

**EXHIBIT A
ADDITIONAL TERMS OF THE BONDS**

Ord. #4273

ARTICLE I

DEFINITIONS

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

“Arbitrage Instructions” means the arbitrage investment and rebate instructions contained in the Federal Tax Certificate, as the same may be amended or supplemented in accordance with the provisions thereof.

“Bond Counsel” means Gilmore & Bell, P.C., Kansas City, Missouri, or other attorneys or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the County.

“Bond Payment Date” means any date on which principal of or interest on any Bond is payable.

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

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

“Bonds” means the Tax Exempt Special Obligation Bonds (My Arts Building Project) Series 2010, authorized and issued by the County pursuant to the Ordinance.

“Business Day” means a day, other than a Saturday, Sunday or holiday, on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its banking operations.

“Code” means the Internal Revenue Code of 1986, as amended.

“County” means Jackson County, Missouri, and any successors or assigns.

“Debt Service Fund” means the fund by that name referred to in **Section 501** of this **Exhibit A**.

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

“Defeasance Obligations” means any of the following obligations:

- (a) United States Government Obligations that are not subject to redemption in advance of their maturity dates;

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) the obligations are rated in the highest rating category by Moody's Investors Service, Inc. (presently "Aaa") or Standard & Poor's Ratings Services (presently "AAA"); or

(c) Cash.

"Federal Tax Certificate" means the Federal Tax Certificate by the County with respect to the Bonds, as from time to time amended in accordance with the provisions thereof.

"Fiscal Year" means the fiscal year of the County, currently the twelve-month period beginning January 1 and ending December 31.

"Interest Payment Date" means the Stated Maturity of an installment of interest on any Bond.

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

"Ordinance" means the Ordinance adopted by the governing body of the County, authorizing the issuance of the Bonds, as amended from time to time.

"Outstanding" means, when used with reference to Bonds, as of any particular date of determination, all Bonds theretofore authenticated and delivered hereunder, except the following Bonds:

(a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent

for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of **Section 701** of this **Exhibit A**; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

“Paying Agent” means the Bank of Grain Valley, and any successors or assigns.

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

(a) United States Government Obligations;

(b) bonds, notes or other obligations of the State of Missouri, or any political subdivision of the State of Missouri, that at the time of their purchase are rated in either of the two highest rating categories by a nationally recognized rating service;

(c) repurchase agreements with any bank, bank holding company, savings and loan association, trust company, or other financial institution organized under the laws of the United States or any state, that are continuously and fully secured by any one or more of the securities described in clause (a), (b) or (d) and that have a market value at all times at least equal to the principal amount of such repurchase agreement and are held in a custodial or trust account for the benefit of the County;

(d) obligations of Fannie Mae, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Corporation, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Corporation;

(e) certificates of deposit or time deposits, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, provided that such certificates of deposit or time deposits shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described above in clauses (a) through (d), inclusive, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit or time deposits;

(f) Investments in a money market fund rated “AAAm or AAAM-G or better by Standard & Poor’s;

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

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

“Project” means the project described on **Exhibit C** to the Ordinance.

“Project Fund” means the fund by that name referred to in **Section 501** of this **Exhibit A**.

“Purchaser” means the Bank of Grain Valley, Grain Valley, Missouri, the original purchaser of the Bonds.

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

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

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

“Special Record Date” means the date fixed by the Paying Agent pursuant to **Section 202** of this **Exhibit A** for the payment of Defaulted Interest.

“Stated Maturity” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and the Ordinance as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“United States Government Obligations” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the County.

ARTICLE II

PROVISIONS OF THE BONDS

Section 201. Designation of Paying Agent. Bank of Grain Valley, Grain Valley, Missouri, is hereby designated as the County’s paying agent for the payment of principal of and interest on the Bonds, bond registrar with respect to the registration, transfer and exchange of Bonds, and to hold in trust and disburse funds from the Project Fund and the Debt Service Fund as provided herein (the “Paying Agent”).

The County will at all times maintain a Paying Agent meeting the qualifications herein described for the performance of the duties hereunder. The County reserves the right to appoint a successor Paying Agent by (1) filing with the Paying Agent then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent and appointing a successor, and (2) causing notice of the

appointment of the successor Paying Agent to be given by first class mail to each Bondowner. No resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of Paying Agent.

Every Paying Agent appointed hereunder shall at all times be a commercial banking association or corporation or trust company located in the State of Missouri organized and doing business under the laws of the United States of America or of the State of Missouri, authorized under such laws to exercise trust powers and subject to supervision or examination by federal or state regulatory authority, having a reported capital and surplus of not less than \$10,000,000.

