



ANNUAL REPORTING POLICY

CHAPTER 68 BOND FINANCED SALE-LEASEBACK PROJECTS

Port KC periodically issues its bonds for the purposes of sponsoring and financing port improvement projects consisting of improvements to property owned by Port KC and leased to a developer ("Developer"), with such improvements being performed by contractors under contracts let by Developer. As these projects are constructed for the benefit of the public community and are funded by public bond proceeds, it is the policy of Port KC that Developer comply with certain policies for the public's benefit. The policies established herein shall be applicable to the entirety of any bond-financed project.

A. Annual Reporting – Construction Phase

Developer shall annually submit a report to Port KC identifying the general contractors and subcontractors performing construction services with respect to the bond-financed project during the applicable reporting period. The report shall be in a form consistent with Appendix I, attached hereto and incorporated herein, or such other form as Port KC and Developer may mutually agree to utilize.

The first report shall be due no later than February 10 of the calendar year immediately following the date of bond issuance, and all subsequent reports shall be due no later than February 10 of each calendar year thereafter until such time as construction of the project has been fully completed as evidenced by Developer's submission of the Certificate of Completion.

Developer may elect to fulfill this reporting obligation through its general contractor, but the failure of the general contractor to submit the same shall not relieve Developer of its obligation to do so.

B. Annual Reporting – Post-Construction Phase

Developer shall annually submit a report to Port KC for purposes of providing employment, and limited financial and community participation information with respect to the bond-financed project during the applicable reporting period. The report shall be in a form consistent with Appendix II, attached hereto and incorporated herein, or such other form as Port KC and Developer may mutually agree to utilize.

The first report shall be due no later than February 10 of the calendar year immediately following the date upon which construction of the project has been fully completed as evidenced by Developer's submission of the Certificate of Completion, and all subsequent reports shall be due no later than February 10 of each calendar year thereafter until such time as the bonds have been retired and ownership of the project returned to Developer.

Without limiting any other remedy available to Port KC under the Transaction Documents (as such term is defined within the Agreement to which this policy is attached), the failure to fully, accurately and timely complete and submit **Appendix I** and **Appendix II** will result in Port KC sustaining damages, the exact extent of which would be difficult or impossible to ascertain. Therefore, in order to liquidate those damages, commencing as of February 20 of each applicable year a report is due, Port KC shall be entitled to impose upon and collect from Developer the sum of One Hundred Dollars (\$100.00) for each full or partial weekday (Monday through Friday) any report required by this policy remains overdue, and such liquidated damages may be collected by Port KC in the form of an additive to the Additional Rent required pursuant to the terms of the Lease Agreement, or in such other manner as may be authorized by the Transaction Documents. Furthermore, and notwithstanding anything to the contrary in the Incentives Compliance Agreement or any exhibit thereto, in the event any report required by this policy remains overdue for a period in excess of ninety (90) calendar days, Port KC may elect, in its sole discretion, to rescind, in whole or in part, any real and/or personal ad valorem property tax exemptions otherwise granted to Developer under the terms of the Transaction Documents for the calendar year in which the applicable report was due, and the Developer shall be obligated to pay an amount equaling up to one hundred percent (100%) of the real and/or personal ad valorem property taxes that would have otherwise been due but for Port KC's ownership.

Developer is responsible for compiling and reporting the aggregated information required by this Annual Reporting Policy and will not be relieved of the obligation by virtue of the fact that the particular bond-financed project may include one or more multi-tenant facilities. To the extent any portion of the Development Parcel (as such term is defined within the Agreement to which this Exhibit is attached), is leased/subleased to one or more third parties, Developer shall ensure that such lessees/sub-lessees are required to provide the required information to Developer and will make doing so a material term of their respective leases/subleases.



APPENDIX I

ANNUAL REPORTING – CONSTRUCTION PHASE

This report shall cover the calendar year immediately preceding the applicable report’s due date. By way of example, a report due on February 10, 2021 would cover the period of January 1, 2020 through December 31, 2020.

Project Title: _____

Date: February 10, 20____

The undersigned Authorized Representative hereby states and certifies that the general contractors and subcontractors listed below performed construction services with respect to the bond-financed project during the period of January 1, 20____ through December 31, 20____:

| | |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

[DEVELOPER]

By: _____
Authorized Representative



APPENDIX II

ANNUAL REPORTING – POST-CONSTRUCTION PHASE

This report shall cover the calendar year immediately preceding the applicable report’s due date. By way of example, a report due on February 10, 2021 would cover the period of January 1, 2020 through December 31, 2020.

Project Title: _____

Date: February 10, 20__

The undersigned Authorized Representative hereby states and certifies as follows with respect to the bond-financed project during the period of January 1, 20__ through December 31, 20__:

A. EMPLOYMENT

Total number of full-time employees at the Development Parcel: _____

Total wages of full-time employees at the Development Parcel: _____

Average annual wages of full-time employees at the Development Parcel: _____

Total number of part-time employees at the Development Parcel: _____

Total wages of part-time employees at the Development Parcel: _____

Average annual wages of part-time employees at the Development Parcel: _____

B. FINANCIAL OBLIGATIONS

Developer, in conjunction with the bond-financed project, executed written agreement(s) with one or more taxing jurisdictions or community organizations that obligated Developer to make certain financial contributions above and beyond those imposed by Port KC under the Incentives Compliance Agreement (as such term is defined within the Agreement to which this Exhibit is attached) during the applicable reporting year ____ **Yes** ____ **No**

IF YES, attach a copy of the written agreement(s) and confirmation that the financial contribution(s) was/were made.

C. COMMUNITY ENGAGEMENTS

Developer participated in or otherwise hosted activities intended to promote engagement and/or interaction with the community in which the bond-financed project is located during the applicable reporting year. Examples include, without limitation, hiring fairs, educational programs, educational scholarships, community volunteer events, etc.) ____ **Yes** ____ **No**

IF YES, those activities were as follows:

[DEVELOPER]

By: _____
Authorized Representative