal	2400	264	75 28.41%	106 40.15%	61 23.11%	22 8.33%	0	2
Absentee	2400	0	0 -	0 -	0 -	0 -	0	0
Provisional	2400	0	0 -	0 -	0 -	0 -	0	0

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B7 03	2396	250	60	24.00%	89	35.60%	68	27.20%	33	13.20%	0	0
Normal												
Absentee	2396	0	0	-	0	-	0	-	0	-	0	0
Provisional	2396	0	0	-	0	-	0	-	0	-	0	0
B7 04, 05												
Normal	3246	313	70	22.36%	159	50.80%	50	15.97%	34	10.86%	0	0
Absentee	3246	0	0	-	0	-	0	-	0	-	0	0
Provisional	3246	0	0	-	0	-	0	-	0	-	0	0
B8 01, 02												
Normal	5374	696	175	25.14%	305	43.97%	176	25.29%	39	5.60%	0	3
Absentee	5374	0	0	-	0	-	0	-	0	-	0	0
Provisional	5374	0	0	-	0	-	0	-	0	-	0	0
B8 04												
Normal	2032	241	47	19.50%	133	55.19%	41	17.01%	20	8.30%	0	0
Absentee	2032	0	0	-	0	-	0	-	0	-	0	0
Provisional	2032	1	0	-	1	100.00%	0	-	0	-	0	0
B8 05, 06												
Normal	2410	408	63	15.44%	250	61.27%	72	17.65%	23	5.64%	0	0
Absentee	2410	0	0	-	0	-	0	-	0	-	0	0
Provisional	2410	1	0	-	0	-	0	-	1	100.00%	0	0
FO 02, SN 06												
Normal	719	94	39	41.49%	23	24.47%	20	21.28%	12	12.77%	0	0
Absentee	719	0	0	-	0	-	0	-	0	-	0	0
Provisional	719	0	0	-	0	-	0	-	0	-	0	0
PR 01, SN 01, 02												
Normal	1181	61	14	22.95%	25	40.98%	19	31.15%	3	4.92%	0	0
Absentee	1181	0	0	-	0	-	0	-	0	-	0	0
Provisional	1181	0	0	-	0	-	0	-	0	-	0	0
SN 04												
Normal	1263	149	32	21.48%	71	47.65%	27	18.12%	19	12.75%	1	1
Absentee	1263	0	0	-	0	-	0	-	0	-	0	0
Provisional	1263	0	0	-	0	-	0	-	0	-	0	0
SN 05												
Normal	1272	94	26	27.66%	40	42.55%	16	17.02%	12	12.77%	0	1
Absentee	1272	0	0	-	0	-	0	-	0	-	0	0
Provisional	1272	0	0	-	0	-	0	-	0	-	0	0
ABSENTEE												
Normal	0	0	0	-	0	-	0	-	0	-	0	0
Absentee	0	997	183	18.36%	517	51.86%	193	19.36%	104	10.43%	0	7
Provisional	0	0	0	-	0	-	0	-	0	-	0	0
Total												
Normal	69755	6994	1870	26.74%	2885	41.25%	1561	22.32%	678	9.69%	3	16
Absentee	69755	997	183	18.36%	517	51.86%	193	19.36%	104	10.43%	0	7

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Provisional	69755	5	1	20.00%	1	20.00%	2	40.00%	1	20.00%	1	20.00%	1	20.00%	1	20.00%	0
Total	69755	7996	2054	25.69%	3403	42.56%	1756	21.96%	783	9.79%	4	23					