Section 202. Method and Place of Payment of Bonds. The principal of or Redemption Price and interest on the Bonds shall be payable in any coin or currency of the United States of America that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The principal or Redemption Price of each Bond shall be paid at Maturity by check or draft to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the payment office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Registered Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or (b) in the case of an interest payment to any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Registered Owner upon written notice given to the Paying Agent signed by such Registered Owner, not less than 5 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account name and account number to which such Registered Owner wishes to have such transfer directed and an acknowledgment that an electronic transfer fee is payable.

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

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

Section 203. Registration, Transfer and Exchange of Bonds. The County covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the office of the Paying Agent as herein provided. Each Bond when issued shall be registered in the name of the owner thereof on the Bond Register.

Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the payment office of the Paying Agent, the Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same series and Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent. In no event shall any owner of the Bonds transfer all or any portion of the Bonds until the owner shall have provided notice to the County and the Paying Agent of such transfer and the transferee shall have delivered to the County and the Paying Agent the representation letter substantially in the form of **Exhibit E** attached hereto.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. The County shall pay the fees and expenses of the Paying Agent for the registration, transfer and exchange of Bonds provided for by this Ordinance and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. In the event any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Registered Owner hereunder or under the Bonds.

The County and the Paying Agent shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to **Section 303** of this **Exhibit A** and during the period of 15 days next preceding the date of mailing of such notice of redemption, or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the County of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 202** of this **Exhibit A**.

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

At reasonable times and under reasonable regulations established by the Paying Agent, the Bond Register may be inspected and copied by the Registered Owners or Beneficial Owners of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Registered Owners whose authority is evidenced to the satisfaction of the Paying Agent.

Section 204. Execution, Registration, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be signed by the manual or facsimile signature of the County Executive and attested by the manual or facsimile signature of the County Clerk and shall have the official seal of the County affixed or imprinted thereon. In case any officer whose signature appears on any Bond ceases to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The County Executive and County Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and, when duly executed and registered, to deliver the Bonds to the Paying Agent for authentication.

The Bonds shall have endorsed thereon a certificate of authentication substantially in the form set forth in **Exhibit B** attached hereto, which shall be manually executed by an authorized officer or employee of the Paying Agent, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Bond shall be entitled to any security or benefit under this Ordinance or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Paying Agent. Such executed certificate of authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Ordinance. Upon authentication, the Paying Agent shall deliver the Bonds to the Purchaser upon payment of the purchase price of the Bonds plus accrued interest thereon to the date of their delivery.

Section 205. Mutilated, Destroyed, Lost and Stolen Bonds. If (a) any mutilated Bond is surrendered to the Paying Agent or the Paying Agent receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Paying Agent such security or indemnity as may be required by the Paying Agent, then, in the absence of notice to the Paying Agent that such Bond has been acquired by a bona fide purchaser, the County shall execute and the Paying Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same series and Stated Maturity and of like tenor and principal amount.

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

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

Every new Bond issued pursuant to this Section shall constitute a replacement of the prior obligation

of the County, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

Section 206. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate describing the Bonds so cancelled and shall file an executed counterpart of such certificate with the County.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of the Bonds. The Bonds are subject to redemption by the County in whole or in part at any time at a purchase price of 100% of the principal amount thereof. The Bonds shall be subject to mandatory redemption prior to maturity as may be provided in the closing certificate approved by the County and the Purchaser as provided in Section 2 of the Ordinance.

Section 302. Selection of Bonds to Be Redeemed.

(a) The Paying Agent shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Paying Agent at least 45 days prior to the Redemption Date of written instructions of the County specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in **Section 303** of this **Exhibit A** are met. The foregoing provisions of this paragraph shall not apply to the mandatory redemption of Bonds hereunder, and Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the County and whether or not the Paying Agent shall hold in the Debt Service Fund moneys available and sufficient to effect the required redemption.

(b) Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be redeemed from the Stated Maturities selected by the County, and Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in \$5,000 units of principal amount in such equitable manner as the Paying Agent may determine.

(c) In the case of a partial redemption of Bonds when Bonds of denominations greater than \$5,000 are then Outstanding, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond are selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Registered Owner of such Bond or the Registered Owner's duly authorized agent shall present and surrender such Bond to the Paying Agent (1) for payment of the Redemption Price and interest to the Redemption Date of such \$5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the Registered Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the

principal amount of such Bond. If the Registered Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on behalf of the County by mailing a copy of an official redemption notice by first class mail at least 30 days prior to the Redemption Date to the Purchaser of the Bonds and each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register.

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

- (a) the Redemption Date;
- (b) the Redemption Price;
- (c) if less than all Outstanding Bonds are to be redeemed, the identification of the Bonds to be redeemed (such identification to include interest rates, maturities, CUSIP numbers and such additional information as the Paying Agent may reasonably determine);
- (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and
- (e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the payment office of the Paying Agent.

