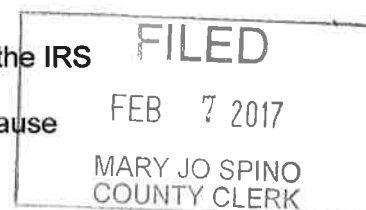


**CLOSING AGREEMENT ON FINAL DETERMINATION
COVERING SPECIFIC MATTERS**

Under section 7121 of the Internal Revenue Code of 1986, as amended (the "Code"), Jackson County, Missouri, as successor to the Industrial Development Authority of the County of Jackson, Missouri, EIN 52-1375404 (the "Issuer"), Young Men's Christian Association of Greater Kansas City EIN (44-0546002) (the "Borrower"), and the Commissioner of Internal Revenue (the "IRS") make this closing agreement (the "Agreement").

WHEREAS, this Agreement is based on the following facts and representations:

- A. This Agreement is in resolution of issues raised in a request for a voluntary closing agreement pertaining to the \$13,495,000 Variable Rate Demand Recreational Facilities Revenue Bonds (YMCA of Greater Kansas City Project), Series 2002A (the "Bonds"), issued on October 31, 2002 (the "Issue Date").
- B. The Issuer and Borrower make the following representations:
1. The Bonds were issued and sold under the representation that the Bonds comply with all provisions of the Code such that interest on the Bonds is not included in the gross income of the past, present and future registered and beneficial owners of the Bonds (individually, a "Bondholder," and collectively, the "Bondholders").
 2. The Bond proceeds were loaned to the Borrower, a 501(c)(3) organization, to refund (i) the Issuer's Variable Rate Demand Recreational Facilities Revenue Bonds, Series 1996A Bonds and (ii) the Issuer's Variable Rate Demand Recreational Facilities Revenue Bonds Series 1999A Bonds (collectively, the "Refunded Bonds"). Proceeds of the Refunded Bonds were used to finance the construction, renovation and equipment for various Borrower facilities located in the Kansas City, Missouri area.
 3. On April 17, 2015, the Borrower sold Bond financed property located in Independence, Missouri and Raytown, Missouri to nonqualified users ("Deliberate Action One") resulting in 30.7% of nonqualified Bonds. On May 15, 2015, disposition proceeds were used to pay down a portion of the Bonds resulting in 27.71% of nonqualified Bonds.
 4. On June 30, 2015, the Borrower sold Bond financed property formerly known as the Linwood YMCA located in Kansas City, Missouri to a nonqualified user ("Deliberate Action Two") resulting in 10.98% of nonqualified Bonds. As a result of Deliberate Action One and Deliberate Action Two, 38.69% of the Bonds are nonqualified 501(c)(3) bonds ("Nonqualified Bonds").
- C. Based on the representations of the Issuer and Borrower in paragraph B, the IRS has a basis to conclude that interest on the Bonds is includable in the Bondholders' gross income pursuant to section 103(b)(1) of the Code because



CLOSING AGREEMENT among Jackson County, Missouri, Young Men's Christian Association of Greater Kansas City and the Commissioner of Internal Revenue

the Bonds are private activity bonds that are not qualified 501(c)(3) bonds because the sale of the property associated with Deliberate Action One and Deliberate Action Two to a nongovernmental entity resulted in the ownership requirement of section 145(a)(1) of the Code not being met and the private business tests of section 145(a)(2) of the Code being met.

- D. The IRS has not formally asserted any claims against the Issuer or Borrower, or sought to tax interest on the Bonds.
- E. The Issuer, the Borrower and the IRS desire to resolve the violations described in paragraph C.
- F. The terms of this Agreement were arrived at pursuant to negotiation among the Issuer, the Borrower and the IRS and may differ from the settlement terms of other closing agreements.
- G. The Issuer and the Borrower make the following additional representations:
 - 1) Payment of the Resolution Amount defined below shall be made from sources other than proceeds of bonds described in sections 103, 54A or 54AA of the Code.
 - 2) All outstanding Bonds were redeemed on March 31, 2016 with taxable debt.