INDEPENDENCE COUNCILMEMBER-AT-LARGE

	Reg. Voters	Total Votes	JARED FEARS	CODY ATKINSON	CHARLINE GRAY	JACKIE DORMAN	LUCY YOUNG	Over votes	Under votes					
Jurisdiction Wide														
B1 01, 02, 03														
Normal	4347	361	82	22.71%	80	22.16%	54	14.96%	61	16.90%	84	23.27%	0	97
Absentee	4347	0	0	-	0	-	0	-	0	-	0	-	0	0
Provisional	4347	0	0	-	0	-	0	-	0	-	0	-	0	0
B1 04														
Normal	1128	164	36	21.95%	42	25.61%	25	15.24%	25	15.24%	36	21.95%	0	52
Absentee	1128	0	0	-	0	-	0	-	0	-	0	-	0	0
Provisional	1128	0	0	-	0	-	0	-	0	-	0	-	0	0
B1 05, B2 01														
Normal	2003	283	66	23.32%	72	25.44%	33	11.66%	47	16.61%	65	22.97%	0	61
Absentee	2003	0	0	-	0	-	0	-	0	-	0	-	0	0
Provisional	2003	0	0	-	0	-	0	-	0	-	0	-	0	0
B2 02, 03, 04														
Normal	3477	438	92	21.00%	105	23.97%	30	6.85%	83	18.95%	128	29.22%	0	84
Absentee	3477	0	0	-	0	-	0	-	0	-	0	-	0	0
Provisional	3477	0	0	-	0	-	0	-	0	-	0	-	0	0
B2 05, B6 03, 04, 05														
Normal	4433	982	254	25.87%	183	18.64%	112	11.41%	186	18.94%	247	25.15%	0	174
Absentee	4433	0	0	-	0	-	0	-	0	-	0	-	0	0
Provisional	4433	0	0	-	0	-	0	-	0	-	0	-	0	0
B2 06, 07														
Normal	2435	335	82	24.48%	79	23.58%	42	12.54%	62	18.51%	70	20.90%	0	45
Absentee	2435	0	0	-	0	-	0	-	0	-	0	-	0	0
Provisional	2435	0	0	-	0	-	0	-	0	-	0	-	0	0
B3 01														
Normal	2918	393	65	16.54%	108	27.48%	40	10.18%	97	24.68%	83	21.12%	0	79
Absentee	2918	0	0	-	0	-	0	-	0	-	0	-	0	0
Provisional	2918	0	0	-	0	-	0	-	0	-	0	-	0	0
B3 02														
Normal	2793	415	82	19.76%	98	23.61%	53	12.77%	95	22.89%	87	20.96%	0	83
Absentee	2793	0	0	-	0	-	0	-	0	-	0	-	0	0
Provisional	2793	0	0	-	0	-	0	-	0	-	0	-	0	0
B4 02, 03, 04														
Normal	3137	560	134	23.93%	174	31.07%	60	10.71%	85	15.18%	107	19.11%	0	138
Absentee	3137	0	0	-	0	-	0	-	0	-	0	-	0	0
Provisional	3137	2	0	-	1	50.00%	0	-	1	50.00%	0	-	0	0