The failure of any Registered Owner to receive notice given as heretofore provided or a defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the County shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the County defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same series and Stated Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

In addition to the foregoing notice, further notice shall be given by the Paying Agent on behalf of

the County as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if official notice thereof is given as above prescribed.

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (1) the CUSIP numbers of all Bonds being redeemed; (2) the date of issue of the Bonds as originally issued; (3) the rate of interest borne by each Bond being redeemed; (4) the maturity date of each Bond being redeemed; and (5) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least one day before the mailing of notice to Bondowners by first class, registered or certified mail or overnight delivery, as determined by the Paying Agent, to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(c) Each check or other transfer of funds issued for the payment of the Redemption Price of Bonds being redeemed shall bear or have enclosed the CUSIP number of the Bonds being redeemed with the proceeds of such check or other transfer.

The Paying Agent is also directed to comply with any mandatory standards then in effect for processing redemptions of municipal securities established by the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

ARTICLE IV

SECURITY FOR AND PAYMENT OF BONDS

Section 401. Security for the Bonds. The Bonds shall be special obligations of the County payable as to both principal and interest solely from annual appropriations of funds by the County for such purpose to be deposited in the Debt Service Fund. The obligation of the County to make payments into the Debt Service Fund and for any other obligations of the County under the Ordinance do not constitute a general obligation or indebtedness of the County for which the County is obligated to levy or pledge any form of taxation, or for which the County has levied or pledged any form of taxation and shall not be construed to be a debt of the County in contravention of any applicable constitutional, statutory or charter limitation or requirement but in each Fiscal Year shall be payable solely from the amounts pledged or appropriated therefor (i) out of the income and revenues provided for such year, plus (ii) any unencumbered balances for previous years. Subject to the preceding sentence, the obligations of the County to make payments hereunder and to perform and observe any other covenant and agreement contained herein shall be absolute and unconditional.

The covenants and agreements of the County contained herein and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds to the payment of the principal of and the interest on the Bonds, or otherwise, except as to the rate of interest and Stated Maturity as provided in this Ordinance.

Section 402. Covenant to Request Appropriations. The County Legislature hereby directs that from and after delivery of the Bonds and so long as any of the Bonds remain Outstanding, subject to **Section 401** of this **Exhibit A**, the County Executive, the Director of Finance or any other officer of the County at any time charged with the responsibility of formulating budget proposals to include in each annual budget an appropriation of the amount necessary (after taking into account any moneys legally available for such purpose) to pay debt service on the Bonds and to make other payments required pursuant to this Ordinance. The County is not required or obligated to make any such annual appropriation, and the decision whether or not to appropriate such funds will be solely within the discretion of the then current County Legislature.

ARTICLE V

ESTABLISHMENT OF FUNDS; DEPOSIT AND APPLICATION OF MONEYS

Section 501. Establishment of Funds. There has been or shall be established by the Paying Agent and shall be held and administered in trust by the Paying Agent a Project Fund and a Debt Service Fund. Each fund shall be maintained as a separate and distinct fund and the moneys therein shall be held, managed, invested, disbursed and administered as provided in the Ordinance. All moneys deposited in the funds shall be used solely for the purposes set forth in the Ordinance. The County and the Paying Agent shall keep and maintain adequate records pertaining to each fund within their control and all disbursements therefrom.

Section 502. Deposit of Bond Proceeds. The net proceeds received from the sale of the Bonds shall be deposited simultaneously with the delivery of the Bonds as follows:

(a) Any accrued interest received from the sale of the Bonds shall be deposited in the Debt Service Fund and applied in accordance with **Section 504** of this **Exhibit A**.

(b) The remaining balance of the proceeds derived from the sale of the Bonds shall be deposited in the Project Fund and shall be applied in accordance with **Section 503** of this **Exhibit A**.

Section 503. Application of Moneys in the Project Fund. Moneys in the Project Fund shall be used by the County solely for the purpose of (a) paying the costs associated with the Project and (b) paying the costs and expenses of issuing the Bonds. The Director of Finance or other officer designated by the County shall make withdrawals from the Project Fund only upon a certification that such payment is being made for a purpose within the scope of the Ordinance and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof, containing the statements, representations and certifications set forth in the form of such request attached as **Exhibit D** hereto. Any moneys remaining in the Project Fund when the Project is completed shall be transferred to the Debt Service Fund. In no event shall the Paying Agent be responsible for paying costs of the Project except from moneys on deposit in the Project Fund.

