

[Bond Case Briefs](#)

Municipal Finance Law Since 1971

REVENUE BONDS - KANSAS

[UMB Bank, N.A. v. Monson, et al.](#)

United States District Court, D. Kansas - December 2, 2025 - Slip Copy - 2025 WL 3458562

“This lengthy and complex case arises out of the failure of an estimated \$80 million development project to build a Hard Rock Hotel and adjacent events center (the “Project”) in the City of Edwardsville, Kansas (the “City”).”

Numerous contracts detail the numerous parties’ obligations to complete the Project, including the Development Agreement (the “DA”). The DA sets forth various terms for the City to issue certain revenue bonds to finance the Project. One term requires that One10 HRKC (the “Developer”) obtain a private construction loan before the City issues the bonds.

After Developer represented that it had secured a \$50 million construction loan, the City issued several bonds: \$10,655,000 in special obligation transient guest tax revenue bonds (“TGT Bond”); \$11,005,000 in special obligation tax increment revenue bonds (“TIF Bond”), and a combined \$1,620,000 in two series of community improvement district revenue bonds (“CID Bond”) (collectively the “Bonds”). The City issued the Bonds under three trust indentures.

Immediately after the Bonds were issued via the Indentures, Developer successfully submitted Cost Certifications for approval and obtained reimbursement. But on March 6, 2020, the lender for the \$50 million construction loan formally informed Developer in writing that it was unable to advance any of the funds on the loan.

On March 17, 2020, a voluntary notice was issued on behalf of the City to the public that Developer was seeking alternative financing, which was confirmed by Developer in an April 1, 2020, call between Successor Trustee UMB Bank (UMB), Developer, and the City. Developer never secured alternative financing.

Regardless, Developer submitted Cost Certification 3 on April 28, 2020, for reimbursement of \$829,247.32 total expenses, which the City approved and sent to UMB. But UMB refused to distribute funds arguing that, without a construction loan in place, Developer was in default and could not truthfully certify the requirements were met for distribution of funds under the DA.

Subsequently, UMB issued a written Notice of Default under the DA and made certain demands of Developer. On June 19, 2020, UMB advised Developer that a majority of the Indentures’ bondholders directed UMB to declare principal and interest be immediately due and payable.

UMB initiated this suit on November 1, 2021, against multiple Defendants, including Developer. Developer filed a Counterclaim against UMB on April 11, 2023, alleging several claims based, in part, on UMB’s refusal to distribute funds under Cost Certification.

UMB then brought this Motion for Partial Summary Judgment, seeking summary judgment in its favor on certain Counts of the Counterclaim brought by Developer.

The District Court:

- Granted summary judgment for UMB on Developer's claim of Tortious Interference of Contract;
- Granted summary judgment on certain counts for issue preclusion, finding that those counts were barred by a Minnesota judgment against Developer concerning Cost Certification;
- Held UMB had not met its burden to establish a breach of the Guaranty Agreement by Guarantor as a matter of law, nor had it established that it was entitled to declaratory judgment in its favor on the matter; and
- Held that Guarantors had not waived their ability to assert their claims for breach of the duty of good faith in the Guaranty Agreement, nor their affirmative defenses to UMB's Guaranty claim;