INDEPENDENCE COUNCILMEMBER-AT-LARGE

	Reg. Voters	Total Votes	JARED FEARS	CODY ATKINSON	CHARLINE GRAY	JACKIE DORMAN	LUCY YOUNG	Over votes	Under votes						
B4 05, 08, 10	Normal	2472	325	71	21.85%	66	20.31%	59	18.15%	53	16.31%	76	23.38%	0	53
	Absentee	2472	0	0	-	0	-	0	-	0	-	0	-	0	0
	Provisional	2472	2	0	-	0	-	1	50.00%	0	-	1	50.00%	0	0
B4 06, 07, 09	Normal	1881	304	72	23.68%	72	23.68%	42	13.82%	44	14.47%	74	24.34%	0	24
	Absentee	1881	0	0	-	0	-	0	-	0	-	0	-	0	0
	Provisional	1881	2	0	-	1	50.00%	0	-	1	50.00%	0	-	0	0
B4 11, B5 05	Normal	3039	682	220	32.26%	205	30.06%	73	10.70%	71	10.41%	113	16.57%	0	128
	Absentee	3039	0	0	-	0	-	0	-	0	-	0	-	0	0
	Provisional	3039	2	1	50.00%	0	-	0	-	0	-	1	50.00%	0	0
B5 01, 02	Normal	3500	443	103	23.25%	98	22.12%	67	15.12%	64	14.45%	111	25.06%	0	121
	Absentee	3500	0	0	-	0	-	0	-	0	-	0	-	0	0
	Provisional	3500	0	0	-	0	-	0	-	0	-	0	-	0	0
B5 03	Normal	1085	202	52	25.74%	34	16.83%	33	16.34%	35	17.33%	48	23.76%	0	48
	Absentee	1085	0	0	-	0	-	0	-	0	-	0	-	0	0
	Provisional	1085	0	0	-	0	-	0	-	0	-	0	-	0	0
B5 04	Normal	2031	344	86	25.00%	78	22.67%	42	12.21%	52	15.12%	86	25.00%	0	90
	Absentee	2031	0	0	-	0	-	0	-	0	-	0	-	0	0
	Provisional	2031	0	0	-	0	-	0	-	0	-	0	-	0	0
B6 01	Normal	2650	310	87	28.06%	69	22.26%	34	10.97%	60	19.35%	60	19.35%	0	78
	Absentee	2650	0	0	-	0	-	0	-	0	-	0	-	0	0
	Provisional	2650	0	0	-	0	-	0	-	0	-	0	-	0	0
B6 02	Normal	2429	465	133	28.60%	94	20.22%	51	10.97%	76	16.34%	111	23.87%	0	97
	Absentee	2429	0	0	-	0	-	0	-	0	-	0	-	0	0
	Provisional	2429	0	0	-	0	-	0	-	0	-	0	-	0	0
B7 01	Normal	1704	351	86	24.50%	83	23.65%	45	12.82%	45	12.82%	92	26.21%	0	61
	Absentee	1704	0	0	-	0	-	0	-	0	-	0	-	0	0
	Provisional	1704	0	0	-	0	-	0	-	0	-	0	-	0	0
B7 02	Normal	2400	494	113	22.87%	106	21.46%	64	12.96%	98	19.84%	113	22.87%	0	38
	Absentee	2400	0	0	-	0	-	0	-	0	-	0	-	0	0
	Provisional	2400	0	0	-	0	-	0	-	0	-	0	-	0	0