Section 504. Application of Moneys in Debt Service Fund. All amounts paid and credited to the Debt Service Fund shall be expended and used by the Paying Agent for the sole purpose of paying the principal or Redemption Price of and interest on the Bonds as and when the same become due and the usual

and customary fees and expenses of the Paying Agent. The Director of Finance is authorized and directed to transfer to the Debt Service Fund sums sufficient to pay principal or Redemption Price of and interest on the Bonds and the fees and expenses of the Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Registered Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the County. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Ordinance and shall be held in trust by the Paying Agent for the benefit of the Registered Owners of the Bonds entitled to payment from such moneys.

Any moneys or investments remaining in the Debt Service Fund after the retirement of the Bonds of the County shall be transferred and paid to the County.

Section 505. Deposits and Investment of Moneys. Moneys in each of the funds created by and referred to in the Ordinance shall be deposited in a bank or banks or other legally permitted financial institutions located in the State of Missouri that are members of the Federal Deposit Insurance Corporation. All such deposits shall be continuously and adequately secured by the financial institutions holding such deposits as provided by the laws of the State of Missouri. All moneys held in the funds created by the Ordinance shall be accounted for separate and apart from all other funds of the County.

Moneys held in any fund referred to in the Ordinance may be invested in accordance with the investment policy of the County, as such policy may be amended from time to time, in accordance with the Ordinance and the Arbitrage Instructions, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any fund shall accrue to and become a part of such fund.

Section 506. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the County to the Registered 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 Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Ordinance 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 at Maturity, the Paying Agent shall repay without liability for interest thereon, to the County 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 County, and the Registered Owner thereof shall be entitled to look only to the County for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the County shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 507. Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such

Bond Payment Date.

ARTICLE VI

DEFAULT AND REMEDIES

Section 601. Default and Remedies. The County covenants and agrees that if it defaults in the payment of the principal of or interest on any of the Bonds as the same become due on any Bond Payment Date, or if the County or its governing body or any of the officers, agents or employees thereof fail or refuse to comply with any of the provisions of the Ordinance or of the constitution or statutes of the State of Missouri, and such default continues for a period of 30 days after written notice specifying such default has been given to the County by any Registered Owner of any Bond then Outstanding, or if the County declares bankruptcy, then, at any time thereafter and while such default continues, the Registered Owners of 25% in principal amount of the Bonds then Outstanding may, by written notice to the County filed in the office of the County Clerk or delivered in person to said County Clerk, exercise any of the remedies specified below. This provision, however, is subject to the condition that if all arrears of interest upon all of said Bonds, except interest accrued but not yet due on such Bonds, and all arrears of principal upon all of said Bonds has been paid in full and all other defaults, if any, by the County under the provisions of the Ordinance and under the provisions of the statutes of the State of Missouri have been cured, then and in every such case the Registered Owners of a majority in principal amount of the Bonds then Outstanding, by written notice to the County given as hereinbefore specified, may rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any rights consequent thereon.

The provisions of the Ordinance, including the covenants and agreements herein contained, shall constitute a contract among the County and the Registered Owners of the Bonds, and the Registered Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Registered Owners of Bonds similarly situated:

- (a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Registered Owner or Owners against the County and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of this Ordinance or by the constitution and laws of the State of Missouri;
- (b) by suit, action or other proceedings in equity or at law to require the County, its officers, agents and employees to account as if they were the trustees of an express trust; and
- (c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owners of the Bonds.

Section 602. Limitation on Rights of Bondowners. The covenants and agreements of the County contained herein and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Bonds. All of the Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, or date of Maturity or right of prior redemption as provided in the Ordinance. No one or more Bondowners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided

for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Registered Owners of such Outstanding Bonds.

Section 603. Remedies Cumulative. No remedy conferred herein upon the Bondowners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Registered Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies consequent thereon. No delay or omission of any Bondowner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Registered Owners of the Bonds by the Ordinance may be enforced and exercised from time to time and as often as may be deemed expedient. If any suit, action or proceedings taken by any Bondowner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or has been determined adversely to such Bondowner, then, and in every such case, the County and the Registered Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Bondowners shall continue as if no such suit, action or other proceedings had been brought or taken.

Section 604. No Acceleration. Notwithstanding anything herein to the contrary, the Bonds are not subject to acceleration upon the occurrence of an event of default hereunder.

ARTICLE VII

DEFEASANCE

Section 701. Defeasance. When any or all of the Bonds or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Ordinance and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Ordinance if there has been deposited with the Paying Agent, or other commercial bank or trust company and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of said Bonds and interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds are to be redeemed prior to their Stated Maturity, (1) the County has elected to redeem such Bonds, and (2) either notice of such redemption shall have been given, or the County shall have given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Paying Agent to give such notice of redemption in compliance with **Section 302** of this **Exhibit A**. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the County, for the purpose of paying and discharging any of the Bonds, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Registered Owners of the Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or

other bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of the Ordinance.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 801. Tax Covenants.