NOW, IT IS HEREBY DETERMINED AND AGREED PURSUANT TO THIS AGREEMENT EXECUTED BY THE PARTIES HERETO UNDER SECTION 7121 OF THE CODE THAT FOR FEDERAL INCOME TAX PURPOSES:

- 1. The Borrower has electronically paid the sum of \$2,000.00 (Two Thousand dollars and No Cents) (the "Resolution Amount") to the U.S. Treasury via the Electronic Federal Tax Payment System and in accordance with the directions contained in Exhibit A of this Agreement.
- 2. The Resolution Amount is not refundable or subject to credit or offset under any circumstance.
- 3. The Resolution Amount or any portion thereof paid by or on behalf of the Issuer shall not be deductible or amortizable for federal income tax purposes by any person.
- 4. The Resolution Amount shall not be treated as income to any person benefiting from this Agreement.
- 5. The Bondholders shall not be required to include interest paid on the Bonds in gross income because of the specific violation identified in paragraph C.
- 6. The IRS may take any appropriate action, including requiring bondholders to include interest paid on the Bonds in gross income, for any violation not specifically listed in paragraph C that has occurred or will occur with respect to the Bonds.

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7. For purposes of any refunding of the taxable debt used to retire the Bonds, gross proceeds of the Nonqualified Bonds are unspent proceeds (i.e., not allocated to any expenditure under subsection 1.148-6(d) of the Treasury Regulations).
8. This Agreement is not based upon an examination of the Bonds by the IRS and does not preclude or impede an examination of the Bonds, the Issuer, the Borrower, or any Bondholder.
9. This Agreement may not be cited or relied upon by any person or entity whatsoever as precedent in the disposition of any other case.
10. This Agreement is final and conclusive, except that:
 - a. The matter it relates to may be reopened in the event of fraud, malfeasance, or misrepresentation of a material fact;
 - b. It is subject to sections of the Code that expressly provide that effect be given to their provisions notwithstanding any other law or rule of law; and
 - c. If it relates to a tax period ending after the effective date of this agreement, it is subject to any law enacted after the Agreement date that applies to that tax period.

This space intentionally left blank.

CONSENT TO DISCLOSE TAX INFORMATION

I hereby consent, pursuant to section 6103(c) of the Internal Revenue Code of 1986 (as amended), to the disclosure of return information (as defined in section 6103(b)(2)) relating to the Closing Agreement (Agreement) between Jackson County, Missouri (successor to Industrial Development Authority of County of Jackson, Missouri) EIN (52-1375404) (the "Taxpayer"), Young Men's Christian Association of Greater Kansas City EIN (44-0546002) (the "Borrower"), and the Commissioner of Internal Revenue pertaining to the \$13,495,000 Variable Rate Demand Recreational Facilities Revenue Bonds (YMCA of Greater Kansas City, Project), Series 2002A (the "Bonds"), issued on October 31, 2002, executed by the Taxpayer on JAN 9 2017, as follows:

The Internal Revenue Service may disclose the existence and subject matter of the Agreement to the extent that the Internal Revenue Service deems necessary to correct any material misstatement with respect to the Agreement in response to a public statement by Taxpayer or Borrower, or an agent of Taxpayer or Borrower.

Such disclosure may be made to Members of Congress, the press, and the general public, and may be made by any means, including press releases and notices in Internal Revenue Service publications.

I am aware that in the absence of this authorization, the returns and return information of Jackson County, Missouri (successor to Industrial Development Authority of County of Jackson, Missouri) are confidential and may not be disclosed except as authorized by the Internal Revenue Code.

I certify that I have the authority to execute this consent on behalf of Taxpayer.


Taxpayer Name: Jackson County, MO (successor to Industrial Development Authority of County of Jackson, Missouri)

Taxpayer TIN: 52-1375404

Taxpayer Address: 415 East 12th Street 2nd Floor
Kansas City, Missouri 64106

By: _____

Title: Chief Financial Officer

Signature: 

Date: January 9, 2017

CLOSING AGREEMENT among Jackson County, Missouri, Young Men's Christian Association of Greater Kansas City and the Commissioner of Internal Revenue

By signing, the above parties certify that they have read and agreed to the terms of this Agreement.