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B7 03	2396	410	105	25.61%	87	21.22%	45	10.98%	66	16.10%	107	26.10%	0	90
Normal	2396	0	0	-	0	-	0	-	0	-	0	-	0	0
Absentee	2396	0	0	-	0	-	0	-	0	-	0	-	0	0
Provisional	2396	0	0	-	0	-	0	-	0	-	0	-	0	0
B7 04, 05	3246	504	129	25.60%	102	20.24%	83	16.47%	80	15.87%	110	21.83%	0	122
Normal	3246	0	0	-	0	-	0	-	0	-	0	-	0	0
Absentee	3246	0	0	-	0	-	0	-	0	-	0	-	0	0
Provisional	3246	0	0	-	0	-	0	-	0	-	0	-	0	0
B8 01, 02	5374	1148	283	24.65%	291	25.35%	135	11.76%	192	16.72%	247	21.52%	0	250
Normal	5374	0	0	-	0	-	0	-	0	-	0	-	0	0
Absentee	5374	0	0	-	0	-	0	-	0	-	0	-	0	0
Provisional	5374	0	0	-	0	-	0	-	0	-	0	-	0	0
B8 04	2032	396	94	23.74%	87	21.97%	52	13.13%	68	17.17%	95	23.99%	0	86
Normal	2032	0	0	-	0	-	0	-	0	-	0	-	0	0
Absentee	2032	0	0	-	0	-	0	-	0	-	0	-	0	0
Provisional	2032	1	0	-	0	-	0	-	1	100.00%	0	-	0	1
B8 05, 06	2410	678	206	30.38%	165	24.34%	69	10.18%	94	13.85%	144	21.24%	0	138
Normal	2410	0	0	-	0	-	0	-	0	-	0	-	0	0
Absentee	2410	0	0	-	0	-	0	-	0	-	0	-	0	0
Provisional	2410	2	1	50.00%	1	50.00%	0	-	0	-	0	-	0	0
FO 02, SN 06	719	166	39	23.49%	38	22.89%	12	7.23%	37	22.29%	40	24.10%	0	22
Normal	719	0	0	-	0	-	0	-	0	-	0	-	0	0
Absentee	719	0	0	-	0	-	0	-	0	-	0	-	0	0
Provisional	719	0	0	-	0	-	0	-	0	-	0	-	0	0
PR 01, SN 01, 02	1181	99	25	25.25%	18	18.18%	10	10.10%	25	25.25%	21	21.21%	0	23
Normal	1181	0	0	-	0	-	0	-	0	-	0	-	0	0
Absentee	1181	0	0	-	0	-	0	-	0	-	0	-	0	0
Provisional	1181	0	0	-	0	-	0	-	0	-	0	-	0	0
SN 04	1263	268	79	29.48%	54	20.15%	27	10.07%	42	15.67%	66	24.63%	0	34
Normal	1263	0	0	-	0	-	0	-	0	-	0	-	0	0
Absentee	1263	0	0	-	0	-	0	-	0	-	0	-	0	0
Provisional	1263	0	0	-	0	-	0	-	0	-	0	-	0	0
SN 05	1272	160	35	21.88%	33	20.62%	15	9.38%	44	27.50%	33	20.82%	0	30
Normal	1272	0	0	-	0	-	0	-	0	-	0	-	0	0
Absentee	1272	0	0	-	0	-	0	-	0	-	0	-	0	0
Provisional	1272	0	0	-	0	-	0	-	0	-	0	-	0	0
ABSENTEE	0	0	0	-	0	-	0	-	0	-	0	-	0	0
Normal	0	0	0	-	0	-	0	-	0	-	0	-	0	0
Absentee	0	1646	410	24.91%	322	19.56%	252	15.31%	223	13.55%	439	26.67%	0	362
Provisional	0	0	0	-	0	-	0	-	0	-	0	-	0	0
Total	69755	11680	2911	24.92%	2721	23.30%	1407	12.05%	1987	17.01%	2854	22.72%	0	2346
Normal	69755	1646	410	24.91%	322	19.56%	252	15.31%	223	13.55%	439	26.67%	0	362
Absentee														

Statement of Votes Cast
 JACKSON COUNTY, MISSOURI
 PRIMARY ELECTION
 FEBRUARY 3, 2026
 ELECTION DAY
 OFFICIAL

Date: 2/6/2026
 Time: 10:47:56 AM CST
 Page 10/10

Provisional	69755	11	2	18.18%	3	27.27%	1	9.09%	3	27.27%	2	18.18%	0	1
Total	69755	13337	3323	24.92%	3046	22.84%	1660	12.45%	2213	16.59%	3095	23.21%	0	2709

**STATE OF MISSOURI
JACKSON COUNTY
PRIMARY ELECTION
TUESDAY, FEBRUARY 3, 2026**

**THIS NOTICE IS BEING PUBLISHED IN ACCORDANCE WITH
MISSOURI REVISED STATUTE 115.127 AND OTHER APPLICABLE STATE STATUTES.**

**PRIMARY ELECTION
CITY OF INDEPENDENCE
TUESDAY, FEBRUARY 3, 2026**

Notice is hereby given to the registered qualified voters of the City of Independence, Missouri, that the City Council of said City has called a Primary Election to be held in the City of Independence on Tuesday, February 3, 2026. The polls will be open between the hours of 6:00 A.M. and 7:00 P.M. The official ballot will be substantially in the following form.