(a) The County covenants and agrees that (1) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from federal gross income of the interest on the Bonds, and (2) it will not use or permit the use of any proceeds of Bonds or any other funds of the County, nor take or permit any other action, or fail to take any action, which would adversely affect the exclusion from federal gross income of the interest on the Bonds. The County will also adopt such other ordinances and take such other actions as may be necessary to comply with the Code and with other applicable future laws, regulations, published rulings and judicial decisions, to the extent any such actions can be taken by the County, in order to ensure that the interest on the Bonds will remain excluded from federal gross income. The County covenants and agrees that it will not take any action or permit any action to be taken or omit to take any action or permit the omission of any action reasonably within its control which action or omission will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, or which will cause the Bonds to be subject to treatment under Section 141 of the Code as "private activity bonds."

(b) The County covenants and agrees that (1) it will use the proceeds of the Bonds as soon as practicable and with all reasonable dispatch for the purposes for which the Bonds are issued, and (2) it will not invest or directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the County in any manner, or take or omit to take any action, that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code. The County covenants and agrees that it will pay or provide for the payment from time to time of all rebatable arbitrage to the United States pursuant to Section 148(f) of the Code and the Arbitrage Instructions. This covenant shall survive payment in full or defeasance of the Bonds. The Arbitrage Instructions may be amended or replaced if, in the opinion of Bond Counsel nationally recognized on the subject of municipal bonds, such amendment or replacement will not adversely affect the federal income tax status of the Bonds. The County covenants and agrees that it will not use any portion of the proceeds of the Bonds, including any investment income earned on such proceeds, directly or indirectly, (1) in a manner that would cause any Bond to be a "private activity bond" within the meaning of Section 141(a) of the Code, or (2) to make or finance a loan to any Person.

(c) The covenants contained in this Section and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to **Article VII** hereof or any other provision of the Ordinance until the final maturity date of all Bonds Outstanding.

Section 802. Annual Audit. Annually, promptly after the end of the Fiscal Year, the County will cause an audit to be made of its funds and accounts for the preceding Fiscal Year by an independent public accountant or firm of independent public accountants.

Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the County Clerk, and a duplicate copy of the audit shall be mailed to the Purchaser. Such audits shall at all times during the usual business hours be open to the examination and inspection by any Registered Owner

of any of the Bonds, or by anyone acting for or on behalf of such Registered Owner.

As soon as possible after the completion of the annual audit, the County Legislature shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of the Ordinance, the County shall, subject to **Section 401** of this **Exhibit A**, promptly cure such deficiency.

A copy of each annual audit will be mailed to the Purchaser and, upon payment of the reasonable cost of preparing and mailing the same, a copy of any annual audit will, upon request, be sent to any Bondowner or prospective Bondowner.

Section 803. Amendments. The rights and duties of the County and the Bondowners, and the terms and provisions of the Bonds or of the Ordinance, may be amended or modified at any time in any respect by ordinance of the County with the written consent of the Registered Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Registered Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the County Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Bond;
- (b) effect a reduction in the amount which the County is required to pay as principal or interest on any Bond;
- (c) permit preference or priority of any Bond over any other Bond; or
- (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Ordinance.

Any provision of the Bonds or of the Ordinance may, however, be amended or modified by ordinance duly adopted by the County Legislature at any time in any legal respect with the written consent of the Registered Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Bondowners, the County may amend or supplement the Ordinance for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein, or in connection with any other change therein which is not materially adverse to the security of the Bondowners.

Every amendment or modification of the provisions of the Bonds or of the Ordinance to which the written consent of the Bondowners is given, as above provided, shall be expressed in an ordinance adopted by the County Legislature amending or supplementing the provisions of the Ordinance and shall be deemed to be a part of the Ordinance. A certified copy of every such amendatory or supplemental Ordinance, if any, and a certified copy of the Ordinance shall always be kept on file in the office of the County Clerk, shall be made available for inspection by the Registered Owner of any Bond or a prospective purchaser or owner of any Bond authorized by the Ordinance, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental Ordinance or of the Ordinance will be sent by the County Clerk to any such Bondowner or prospective Bondowner.

Any and all modifications made in the manner hereinabove provided shall not become effective until

there has been filed with the County Clerk a copy of the ordinance of the County hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Registered Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

The County shall furnish to the Paying Agent a copy of any amendment to the Bonds or the Ordinance which affects the duties or obligations of the Paying Agent under the Ordinance.