ISSUER: Jackson County, Missouri (successor to Industrial Development Authority of County of Jackson, Missouri) EIN: 52-1375404

By signing, I certify that I have the authority to execute this Agreement on behalf of Issuer

APPROVED AS TO FORM BY

W. Heather Neff
County Counselor

Q. Troy Thomas
SIGNATURE

Q. Troy Thomas

NAME (PLEASE PRINT)

Chief Financial Officer

TITLE

ATTEST:

Mary Spino
Clerk of the County Legislature

DATE

BORROWER: Young Men's Christian Association of Greater Kansas City
EIN: 44-0546002

By signing, I certify that I have the authority to execute this Agreement on behalf of Borrower

BY:

SIGNATURE

NAME (PLEASE PRINT)

TITLE

DATE

COMMISSIONER OF INTERNAL REVENUE:

BY:

Steve A. Chamberlin
SIGNATURE

Steve A. Chamberlin
Manager, Tax Exempt Bonds
Compliance & Program Management

NAME AND TITLE

DATE

1/31/17

CLOSING AGREEMENT among Jackson County, Missouri, Young Men's Christian Association of Greater Kansas City and the Commissioner of Internal Revenue

By signing, the above parties certify that they have read and agreed to the terms of this Agreement.

ISSUER: Jackson County, Missouri (successor to Industrial Development Authority of County of Jackson, Missouri) EIN: 52-1375404

By signing, I certify that I have the authority to execute this Agreement on behalf of Issuer

BY:

SIGNATURE

NAME (PLEASE PRINT)

TITLE

DATE

BORROWER: Young Men's Christian Association of Greater Kansas City
EIN: 44-0546002

By signing, I certify that I have the authority to execute this Agreement on behalf of Borrower

BY:

Kelli R. McClure

SIGNATURE

Kelli L McClure

NAME (PLEASE PRINT)

CFO

TITLE

January 9, 2017

DATE

COMMISSIONER OF INTERNAL REVENUE:

BY:

SIGNATURE

Steve A. Chamberlin
Manager, Tax Exempt Bonds
Compliance & Program Management

NAME AND TITLE

DATE

Exhibit A

Taxpayer Information Worksheet for Electronic Federal Tax Payment System Deposit

This Agreement requires the electronic deposit of an amount to the U.S. Treasury through the Electronic Federal Tax Payment System (EFTPS) as a term for resolution of certain identified matters related to the tax-advantaged treatment of interest paid on a municipal obligation. This payment must be deposited in accordance with the directions contained herein.

Please carefully review the taxpayer information listed below and immediately report any errors to the IRS Tax Exempt Bonds employee assigned to your case. If, to the best of your knowledge, the information is correct, then please deposit all required payments through the EFTPS (either *EFTPS – Direct* or *EFTPS – Through a Financial Institution*) accurately and in accordance with this information and the terms of this Agreement.

1. Total Amount of Tax Deposit: **\$2,000**
2. Taxpayer's Employee Identification Number (EIN): **52-1375404**
3. Taxpayer Name Control (4 characters): **INDU**
4. Taxpayer Name (up to 35 characters):
INDUSTRIALDEVELOPMENTAUTHORITY
5. Tax Type (5 characters): **80384**
6. Tax Year (2 digits): **02**
7. Tax Month (2 digits): **10**

Your financial institution may call the EFTPS Financial Institution Helpline for questions or assistance at 1-800-605-9876 (Monday – Friday, 8:00 a.m. – 8:00 p.m., Eastern Standard Time).

NOTE: If you are not enrolled in *EFTPS – Direct* or *EFTPS – Through a Financial Institution*, or otherwise wish to use the Same Day Payment option, then please provide your financial institution with the information listed above and direct them to accurately deposit your payments utilizing the following routing and account numbers: **Note that the *Receiving ABA/Routing Number, Receiving FI Name, Tax Type (under Beneficiary) and Beneficiary FI* indicated below do not change.**

Receiving ABA/Routing Number: **091036164 FRB MPLS ETA**
Receiving FI Name: **US TREAS SINGLE TX**
Beneficiary: **52-1375404:INDU:INDUSTRIALDEVELOPMENTAUTHORITY:80384:02:10**
Beneficiary FI: **20092900IRS**

If the financial institution has difficulty transmitting the EFTPS same-day payment, please call 1-800-382-0045 (Monday – Friday, 7:45 a.m. – 4:30 p.m. Central Standard Time) to receive assistance from a Customer Service Representative at the Minneapolis Federal Reserve Bank.