FOR MAYOR

(VOTE FOR ONE)

- ☐ KEVIN KING
- ☐ BRIDGET MCCANDLESS
- ☐ MIKE HUFF
- ☐ BRICE STEWART

FOR COUNCILMEMBER-AT-LARGE

(VOTE FOR TWO)

- ☐ JARED FEARS
- ☐ CODY ATKINSON
- ☐ CHARLINE GRAY
- ☐ JACKIE DORMAN
- ☐ LUCY YOUNG

IN WITNESS WHEREOF, the Jackson County Board of Election Commissioners has caused its name to be hereunto signed, and the official seal affixed this 25th day of November, 2025.

INSTRUCTIONS TO VOTERS

Using blue or black ink, completely fill in the oval next to the candidate or question response of your choice like this:  Fill in the oval completely. Do not mark outside of the oval. Vote on both sides of the ballot, if applicable.

JACKSON COUNTY BOARD OF ELECTION COMMISSIONERS

Tammy L. Brown, Director
Sara A. Zorich, Director

Attest: Henry R. Carner, Secretary

Michael K. Whitehead, Chairman
Henry R. Carner, Secretary
Colleen M. Scott, Member
Lyle K. Querry, Member

NOTICE OF ACCESSIBILITY

Further notice is given that, where a regular polling place has limited accessibility, a disabled or elderly voter may be provided an alternative means of casting his or her ballot. Such means may include reassignment to an accessible polling place, curbside voting, assisted voting or voting by absentee ballot. A voter may apply for an absentee ballot in person or by mail or may have a relative or guardian apply in person on his or her behalf. If an absentee voter is disabled or incapacitated, the notary requirement is waived. In addition, voters requiring assistance may be assisted by a person of the voter's choice.

For a complete poll list go to our website:

WWW.JCEBMO.ORG



Look for your Poll Notification Card in the mail

OFFICIAL BALLOT

JACKSON COUNTY, MISSOURI
PRIMARY ELECTION
FEBRUARY 3, 2026

STYLE: 1

JUDGES INITIALS	

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INSTRUCTIONS TO VOTERS

Using blue or black ink, completely fill in the box next to the candidate or question response of your choice like this: 
Fill in the box completely. **DO NOT MARK OUTSIDE OF THE BOX. VOTE BOTH SIDES OF BALLOT, IF APPLICABLE.**

To cast a vote for a write-in, use blue or black ink to fill in the box corresponding to that office. Write in the candidate's name on the write-in line provided. **MUST BE A CERTIFIED WRITE-IN CANDIDATE FOR THE VOTE TO COUNT.**

CITY OF INDEPENDENCE,
MISSOURI

FOR MAYOR

(Vote for ONE)

- ☐ KEVIN KING
- ☐ BRIDGET MCCANDLESS
- ☐ MIKE HUFF
- ☐ BRICE STEWART

FOR
COUNCILMEMBER-AT-LARGE

(Vote for TWO)

- ☐ JARED FEARS
- ☐ CODY ATKINSON
- ☐ CHARLINE GRAY
- ☐ JACKIE DORMAN
- ☐ LUCY YOUNG

See Proof on Next Page

AFFIDAVIT OF PUBLICATION

State of Florida, County of Broward, ss:

I, Anjana Bhadoriya, of lawful age, being duly sworn upon oath depose and say that I am an agent of Column Software, PBC, duly appointed and authorized agent of the Publisher of Examiner, a publication that is a "legal newspaper" as that phrase is defined for the city of Independence, for the County of Jackson, in the state of Missouri, that this affidavit is Page 1 of 3 with the full text of the sworn-to notice set forth on the pages that follow, and that the attachment hereto contains the correct copy of what was published in said legal newspaper in consecutive issues on the following dates:

Publication Dates:

- Jan 24, 2026
- Jan 31, 2026

Printer's Fee: \$734.40

Anjana Bhadoriya

Agent



VERIFICATION

State of Florida
County of Broward

Signed or attested before me on this: 02/02/2026

S. Smith

Notary Public

Notarized remotely online using communication technology via Proof.

STATE OF MISSOURI
JACKSON COUNTY
PRIMARY ELECTION
TUESDAY, FEBRUARY 3, 2026

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