Section 804. Notices, Consents and Other Instruments by Bondowners. Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, other than the assignment of the ownership of a Bond, if made in the following manner, shall be sufficient for any of the purposes of the Ordinance, and shall be conclusive in favor of the County and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

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

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

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

Section 805. Provisions Relating to the Paying Agent.

(a) Prior to the receipt of the Bond proceeds pursuant to the provisions of **Section 502** of this **Exhibit A**, the Paying Agent shall deliver its written acceptance of the duties specified in this Ordinance and its agreement to act in said capacity.

(b) The Paying Agent's duties and responsibilities shall be limited to those expressly set forth in the Ordinance.

(c) All ordinances, opinions, certificates and other instruments referred to or provided for herein may be accepted by the Paying Agent as conclusive evidence of the facts, opinions and conclusions stated therein and shall be full warrant, protection and authority to the Paying Agent for any action reasonably taken pursuant thereto. The Paying Agent shall not be under a duty to examine any such ordinances, opinions,

certificates and other instruments to determine whether or not they conform to the requirements of this Ordinance.

(d) The Paying Agent shall not be liable with respect to any action taken or omitted to be taken by it in good faith and, if appropriate, upon advice of counsel.

(e) No provision contained in this Section shall be construed to relieve the Paying Agent from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that this subsection shall not be construed to limit the effect of subsections (b), (c) and (d) of this Section and the Paying Agent shall not be liable for any error of judgment made in good faith unless it shall be proved that the Paying Agent was negligent in ascertaining the pertinent facts.

(f) The Paying Agent shall have the right to own or sell the Bonds without giving notice thereof to the County and without incurring any liability whatsoever with respect thereto.

(g) The Paying Agent may be removed at any time by the County and may resign by an instrument in writing delivered to the County to take effect not sooner than ninety (90) days after its delivery, and upon such removal or resignation the County shall immediately, in writing, designate a successor Paying Agent. Such successor Paying Agent shall be a bank, trust company or national banking association which is a member of the Federal Reserve System and which has a capital stock and surplus aggregating at least \$10,000,000. Such successor Paying Agent shall be subject to the same duties and obligations and shall have the same rights, privileges and immunities specified in this Ordinance for the Paying Agent. Any such successor Paying Agent shall file an acceptance in the form referred to in subsection (a) hereof with the County Clerk within ten (10) days of its appointment.

(h) The Paying Agent shall be entitled to payment or reimbursement for reasonable fees for its ordinary services and all advances, counsel fees and other ordinary expenses reasonably and necessarily made or incurred by it in connection with its ordinary services, all such fees and expenses to be paid by the County.

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EXHIBIT B
TO ORDINANCE

(FORM OF BONDS)

THIS BOND MAY BE TRANSFERRED ONLY TO ANOTHER
"QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE
144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR
AN INSTITUTIONAL "ACCREDITED INVESTOR" AS DEFINED
IN RULE 501(A) UNDER THE SECURITIES ACT OF 1933, AS
AMENDED, AS PROVIDED IN THE ORDINANCE RELATED TO
THE BONDS.

UNITED STATES OF AMERICA
STATE OF MISSOURI

Registered
No. _____

Registered
\$ _____

JACKSON COUNTY, MISSOURI
TAX EXEMPT SPECIAL OBLIGATION BOND
(MYARTS BUILDING PROJECT)
SERIES 2010

Interest Rate Maturity Date Dated Date CUSIP Number

December 15, 2010

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

JACKSON COUNTY, MISSOURI, a home rule county and political subdivision of the State of Missouri (the "County"), for value received, hereby acknowledges itself to be indebted and promises to pay to the registered owner shown above, or registered assigns, the principal amount shown above on the maturity date shown above unless called for redemption prior to said maturity date, and to pay interest thereon at the interest rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months) from the Dated Date shown above or from the most recent interest payment date to which interest has been paid or duly provided for, payable semiannually on June 1 and December 1 in each year, beginning on June 1, 2011, until said principal amount has been paid.

The principal or redemption price of this Bond shall be paid at maturity or upon earlier redemption by check or draft to the person in whose name this Bond is registered at the maturity or redemption date thereof, upon presentation and surrender of this Bond at the payment office of **Bank of Grain Valley**, Grain

Valley, Missouri (the "Paying Agent"). The interest payable on this Bond on any interest payment date shall be paid to the person in whose name this Bond is registered on the registration books maintained by the Paying Agent at the close of business on the Record Date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding the interest payment date. Such interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or (b) in the case of an interest payment to any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Registered Owner upon written notice given to the Paying Agent signed by such Owner, not less than 5 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account name and account number to which such Registered Owner wishes to have such transfer directed and an acknowledgment that an electronic transfer fee is payable. The principal or redemption price of and interest on the Bonds shall be payable by check or draft in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

This Bond is one of an authorized series of bonds of the County designated "Tax Exempt Special Obligation Bonds (My Arts Building Project) Series 2010," aggregating the principal amount of \$1,180,000 (the "Bonds"), issued by the County for the purpose of paying the costs of the Project and paying the costs of issuance of the Bonds, under the authority of and in full compliance with the constitution and laws of the State of Missouri, and pursuant to an ordinance duly passed (the "Ordinance") and proceedings duly and legally had by the governing body of the County.

At the option of the County, Bonds may be called for redemption and payment prior to maturity in whole or in part at any time at the Redemption Price equal to 100% of the principal amount being redeemed, plus accrued interest thereon to the Redemption Date.

Bonds maturing in the year 2020 are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements approved by the Purchaser and the County pursuant to the Ordinance, at a Redemption Price equal to 100% of the Principal Amount thereof plus accrued interest to the Redemption Date.

Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be redeemed from the Stated Maturities selected by the County, and Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in \$5,000 units of principal amount in such equitable manner as the Paying Agent may determine.

Notice of redemption, unless waived, is to be given by the Paying Agent by mailing an official redemption notice by first class mail at least 30 days prior to the redemption date to the original purchaser of the Bonds and each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register maintained by the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the County defaults in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

The Bonds shall be special obligations of the County payable as to both principal and interest solely from annual appropriations of funds by the County for such purpose. The obligation of the County to make

payments into the Debt Service Fund and for any other obligations of the County under the Ordinance do not constitute a general obligation or indebtedness of the County for which the County is obligated to levy or pledge any form of taxation, or for which the County has levied or pledged any form of taxation and shall not be construed to be a debt of the County in contravention of any applicable constitutional, statutory or charter limitation or requirement but in each Fiscal Year shall be payable solely from the amounts pledged or appropriated therefor (i) out of the income and revenues provided for such year plus (ii) any unencumbered balances for previous years.

The Bonds are issuable in the form of fully registered Bonds without coupons in the denominations of \$5,000 or any integral multiple thereof.

This Bond may be transferred or exchanged, as provided in the Ordinance, only on the Bond Register kept for that purpose at the payment office of the Paying Agent, upon surrender of this Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Paying Agent duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Bond or Bonds in any authorized denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Ordinance and upon payment of the charges therein prescribed. The County and the Paying Agent may deem and treat the person in whose name this Bond is registered on the Bond Register 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. In no event shall any owner of the Bonds transfer all or any portion of the Bonds until the owner shall have provided notice to the County and the Paying Agent of such transfer and the transferee shall have delivered to the County and the Paying Agent the representation letter substantially in the form of **Exhibit E** attached to the Ordinance.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the Certificate of Authentication hereon has been executed by the Paying Agent.

IT IS HEREBY DECLARED AND CERTIFIED that all acts, conditions and things required to be done and to exist precedent to and in the issuance of the Bonds have been done and performed and do exist in due and regular form and manner as required by the constitution and laws of the State of Missouri.

IN WITNESS WHEREOF, JACKSON COUNTY, MISSOURI, has caused this Bond to be executed by the manual or facsimile signature of its County Executive and attested by the manual or facsimile signature of its County Clerk and its official seal to be affixed or imprinted hereon.

CERTIFICATE OF AUTHENTICATION

JACKSON COUNTY, MISSOURI

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

By: _____
Michael D. Sanders, County Executive

Registration Date: _____

APPROVED AS TO FORM:

BANK OF GRAIN VALLEY,
Paying Agent

By: _____
William G. Snyder, Acting County Counselor

ATTEST:

By _____
Authorized Officer or Signatory

Mary Jo Spino, Clerk of the County Legislature

ASSIGNMENT

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

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

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

Dated: _____

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

Signature Guaranteed By:

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

By: _____
Title: _____

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of the Bonds:

GILMORE & BELL
A Professional Corporation
2405 Grand Blvd, Suite 1100
Kansas City, Missouri 64108

(LEGAL OPINION OF BOND COUNSEL)

**EXHIBIT C
TO ORDINANCE**

DESCRIPTION OF THE PROJECT

The Project includes the renovation and improvement of the MyArts Building located at 315 N. Main St., in Independence, Missouri.

**EXHIBIT D
TO ORDINANCE**

DISBURSEMENT REQUEST

Request No. _____

Date: _____

**WRITTEN REQUEST FOR DISBURSEMENT FROM THE
PROJECT FUND – JACKSON COUNTY, MISSOURI TAX EXEMPT
SPECIAL OBLIGATION BONDS (MYARTS BUILDING PROJECT)
SERIES 2010**

To: Bank of Grain Valley
Grain Valley, Missouri
Attention: President
as Paying Agent pursuant to the Ordinance (the “Ordinance”) authorizing the Bonds

Pursuant to **Section 503** of the **Exhibit A** to the Ordinance, Jackson County, Missouri (the “County”) requests payment from the Project Fund in accordance with this request and said **Section 503** and hereby states and certifies as follows:

1. The names of the persons, firms or corporations to whom the payments requested hereby are due, the amounts to be paid and the general classification and description of the costs for which each obligation requested to be paid hereby was incurred are as set forth on Attachment I hereto.
2. These costs have been incurred and are presently due and payable and are reasonable costs that are payable or reimbursable under the Ordinance and each item thereof is a proper charge against the Project Fund.
5. Each item listed above has not previously been paid or reimbursed from moneys in the Project Fund and no part thereof has been included in any other Disbursement Request previously filed with the Paying Agent under the provisions of the Ordinance or reimbursed from Bond proceeds.

JACKSON COUNTY, MISSOURI

By: _____
Michael D. Sanders, County Executive

**ATTACHMENT I
TO WRITTEN REQUEST FOR DISBURSEMENT FROM
THE PROJECT FUND – JACKSON COUNTY, MISSOURI TAX EXEMPT SPECIAL
OBLIGATION BONDS (MY ARTS BUILDING PROJECT) SERIES 2010**

REQUEST NO. _____

DATED _____

SCHEDULE OF PAYMENTS REQUESTED

Person, firm or
corporation to whom
payment is due

Amount to be paid

**EXHIBIT E
TO ORDINANCE**

FORM OF REPRESENTATION LETTER

**JACKSON COUNTY, MISSOURI
TAX EXEMPT SPECIAL OBLIGATION BONDS
(MY ARTS BUILDING PROJECT)
SERIES 2010**

Jackson County, Missouri
Kansas City, Missouri

Bank of Grain Valley
Grain Valley, Missouri
Paying Agent

The undersigned, the purchaser (the "Purchaser") of the above-referenced bonds (the "Bonds"), hereby certifies, represents and warrants as follows:

1. All terms not defined herein shall have the same meanings as in the bond ordinance passed by Jackson County, Missouri (the "County") related to the Bonds.
2. All of the Bonds have been purchased by the Purchaser as principal for our own account and we have not acted as agent for any person or entity. As of the date hereof, the Purchaser has not sold and has no present intention to sell the Bonds to any person; provided, however, that the disposition of the Purchaser's property shall always remain in the control of the Purchaser.
3. The Purchaser is either a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933, as amended or an institutional "accredited investor" as defined in rule 501(a) under the Securities Act of 1933, as amended. The Purchaser has no need for liquidity in such investment and the Purchaser is able to bear the risk of such investment for an indefinite period and to afford a complete loss thereof.
4. The Purchaser acknowledges that it has been provided with, and has had the opportunity to review, the documents relating to the issuance of the Bonds by the County. The Purchaser either has been supplied with or has had access to information which it deemed necessary in purchasing the Bonds, so that, as a sophisticated investor, the Purchaser has been able to make its decision to purchase the Bonds. The Purchaser has had the opportunity to ask questions and receive answers concerning the terms and conditions of the purchase of the Bonds and to obtain any additional information it may request.
5. As to all matters relating to the Bonds, the Project and the County, including, without limitation, all matters relating to the acquisition of the Bonds, the Purchaser has relied solely upon its own investigation or upon information provided by the County or others.

6. The Purchaser acknowledges that any transfers or sales of the Bonds or any portion thereof are subject to the restrictions described in this letter and the Ordinance.

7. The Purchaser is duly and legally authorized to purchase the Bonds, and the Purchaser is duly and legally authorized to execute this Investment Letter. The Purchaser has satisfied itself that the Bonds are a lawful investment for it under all applicable laws.

8. The Purchaser understands that the Ordinance relating to the Bonds has not been registered under the Securities Act, the securities laws of any state or the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth therein. The Purchaser acknowledges that the Bonds (i) are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state and (ii) will not be listed on any securities exchange. The Purchaser has been informed and agrees that a legend will be placed on the Bonds or any other documents evidencing ownership of the Bonds to the effect that the Bonds have not been registered under the Securities Act or the applicable state "blue sky" laws and that the Bonds may not be transferred to any person that is not a qualified transferee, except as otherwise permitted under the Ordinance during any period in which the Bonds do not have the benefit of credit enhancement and liquidity support as provided in the Ordinance.

DATED: _____.

[PURCHASER]

By: _____
Name:
Title: