

**TAX INCREMENT FINANCING REDEVELOPMENT AGREEMENT**

**between the**

**CITY OF LEE'S SUMMIT, MISSOURI**

**and**

**PARAGON STAR, LLC**

**dated as of October 20, 2016**

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**I-470 AND VIEW HIGH TAX INCREMENT FINANCING PLAN**

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**I-470 AND VIEW HIGH TAX INCREMENT FINANCING  
REDEVELOPMENT AGREEMENT**

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<b><u>Exhibit A</u></b>	Map of Redevelopment Area and Redevelopment Project Areas
<b><u>Exhibit B</u></b>	Legal Description of Redevelopment Area and Redevelopment Project Areas
<b><u>Exhibit C</u></b>	Legal Description of City Land
<b><u>Exhibit D</u></b>	Project Budget
<b><u>Exhibit E</u></b>	Project Schedule
<b><u>Exhibit F</u></b>	Form of Certificate of Substantial Completion
<b><u>Exhibit G</u></b>	Form of Application for Reimbursable Project Costs

## TAX INCREMENT FINANCING REDEVELOPMENT AGREEMENT

**THIS TAX INCREMENT FINANCING REDEVELOPMENT AGREEMENT** is made and entered into as of the 20<sup>th</sup> day of October, 2016, by and between the **CITY OF LEE'S SUMMIT, MISSOURI**, a charter city and political subdivision of the State of Missouri (the "**City**"), and **PARAGON STAR, LLC**, a Missouri limited liability company (the "**Developer**") (the city and the Developer being sometimes referred to herein as the "**Parties**", and individually as a "**Party**", as the context so requires). (All capitalized terms used but not otherwise defined herein shall have the meanings ascribed in **Section 1.02** of this Agreement.)

### RECITALS

1. The Lee's Summit City Council created the Lee's Summit Tax Increment Financing Commission ("**TIF Commission**") by approval of mayoral appointments of members of the TIF Commission and empowered the TIF Commission to exercise those powers and fulfill such duties as are required or authorized for the TIF Commission under the TIF Act. The various Taxing Districts within the Redevelopment Area have appointed members to the TIF Commission in accordance with Section 99.820 of the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the "**TIF Act**").

2. On January 6, 2016, the Developer submitted an application for a proposed tax increment financing plan (the "**Redevelopment Plan**") for the redevelopment of an area that is approximately 309 acres in the City of Lee's Summit, Missouri, and is generally located at the northeast corner of View High Drive and I-470 and extends east along the north side of I-470 to NW Quarry Park Road (the "**Redevelopment Area**"). The Redevelopment Area will be developed as three redevelopment projects (the "**Redevelopment Projects**") to be built in three redevelopment project areas (the "**Redevelopment Project Areas**").

3. On January 8, 2016, the City published a request for proposals soliciting proposals for the redevelopment of the Redevelopment Area and made such requests for proposals available for potential developers of the Redevelopment Area.

4. On February 2, 2016, the TIF Commission, after giving all notices required by the TIF Act, opened a public hearing at which all interested parties had the opportunity to be heard and at which the TIF Commission heard and considered all protests and objections concerning the Redevelopment Plan, the Redevelopment Area and the approval of the Projects. The hearing was concluded on February 17, 2016, and the TIF Commission unanimously adopted a resolution recommending that the City Council approve the Redevelopment Plan, Projects and Redevelopment Area.

5. After due consideration of the TIF Commission's recommendations and making each of the findings required by Section 99.810 of the TIF Act, the City Council adopted Ordinance No. 7833 on March 10, 2016 (the "**Redevelopment Plan Ordinance**"), designating the Redevelopment Area as a blighted area, approving the Redevelopment Plan, designating the Redevelopment Area as a "redevelopment area" as provided in the TIF Act and appointing the Developer as the developer for the Redevelopment Plan.

6. On October 20, 2016, the City Council adopted Ordinance No. \_\_\_\_\_ approving this Agreement and authorizing the City to execute and enter into this Agreement.

7. The City Council concluded that the redevelopment of the Redevelopment Area as provided for in the Redevelopment Plan will further the growth of the City, facilitate the redevelopment

of the entire Redevelopment Area, improve the environment of the City, increase the assessed valuation of the real estate situated within the City, increase the sales tax revenues realized by the City, foster increased economic activity within the City, increase employment opportunities within the City, enable the City to direct the development of the Redevelopment Area, and otherwise be in the best interests of the City by furthering the health, safety, and welfare of its residents and taxpayers.

8. Pursuant to the provisions of the TIF Act and the Redevelopment Plan Ordinance, the City is authorized to enter into this Agreement, to pay Reimbursable Project Costs and issue Obligations at the City's discretion as evidence of the City's obligation to pay certain Redevelopment Project Costs incurred in furtherance of the Redevelopment Plan and the Projects, and to pledge TIF Revenues to the payment of Reimbursable Project Costs or the repayment of Obligations.

## **AGREEMENT**

Now, therefore, in consideration of the premises and mutual promises contained herein and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

### **ARTICLE 1: RECITALS, EXHIBITS AND DEFINITIONS**

**Section 1.01. Recitals and Exhibits.** The representations, covenants and recitations set forth in the foregoing recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Section. The provisions of the Redevelopment Plan, the Redevelopment Plan Ordinance and the provisions of the TIF Act as amended as of and including the date of this Agreement, are hereby incorporated herein by reference and made a part of this Agreement, subject in every case to the specific terms hereof. In the event of any conflict between the provisions of this Agreement and any other documents related to the Redevelopment Plan previously prepared or executed, the provisions of this Agreement shall control.

**Section 1.02. Definitions.** Words and terms not defined elsewhere in this Agreement shall, except as the context otherwise requires, have the following meanings:

**“Action”** shall have the meaning set forth in **Section 7.01.B**.

**“Administrative Costs”** means all documented costs and expenses reasonably incurred by the City for planning, legal, financial, administrative and other costs associated with the review, consideration, approval and implementation of the Redevelopment Plan and this Agreement, including all consultants engaged by the City.

**“Advanced Funds”** shall have the meaning set forth in **Section 2.05.B**.

**“Advanced Funds Account”** shall have the meaning set forth in **Section 2.05.B**.

**“Agreement”** means this I-470 and View High Tax Increment Financing Redevelopment Agreement, as the same may be from time to time modified, amended or supplemented in writing by the Parties hereto.

**“Applicable Laws and Requirements”** means any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ,

determination, award, permit, license, authorization, requirement or decision of or agreement with or by Governmental Authorities.

**“Application for Reimbursable Project Costs”** means a certificate in substantially the form attached as **Exhibit G** hereto furnished by the Developer to the City evidencing Reimbursable Project Costs with respect to the Redevelopment Projects.

**“Best Efforts”** means actual, reasonable, good faith attempts to accomplish or achieve the required obligation which shall be documented by the party taking such action, and proof of such documentation may be requested in writing by the other party to verify that such actual, reasonable, good faith attempts occurred.

**“Bond Counsel”** means Gilmore & Bell, P.C., Kansas City, Missouri or an attorney at law or a firm of attorneys acceptable to the City of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

**“Bonds”** means any tax increment revenue bonds issued by the City or another governmental entity in accordance with the TIF Act and this Agreement.

**“Captured CID Sales Tax Revenues”** shall have the meaning set forth in **Section 6.02.B**.

**“TDD Sales Tax Revenues”** shall have the meaning set forth in **Section 6.01.B**.

**“Captured TDD Sales Tax Revenues”** shall have the meaning set forth in **Section 6.01**.

**“Certificate of Substantial Completion”** means a certificate in substantially the form attached as **Exhibit F** hereto furnished by the Developer and approved by the City pursuant to **Section 5.02** upon the substantial completion of a Redevelopment Project.

**“CID”** means the I-470 and View High Community Improvement District, which is established and operated in accordance with the CID Act and **Section 6.02**.

**“CID Act”** means the Community Improvement District Act, Sections 67.1401 to 67.1571 RSMo.

**“CID Cooperative Agreement”** means the agreement among the City, Developer and/or CID to implement the CID, in accordance with the terms of this Agreement.

**“CID Eligible Expenses”** means a portion of the Redevelopment Project Costs plus operating and administration expenses incurred by the CID for which CID funds may be expended pursuant to the CID Act.

**“CID Sales Tax”** means a sales tax of one percent on all retail sales within the CID which will be levied by the CID pursuant to the Missouri Community Improvement District Act.

**“CID Sales Tax Revenues”** means the gross revenues generated by operation of the CID Sales Tax.

“**City**” means the City of Lee’s Summit, Missouri, a charter city and political subdivision of the State of Missouri.

“**City Attorney**” means the then current attorney appointed by the City as the City Attorney.

“**City Council**” means the City Council of the City of Lee’s Summit, Missouri.

“**City Director of Finance**” means the chief financial officer of the City.

“**City Engineer**” means a person or firm engaged by the City to perform engineering services, or a person that may be hired and appointed by the City as the City Engineer.

“**City Event of Default**” has the meaning set forth in **Section 8.02**.

“**City Indemnified Parties**” shall have the meaning set forth in **Section 7.01.A**.

“**City Land**” means the property legally described in **Exhibit C** which is owned by the City on the Effective Date of this Agreement, portions of which will be transferred to the CID and other appropriate parties in accordance with this Agreement.

“**City Land Reimbursement**” means the amount paid to the City to compensate the City for transfer of the City Land to the CID and other parties in connection with Redevelopment Project 1, as described in **Exhibit H** and **Section 2.07**.

“**City Manager**” means the City Manager of the City, or his/her designee.

“**Collection Authority**” means the TIF Commission, the City, the County Collector, or any other governmental official or body charged with the collection of Payments in Lieu of Taxes or Economic Activity Taxes.

“**Comprehensive Plan**” means the Comprehensive Plan of the City of Lee’s Summit, Missouri.

“**Construction Inspector**” means a City agent or employee designated by the City to perform inspections.

“**Construction Plans**” means plans, drawings, specifications and related documents, and construction schedules for the construction of the Sports Complex and the Public Improvements, together with all supplements, amendments or corrections, submitted by the Developer and approved by the City in accordance with this Agreement.

“**County**” means Jackson County, Missouri.

“**County Assessor**” means the County Assessor of Jackson County, Missouri.

“**County Collector**” means the County Collector of Jackson County, Missouri.

“**Debt Service**” means the amount required for the payment of principal of and interest on Obligations as they come due, for the payment of mandatory or optional redemption payments, and for payments to reserve funds required by the terms of Obligations.



**“Developer”** means Paragon Star, LLC, a Missouri limited liability company, or its permitted successors or assigns in interest; and Related Entities, for purposes of reimbursement of Reimbursable Project Costs only.

**“Developer Event of Default”** has the meaning set forth in **Section 8.01**.

**“Reimbursable Project Costs”** means those Redevelopment Project Costs incurred by Developer and associated with the Redevelopment Projects which may be reimbursed with TIF Revenues and Non-Captured CID Sales Tax Revenues, as approved by the City in connection with the Redevelopment Projects as set forth in the Redevelopment Plan.

**“Development Structure Agreement”** means the Development Structure Agreement executed by the City and Paragon Star, LLC, or its successors or assigns, in September 2015, describing the payment of City costs and expenses associated with considering and approving the Redevelopment Plan and drafting and negotiating this Agreement and all related work, the financial structure for the Redevelopment Plan and the conveyance of city property.

**“Documentation”** means written proof satisfactory to the City, in its sole discretion, exercised on a reasonable basis, which demonstrates the ability to complete the identified obligation.

**“Economic Activity Taxes”** shall have the meaning ascribed to such term in Section 99.805 of the TIF Act.

**“Economic Activity Taxes Account”** means the separate segregated account within the Special Allocation Fund into which fifty percent (50%) of Economic Activity Taxes are to be deposited.

**“Effective Date”** means the date written in the first paragraph on the first page of this Agreement.

**“Excusable Delay”** means any delay beyond the reasonable control of the Party affected, caused by damage or destruction by fire or other casualty, strike, shortage of materials, civil disorder, war, wrongful failure or refusal of any governmental entity to issue any permits and/or legal authorization necessary for the Developer to proceed with construction of the Work or any portion thereof, adverse market conditions, the Developer’s inability to secure acceptable financing and/or Tenants for the development despite the Developer’s commercially reasonable efforts, unavailability of labor or other labor/contractor disputes outside the reasonable control of the Developer, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or abnormal duration, tornadoes, and any other events or conditions, which shall include but not be limited to any litigation interfering with or delaying the construction of all or any portion of the Redevelopment Projects in accordance with this Agreement, which in fact prevents the Party so affected from discharging its respective obligations hereunder. Developer agrees to voluntarily undertake the Redevelopment Projects on the Effective Date. The Parties agree that the market conditions on the Effective Date do not constitute extraordinary market conditions that may cause Excusable Delay of commencement of work on the Redevelopment Projects.

**“Final Development Plan”** means the final site plan for the Redevelopment Area submitted by the Developer to the City and approved by the City pursuant to Applicable Laws and Requirements.

**“Financing Costs”** means:

(1) for costs incurred by the City with respect to Obligations, all costs reasonably incurred by the City in furtherance of the issuance of Obligations including but not limited to reasonable financing loan origination fees and expenses (with loan origination fees and expenses not to exceed 2% of the principal amount of the loan) and interest payable to banks, similar financing institutions or other entities that loan money, the City's attorneys (including special TIF counsel and Bond Counsel), the City's administrative fees and expenses (including Planning Consultants), underwriters' discounts and fees, trustee fees, the costs of printing any Obligations and any official statements relating thereto, the costs of credit enhancement for Obligations, if any, capitalized interest, debt service reserves and the fees of any rating agency rating any Obligations, and all accrued and anticipated interest on the Obligations, and

(2) the amount that may be reimbursed pursuant to **Section 3.02.B** of this Agreement, which shall be deemed to provide reimbursement for costs incurred by Developer with respect to interest on Private Loans regardless of the actual interest rate incurred by Developer or any affiliate or assignee of Developer on any Private Loans.

**"Financing Documents"** means the financing agreements, disbursement agreements and all other agreements and certificates executed in connection with the issuance of Obligations.

**"Funding Agreement Arrangement"** means the provisions in Article VI of the Development Structure Agreement.

**"Governmental Approvals"** means all plat approvals, re-zoning or other zoning changes, preliminary and final development plan approvals, conditional use permits, variances, building permits, architectural review or other subdivision, zoning or similar approvals required for the implementation of the Redevelopment Projects and consistent with the Redevelopment Plan, the Final Development Plan and this Agreement, as all may be amended from time to time.

**"Governmental Authorities"** means any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any type of any governmental unit (federal, state or local) whether now or hereafter in existence.

**"Maximum Developer Reimbursement"** has the meaning set forth in **Section 3.01**.

**"MoDOT"** means the Missouri Department of Transportation and/or the Missouri Highways and Transportation Commission.

**"Non-Captured CID Sales Tax Revenues"** shall have the meaning set forth in **Section 6.02.B**.

**"Non-Captured TDD Sales Tax Revenues"** shall have the meaning set forth in **Section 6.01**.

**"Obligations"** means the Bonds or other debt obligations, singly or in series, issued by the City or any third party at the direction of the City pursuant to the TIF Act or the CID Act and in accordance with this Agreement.

**"Ordinance"** means an ordinance adopted by the City Council.

**"Party"** or **"Parties"** means the City and/or the Developer.

**"Payments in Lieu of Taxes"** shall have the meaning assigned to such term in Section 99.805 of the TIF Act.

“**PILOT Account**” means the separate segregated account within the Special Allocation Fund into which Payments in Lieu of Taxes are to be deposited.

“**Planning Consultant**” means a person or company selected by and engaged by the City to provide professional advice regarding the issuance of Obligations and related financial matters as described in this Agreement.

“**Private Improvements**” means that portion of the Work, excluding the Public Improvements, constructed by the Developer for the project in accordance with the Redevelopment Plan, and approved Final Development Plan.

“**Private Loans**” means loans or indebtedness incurred by the Developer or any other private entity or individual to pay for Reimbursable Project Costs incurred or estimated to be incurred, to carry out the Redevelopment Projects or the Public Improvements.

“**Project Budget**” means the Estimated Project Budget for Redevelopment Project 1 set forth as Exhibit 7 to the Redevelopment Plan and set forth herein in **Exhibit D**. Parties agree that actual project costs may vary from Estimated Project Budget.

“**Project Ordinance**” means an Ordinance approved by the City Council which approves a Redevelopment Project and activates the collection of TIF Revenues in a Redevelopment Project Area.

“**Project Schedule**” means the schedule for design, construction and operation of the Redevelopment Projects as set forth in **Exhibit E**.

“**Projected Assessed Value**” shall have the meaning set forth in **Section 4.05.C**.

“**Property**” means all of the real property located within the boundaries of the Redevelopment Area as set forth in the Redevelopment Plan.

“**Public Improvements**” means that portion of the Work that consists of improvements in public rights-of-way which will be dedicated to, owned and maintained by a public entity, including the City, the CID or the TDD.

“**Real Estate Agreement**” means the agreement among the City, Developer and/or the CID, in accordance with the terms of this Agreement.

“**Redevelopment Area**” means the area depicted in **Exhibit A** and designated as the Redevelopment Area by the Redevelopment Plan Ordinance.

“**Redevelopment Plan**” means the plan entitled “*I-470 and View High Tax Increment Financing Redevelopment Plan*,” as such plan may be amended from time to time by the City in accordance with the TIF Act.

“**Redevelopment Project**” means any development project located within the Redevelopment Area that is in furtherance of the objectives of the Redevelopment Plan and that is approved pursuant to the TIF Act, which shall include Redevelopment Project 1.

“**Redevelopment Project 1**” means the Sports Complex, a mixed use village featuring multifamily residential, office, a hotel and retail project, and a trail head to serve new hiking and biking

trails to be constructed within Redevelopment Project Area 1 under the Plan anticipated to consume approximately 130 acres, together with the required infrastructure and Public Improvements to support the Development, as set forth in the Redevelopment Plan.

**“Redevelopment Project 2”** means office and commercial space to be constructed within Redevelopment Project Area 2 under the Plan anticipated to consume approximately 41 acres.

**“Redevelopment Project 3”** means commercial space, including but not limited to sports fields, hotel, retail and office uses, to be constructed within Redevelopment Project Area 3 under the Plan anticipated to consume approximately 147 acres.

**“Redevelopment Project Area 1”** means the area selected for Redevelopment Project 1 as legally described in **Exhibit B-1**.

**“Redevelopment Project Area 2”** means the area selected for Redevelopment Project 2 as legally described in **Exhibit B-2**.

**“Redevelopment Project Area 3”** means the area selected for Redevelopment Project 3 as legally described in **Exhibit B-3**.

**“Redevelopment Project Area(s)”** means Redevelopment Project Area 1, Redevelopment Project Area 2 and Redevelopment Project Area 3.

**“Redevelopment Project Costs”** means the sum total of all reasonable or necessary costs incurred or estimated to be incurred in connection with the Redevelopment Plan, and any such costs incidental to the Redevelopment Plan, as applicable. Such costs include, but are not limited to, the following:

- (1) Costs of studies, surveys, plans and specifications;
- (2) Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services (except for reasonable Administrative Costs of the City, such costs shall be allowed only as an initial expense which are included in the costs set forth in the Redevelopment Plan);
- (3) Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights and interests therein, demolition of buildings, and the clearing and grading of land;
- (4) Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
- (5) Costs of construction of public works or improvements, including the Public Improvements;
- (6) Financing Costs, including, but not limited to, all necessary and incidental expenses related to the issuance of Obligations, and which may include payment interest on any Obligations issued hereunder accruing during the estimated period of construction of any Redevelopment Project for which such Obligations are issued and for not more than eighteen (18) months thereafter, and including reasonable reserves related thereto;

(7) All or a portion of a Taxing District's capital costs resulting from a Redevelopment Project necessarily incurred or to be incurred in the furtherance of the objectives of the Redevelopment Plan, to the extent the City by written agreement accepts and approves such costs;

(8) Relocation costs to the extent that the City determines that relocation costs shall be paid or are required to be paid by federal or state law; and

(9) Payments in Lieu of Taxes.

**“Reimbursable Line Item”** shall have the meaning set forth in **Section 3.3**.

**“Reimbursement Interest Rate”** means the Prime Rate of Interest reported by the Wall Street Journal plus 1% per annum, adjusted on the first day of each calendar quarter, up to a maximum of 6%.

**“Related Entity”** means any entity in which ownership or membership of such entity is controlled by Developer or the majority owners or members of Developer.

**“RSMo”** means the Revised Statutes of Missouri, as amended.

**“Secured Lender”** shall have the meaning set forth in **Section 7.02.B.2**.

**“Soft Costs”** shall have the meaning set forth in **Section 3.03**.

**“Special Allocation Fund”** means the fund, including any accounts and subaccounts created therein, into which TIF Revenues are deposited, as required by the TIF Act and this Agreement, along with any other pledged revenues from the Project.

**“Sports Complex”** means not less than ten (10) artificial turf multi-sport fields and the appurtenant facilities including, but not limited to, artificial turf, lighting, bleachers, irrigation systems, walkways, signage, warm-up areas, concessions facilities and satellite restrooms.

**“Sports Complex and Infrastructure Costs”** shall have the meaning set forth in **Section 3.03**.

**“Surplus Payments In Lieu of Taxes”** shall have the meaning set forth in **Section 4.05**.

**“Taxing District”** means any political subdivision of the State of Missouri located wholly or partially within the Redevelopment Area having the power to levy real property taxes.

**“TDD”** means the a Regional Transportation Development District to be established and operated in accordance with the TDD Act.

**“TDD Act”** means the Transportation Development District Act, Sections 238.200 to 238.280 RSMo.

**“TDD Cooperative Agreement”** means the agreement to be entered into by the City, the TDD and the Developer, which provides for the imposition of a TDD sales tax.

**“TDD EATs”** means the TDD Sales Tax Revenues which are captured as Economic Activity Taxes by operation of the Redevelopment Plan.

**“TDD Eligible Expenses”** means a portion of the Redevelopment Project Costs plus operating and administration expenses incurred by the TDD for which TDD funds may be expended pursuant to the TDD Act.

**“TDD Projects”** means projects to be funded with TDD Sales Tax Revenues.

**“TDD Sales Tax”** means the sales tax imposed by the TDD in accordance with the TDD Act.

**“TDD Sales Tax Revenues”** means the revenues generated and collected by or on behalf of the TDD through imposition of the TDD Sales Tax.

**“Tenant”** shall mean all lessees, purchasers and transferees of some portion of the Property.

**“TIF Act”** means the Real Property Tax Increment Allocation Redevelopment Act, Section 99.800 *et seq.*, RSMo.

**“TIF Commission”** means the Tax Increment Financing Commission of the City of Lee’s Summit, Missouri, as constituted for review of the Redevelopment Plan.

**“TIF Revenues”** means Payments In Lieu of Taxes and fifty percent (50%) of Economic Activity Taxes, and includes the Captured CID Sales Tax Revenues and Captured TDD Sales Tax Revenues.

**“Total Initial Equalized Assessed Valuation”** means that amount certified by the County Assessor which equals the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of Property within a Redevelopment Project Area immediately after tax increment financing for the Redevelopment Project Area has been approved by Ordinance.

**“Unified Development Ordinance”** means the Unified Development Ordinance of Lee’s Summit, Missouri.

**“Work”** means all work, including, but not limited to, demolition, site preparation, development, design, engineering and construction, necessary to prepare the Property and to construct the improvements, Sports Complex, and the Public Improvements as described in the Redevelopment Plan.

## **ARTICLE 2: REPRESENTATIONS AND WARRANTIES**

**Section 2.01. Representations of the City.** The City makes the following representations and warranties, which are true and correct on the date hereof:

A. Due Authority. The City has full constitutional and lawful right, power and authority, under current applicable law, to execute, deliver and perform the terms and obligations of this Agreement, and all of the foregoing have been or will be duly and validly authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal valid and binding obligation of the City, enforceable in accordance with its terms.

B. No Defaults or Violation of Law. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any

agreement or instrument to which it is now a party, and do not and will not constitute a default under any of the foregoing.

C. Governmental or Corporate Consents. No consent or approval is required to be obtained from, and no action need be taken by, or document filed with, any governmental body or corporate entity in connection with the execution and delivery by the City of this Agreement.

D. No Default. No default or event of default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default in any material respect on the part of the City under this Agreement.

E. Construction Permits. The City reasonably believes that all permits and licenses necessary to construct the Public Improvements can be obtained.

**Section 2.02. Representations of the Developer.** The Developer makes the following representations and warranties, which are true and correct on the date hereof:

A. Due Authority. The Developer has all necessary power and authority to execute, deliver and perform the terms and obligations of this Agreement and to execute and deliver the documents required of the Developer herein, and such execution and delivery has been duly and validly authorized and approved by all necessary proceedings. Accordingly, this Agreement constitutes the legal valid and binding obligation of the Developer, enforceable in accordance with its terms.

B. No Defaults or Violation of Law. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any corporate or organizational restriction or of any agreement or instrument to which it is now a party, and do not and will not constitute a default under any of the foregoing.

C. Litigation. To the best of the Developer's knowledge, there is no litigation, proceeding or investigation pending or threatened against the Developer seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of this Agreement or which would in any manner challenge or adversely affect the existence or powers of the Developer to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by the Developer, of the terms and provisions of this Agreement.

D. No Material Change. (1) The Developer has not incurred any material liabilities or entered into any material transactions other than in the ordinary course of business, except for the transactions contemplated by this Agreement, and (2) there has been no material adverse change in the business, financial position, prospects or results of operations of the Developer, which could affect the Developer's ability to perform its obligations pursuant to this Agreement from that shown in any financial information provided by the Developer to the City prior to the execution of this Agreement.

E. Governmental or Corporate Consents. No consent or approval is required to be obtained from, and no action need be taken by, or document filed with, any governmental body or corporate entity in connection with the execution and delivery by the Developer of this Agreement.

F. No Default. No default or event of default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default in any material respect on the part of the Developer under this

Agreement, or any other material agreement or material instrument to which the Developer is a party or by which the Developer is or may be bound.

G. Compliance with Laws. The Developer is in compliance with all valid laws, ordinances, orders, decrees, decisions, rules, regulations and requirements of every duly constituted governmental authority, commission and court applicable to any of its affairs, business, operations as contemplated by this Agreement.

H. Other Disclosures. The information furnished to the City by the Developer in connection with the matters covered in this Agreement are true and correct and do not contain any untrue statement of any material fact and do not omit to state any material fact required to be stated therein or necessary to make any statement made therein, in the light of the circumstances under which it was made, not misleading.

I. Project. The Developer represents and warrants that the Redevelopment Area is sufficient to construct the Redevelopment Project as contemplated in the Redevelopment Plan and this Agreement.

**Section 2.03. Conditions to Effective Date.** This Agreement shall not become effective until the Developer has furnished the City with:

A. a copy of the Developer's Articles of Organization certified by the Secretary of State of the State of Missouri; and

B. a Certificate of Good Standing of the Developer in the State of Missouri.

**Section 2.04. Developer to Advance Costs.** The Developer agrees to advance or cause the advancement of all Redevelopment Project Costs as necessary to acquire the Property and to complete the Work, all subject to any Excusable Delay and the Developer's right to terminate this Agreement as set forth in **Section 8.04.**

**Section 2.05. Funding of Administrative Costs.**

A. Termination of Funding Agreement Arrangement. The Developer has previously advanced, pursuant to Article VI of the Development Structure Agreement (the "Funding Agreement Arrangement") between the City and the Developer, certain funds for Administrative Costs. Within thirty (30) days after execution of this Agreement, the City shall submit final invoices which will be paid by Developer, along with the payment of any other outstanding invoices, pursuant to the terms of the Funding Agreement Arrangement. All such payments by Developer are Reimbursable Project Costs and are eligible for reimbursement with TIF Revenues in addition to the limitations on Reimbursable Project Costs set forth in **Section 3.01.** After final payment of all outstanding invoices is made by Developer under the Funding Agreement Arrangement, the Funding Agreement Arrangement shall be terminated, and any funds remaining on deposit with the City pursuant to the Funding Agreement Arrangement shall be used by the City in accordance with **Section 2.05.B.** hereof and shall be treated as a Developer Reimbursable Project Cost to Developer.

B. Initial Deposit. In addition to the Administrative Costs paid under the Funding Agreement Arrangement, the City shall also be reimbursed for all Administrative Costs incurred in connection with the Redevelopment Plan and this Agreement. Upon termination of the Funding Agreement Arrangement, the City shall deposit the funds remaining on deposit with the City pursuant to the Funding Agreement Arrangement in a separate, segregated account of the City (the "**Advanced**



**Funds Account**”), and, if such amount is less than \$15,000, then Developer shall make a payment to the City (all amounts in the Advanced Funds Account are the “**Advanced Funds**”) so that the initial amount on deposit in the Advanced Funds Account, together with funds remaining from the Funding Agreement Arrangement, is \$15,000. If there are no funds on deposit with the City pursuant to the Funding Agreement Arrangement on the Effective Date, then the Developer shall advance the sum of \$15,000 to the City as Advanced Funds for deposit in the Advanced Funds Account.

C. Operation of the Advanced Funds Account. The City may invest the Advanced Funds in the same manner as other funds of the City are invested, and interest earnings shall remain in the Advanced Funds Account. All Advanced Funds shall be used to pay Administrative Costs. The City shall submit to the Developer an itemized statement of actual payments made from the Advanced Funds Account for such expenses on a regular periodic basis, but no more often than monthly and no less often than quarterly. The Developer shall advance to the City the amounts set forth on such statements within thirty days after receipt thereof, which shall be deposited in the Advanced Funds Account so that the balance of the Advanced Funds Account remains at \$15,000. This arrangement shall continue until there are sufficient funds in the Special Allocation Fund to implement **Section 2.05.D.** hereof, at which time any remaining Advanced Funds in the Advanced Funds Account shall be returned to Developer. All such payments of Advanced Funds by Developer are Reimbursable Project Costs in addition to the limitations on Reimbursable Project Costs set forth in **Section 3.01** and will be eligible for reimbursement with TIF Revenues.

D. Future Administrative Costs on a Pay As You Go Basis. When sufficient funds are available in the Special Allocation Fund, the City may withdraw funds from the Special Allocation Fund to pay Administrative Costs in an amount not to exceed one percent (1%) of TIF Revenues on deposit in the Special Allocation Fund in any calendar year. Such withdrawals may occur as needed to make disbursements for Administrative Costs as they are incurred and shall be based on final invoices to document Administrative Costs. After the terms of this paragraph are implemented, if Administrative Costs in any year exceed the amount available in the Special Allocation Fund during such year, the unpaid portion of such Administrative Costs shall carry over to the next or any subsequent years until paid in full.

## **Section 2.06. Ownership and Use of Property in Redevelopment Project 1.**

A. Developer Property. At the time that this Agreement is executed, Developer represents that it owns, directly or through affiliated business entities, approximately 17 acres of property located within the Redevelopment Project Area 1. This property owned by Developer will be dedicated to the appropriate land uses within Redevelopment Project 1 in accordance with this Agreement at no charge to the City, the CID, the TDD or any other governmental entities.

B. County Property. At the time that this Agreement is executed, Jackson County owns approximately 27 acres of property within Redevelopment Project Area 1 that the Parties anticipate will be devoted to the uses describe in the Redevelopment Plan and this Agreement for Redevelopment Project 1. Developer agrees that it will work with Jackson County to secure the necessary approvals by and agreements with Jackson County to allow for the construction and operation of Redevelopment Project 1 and the appropriate land uses on such Jackson County property. The Parties anticipate that the Jackson County property which is located adjacent to the railroad line in Redevelopment Project Area 1 will be dedicated to parking for the Trailhead, Sports Complex and the other land uses in Redevelopment Project 1 at no charge to the City or any party, and Developer will work with Jackson County to secure necessary approvals and agreements for such parking.

C. City Land. The City Land will be transferred to the Developer, CID and/or other parties for Redevelopment Project 1 pursuant to the Real Estate Agreement and applicable provisions of this Agreement. Transfer of the City Land will be subject to all conditions set forth in the Real Estate Agreements. The Parties agree that condemnation is not needed to acquire any portion of the Property for Redevelopment Project 1.

**Section 2.07. Transfer of City Land.**

A. Agreement to Transfer the City Land. The City shall transfer certain portions of the City Land in fee simple to the CID to be used for the Sports Complex (the “**Sports Complex Property**”). The CID and the City will enter into a Real Estate Agreement to memorialize the terms and conditions of the transfer of the Sports Complex Property. The City shall transfer Lot 2 to Developer or a Related Entity to be used for the commercial components of the Project.

B. Closing Date. Unless the Parties agree otherwise in writing, the Closing Date on the transfer of the fee simple interest in the City Land will not occur until the conditions set forth in the Real Estate Agreements have been satisfied.

C. Fees and Commissions. Each party represents to the other that no real estate broker, finder or agent has any claim for compensation or expenses as a result of any transactions involving the transfer of the City Land.

D. Consideration. The City Land Reimbursement shall serve as compensation to the City for the transfer of the City Land as described in paragraph A of this Section. This compensation shall be as set forth in the applicable real estate agreement. If compensation for the Sports Complex Property is paid by the CID from funds loaned or advanced to the CID, then the CID may provide reimbursement to the appropriate party according to an agreement between the CID and the party that loaned or advanced such funds.

E. United States Army Corp of Engineers Wetland Permit. The Parties agree that Developer has been seeking a wetland permit from the United States Army Corp of Engineers for development of Redevelopment Project 1, and Developer shall pay any fee required for such permit. Once the Developer receives approval from the United States Army Corp of Engineers of the wetland permit, including any conditions thereon, for the development of the City Land, the Developer shall provide the City notice of the approval and the amount of the fee for such permit which has been paid by Developer.

**Section 2.08. Developer Designation and Development Rights.** The City hereby selects the Developer to perform or otherwise cause the performance of the Work for the Redevelopment Projects in accordance with the Redevelopment Plan and this Agreement. For the purpose of implementing the Redevelopment Projects and this Agreement, the City hereby grants to the Developer and its successors and assigns (as specified in **Section 7.02**) exclusive redevelopment rights over the Redevelopment Area, subject to and in accordance with the terms and conditions of this Agreement. Such development right shall only be assigned in accordance with the terms and conditions of this Agreement.

**ARTICLE 3: REIMBURSEMENT OF DEVELOPER COSTS**

**Section 3.01. Limitations on Reimbursement to Developer.**

A. Regardless of the total amount of Reimbursable Project Costs requested by Developer or certified by the City in accordance with this Article, the City's obligation to reimburse Developer from TIF Revenues for development which occurs in Redevelopment Project Area 1 shall not exceed the Maximum Developer Reimbursement, plus any Financing Costs and Advanced Funds.

B. The "**Maximum Developer Reimbursement**" shall be an amount approved by the City in accordance with the terms and conditions of this Agreement which shall not exceed 105% of the amount of the Reimbursable Project Costs as set forth in the budget in the Redevelopment Plan, plus any Financing Costs and Advanced Funds. The Maximum Developer Reimbursement shall only apply to reimbursement of costs associated with Redevelopment Project 1. In the event that the total requested amount of reimbursement from TIF Revenues will exceed 105% of the amount of the Reimbursable Project Costs as set forth in the budget in the Redevelopment Plan, the City may process an amendment to the Redevelopment Plan as required by law.

C. It is acknowledged that future development of Redevelopment Project Area 2 and Redevelopment Project Area 3 may create a need for additional Reimbursable Project Costs, which will be addressed by amendments to this Agreement. Such amendments shall occur in coordination with appropriate amendments to the Redevelopment Plan.

### **Section 3.02. City's Obligation to Reimburse Developer.**

A. Reimbursement of Project Costs. Subject to the limitations set forth in this Agreement, the City shall reimburse the Developer for all certified Reimbursable Project Costs which do not exceed the limitations on Reimbursable Project Costs set forth in **Section 3.01**, under the conditions and restrictions set forth in this Agreement, plus all Advanced Funds and Financing Costs. The Parties agree that reimbursement will initially occur on a "pay as you go" basis as revenues are collected in the Special Allocation Fund in accordance with this Agreement. Until Obligations are issued, the City shall have no obligation to reimburse Developer until funds are available in the Special Allocation Fund. The City shall have no obligation to reimburse Developer from any funds other than those funds in the Special Allocation Fund, or from the proceeds of Obligations as they may be issued in accordance with this Agreement. In connection with the Work associated with the Redevelopment Projects, the Developer shall submit an Application for Reimbursable Project Costs in substantial compliance with **Exhibit G** for any Reimbursable Project Costs. The City will not reimburse the Developer for any cost that is not a "redevelopment project cost" under Section 99.805(15) of the TIF Act and which does not fall within one of the categories of Reimbursable Project Costs shown in the Project Budget. The City shall make reimbursements from the Special Allocation Fund in the order of priority set forth in **Section 4.08**.

B. Interest on Certified Reimbursable Project Costs. After the City approves an Application for Reimbursable Project Costs in accordance with **Section 3.03**, interest shall accrue at the Reimbursement Interest Rate for all costs approved in an Application for Reimbursable Project Costs from the day that the City approves such application in accordance with **Section 3.03** until such Reimbursable Project Costs are actually reimbursed with TIF Revenues or with the proceeds of Obligations. Interest shall accrue as simple interest starting on the day that the City approves an Application for Reimbursable Projects Costs in accordance with **Section 3.03**.

### **Section 3.03. Reimbursement Process.**

A. Requests for Reimbursement. All requests for reimbursement of Reimbursable Project Costs shall be made in an Application for Reimbursable Project Costs in substantial compliance with **Exhibit G**. Each Application for Reimbursable Project Costs shall be accompanied by a copy of the

Project Budget which provides a cumulative summary (the “**Budget Summary**”) of all Reimbursable Project Costs requested to date, including the current request and all shifting of Reimbursable Project costs between Reimbursable Line Items and between Redevelopment Projects as allowed by this Section. The Developer shall, at the City’s request, provide itemized invoices, receipts or other information, if any, reasonably requested by the City to confirm that any such cost is so incurred and does so qualify. The Parties agree that Reimbursable Project Costs, to the extent actually incurred by Developer for the Redevelopment Projects and certified by the City, up to the maximum amounts allowed by **Section 3.01**, are eligible for reimbursement in accordance with the TIF Act and this Agreement.

B. Who May Request Reimbursement. No person other than Developer may submit an Application for Reimbursable Project Costs, and any claims by contractors, engineers, professionals or other service providers who have performed work or provided goods or services to Developer in furtherance of the Redevelopment Plan which are Reimbursable Project Costs must receive payment from Developer before such amounts may be submitted to the City for reimbursement in accordance with this Section, unless Developer expressly requests and authorizes in writing payment directly to a contractor or service provider as a Reimbursable Project Cost.

C. Shifting Reimbursable Costs. The Parties agree that the individual items which are scheduled to be reimbursed according to the Project Budget (the “**Reimbursable Line Items**”), to the extent actually incurred by Developer for a Redevelopment Project and certified by the City, up to the Maximum Developer Reimbursement, constitute Reimbursable Project Costs which are eligible for reimbursement in accordance with the TIF Act and this Agreement. Developer may shift Reimbursable Project Costs among the Reimbursable Line Items in accordance with the following:

1. Within that portion of the Project Budget labeled “2. Sports Complex, Roads, Utility, Water, Sewer & Infrastructure Improvements” (the “**Sports Complex and Infrastructure Costs**”), Developer may shift reimbursable amounts among the Reimbursable Line Items for such costs without consent from the City, provided that (a) the total amount of reimbursement to Developer for all Sports Complex and Infrastructure Costs does not exceed \$10,836,078, (b) reimbursement is not provided for any item that is not a Reimbursable Line Item in the Project Budget and (c) the Sports Complex is constructed in conformance with the Redevelopment Plan and the Final Development Plan;

2. No reimbursement from TIF Revenues or the proceeds of Obligations shall be provided for any of the costs set forth in that portion of the Project Budget labeled “3. Building Costs”;

3. Within that portion of the Project Budget labeled “2. Soft Costs” (the “**Soft Costs**”), except as restricted in **Section 3.05** for reimbursement of the Developer Fee, Developer may shift reimbursable amounts among the Reimbursable Line Items without consent from the City, provided that (a) the total amount of reimbursement to Developer for all Soft Costs does not exceed \$2,961,661, (b) reimbursement is not provided for any item that is not a Reimbursable Line Item in the Project Budget, (c) the Sports Complex is constructed in conformance with the Redevelopment Plan and the Final Development Plan, (d) the total amount of reimbursement for the Developer Fee does not exceed the restrictions set forth in **Section 3.05**;

4. No budgeted reimbursable amounts may be shifted from Sports Complex and Infrastructure Costs into Soft Costs.

No reimbursement may be shifted between Redevelopment Projects. The City will not reimburse the Developer for any cost that is not a “redevelopment project cost” under Section 99.805(15) of the TIF Act

and which does not fall within one of the categories of Reimbursable Project Costs shown in the Project Budget.

D. Consideration of Reimbursement Applications. The Developer may submit an Application for Reimbursable Project Costs to the City Manager not more often than once each calendar quarter. The City shall either accept or reject each Application for Reimbursable Project Costs within thirty (30) days after the submission thereof. If the City determines that any cost identified as a Developer Reimbursable Project Cost is not a “redevelopment project cost” under Section 99.805(15) of the TIF Act or is not shown in the “TIF Eligible Reimbursable Project Costs” column in the Project Budget, the City shall so notify the Developer in writing within said 30-day period, identifying the ineligible cost and the basis for determining the cost to be ineligible, whereupon the Developer shall have the right to identify and substitute other Redevelopment Project Costs as Reimbursable Project Costs with a supplemental application for payment, subject to the limitations of this Agreement. The City may also request such additional information from Developer as may be required to process the requested reimbursement, and the time limits set forth in this paragraph shall be extended by the duration of time necessary for Developer to respond to such request by the City. The City’s identification of any ineligible costs shall not delay the City’s approval of the remaining costs on the Application for Reimbursable Project Costs that the City determines to be eligible.

**Section 3.04. Limitation on Source of Funds for City’s Obligation to Reimburse.** In no event shall the City be required hereunder to appropriate funds from the City’s general fund or from any fund other than the Special Allocation Fund to pay for Reimbursable Project Costs or to repay Obligations.

**Section 3.05. Developer Fee.** Reimbursement for the Reimbursable Line Item designated as “Developer Fee” in the Project Budget will be paid in accordance with this Section.

A. Reimbursement for a Developer Fee will only be paid for development management services that are related to managing the design, development and construction of the Sports Complex in Redevelopment Project 1 and the Public Improvements located within or that serve Redevelopment Project 1. All development management services related to the development of private land uses in Redevelopment Project Area 1, including residential, retail, office, hotel and other commercial uses, shall be paid from private funds pursuant to the budgets established by Developer and each private user for each respective component of private development and shall not be paid from TIF Revenues.

B. The Parties acknowledge that Developer may engage one or more companies that will perform development management services for development of the Sports Complex and the related Public Improvements, and Applications for Reimbursable Project Costs may include a request for reimbursement of such costs pursuant to such contracts. All reimbursement payments for the Developer Fee which are certified by the City pursuant to an approved Application for Reimbursable Project Costs will only be paid to Developer. Developer shall be responsible for arranging for the distribution of any such reimbursement payments among any and all parties that perform reimbursable development management services for the Sports Complex and Public Improvements.

C. The cumulative amount paid as a Developer Fee from TIF revenues and CID revenues to Developer for all development management services performed by Developer and any other companies or persons that provide such services as allowed by this Section shall not exceed \$1,500,000 as shown in the Project Budget. The total amount of TIF Revenues which may be paid to Developer for a Developer Fee shall not exceed \$1,252,5000, and no savings or other amounts from other Reimbursable Line Items may be shifted into the Reimbursable Line Item for Developer Fee.

## ARTICLE 4: TAX INCREMENT FINANCING

**Section 4.01. Redevelopment Project Areas and Redevelopment Projects.** The Redevelopment Area and Redevelopment Project Areas are depicted in **Exhibit A** and legally described in **Exhibit B**. The Redevelopment Area will be developed in three Redevelopment Projects. The City will initiate tax increment financing by Ordinance for Redevelopment Project 1, subject to the legislative discretion of the City Council. Subject to the terms and conditions of the Plan and this Agreement, including any Excusable Delays, the Developer shall construct or cause to be constructed Redevelopment Project 1.

**Section 4.02. Project Budget.** Redevelopment Project 1 shall be constructed in general accordance with the Project Budget, which contains cost estimates that are based on the best available information on the Effective Date of this Agreement, and the actual items and costs of items for implementing Redevelopment Project 1 may vary depending on market factors and conditions.

**Section 4.03. Removal of Blight in the Redevelopment Area.** The Redevelopment Area has been declared by the City Council to be a “blighted area,” as that term is defined in the TIF Act. By construction of the Redevelopment Projects, the Developer shall clear the blighting influences, or eliminate the physical blight existing in the Redevelopment Area.

### **Section 4.04. Bonds.**

A. Issuance of Bonds. At the earliest practical time as determined in the City’s discretion exercised on the basis of prudent public finance and principles of market economics, and subject to all terms, conditions and requirements of this Agreement, the City shall, promptly and to the fullest extent permitted by law consider the issuance of Bonds in an amount sufficient to pay or reimburse all or a selected portion of the Reimbursable Project Costs, up to the maximum amount allowed in **Section 3.01**. The approval of the issuance of any Bonds shall be in the City’s sole reasonable discretion, not to be unreasonably withheld or conditioned, provided that the market conditions for such Bonds are such that the payment terms of the Bonds are sufficiently favorable that reasonably prudent City financial officers would undertake the issuance of such Bonds. Developer may request the issuance of Bonds, but such Bonds shall be issued at the sole reasonable discretion of the City.

#### B. Cooperation in the Issuance of Bonds.

1. If the City elects to issue Bonds, Developer covenants to cooperate and take all reasonable actions necessary to assist the City and its Bond Counsel, underwriters and financial advisors in the preparation of the Financing Documents, offering statements, private placement memorandums or other disclosure documents and all other documents necessary to market, sell and issue Bonds, including (i) disclosure of Tenants of the Property and the non-financial terms of the leases between the Developer and such Tenants and (ii) providing sufficiently detailed estimates of Reimbursable Project Costs so as to enable Bond Counsel to render its opinion as to the tax-exemption of Bonds. The Developer will not be required to disclose to the general public or any investor the rent payable under any such lease or any proprietary or confidential financial information pertaining to the Developer, its Tenants or the leases with its Tenants, but upon the execution of a confidentiality agreement acceptable to the Developer, the Developer will provide such information to the City’s financial advisors, underwriters and their counsel to enable such parties to satisfy their due diligence obligations.

2. The Developer further agrees (i) to provide a closing certificate in a form reasonably similar to the form used for similar bond transactions (which shall include a certification regarding the accuracy of the information relating to the Developer and the Redevelopment Project), (ii) to cause its counsel to provide a legal opinion in a form reasonably similar to the form used for similar bond transactions and (iii) to provide the following information to enable the underwriter of the Bonds to comply with Rule 15c2-12 of the Securities and Exchange Commission: all retail and commercial Tenants of the Project, the square footage occupied by each such Tenant, the purpose for which space is used by each retail Tenant, and the term of each commercial and retail lease. Developer shall provide information on an ongoing basis so that the City can comply with its continuing disclosure obligations, as requested by the City. The Bonds under this Section shall be a covenant running with the land, enforceable as if any subsequent transferee thereof were originally a party to and bound by this Agreement.

C. City to Select Bond Counsel, Financial Advisor and Underwriter; Term. The City shall have the right to reasonably select the designated Bond Counsel, financial advisor and underwriter and such additional consultants as the City deems necessary for the issuance of the Bonds; however, the City shall solicit input from the Developer as it relates to all components of all issuances in an effort to maximize the size and timing of such issuances.. The final maturity of Bonds shall not exceed the maximum term permissible under the TIF Act.

#### **Section 4.05. Payments in Lieu of Taxes.**

A. Initiation of Payment Obligations. Pursuant to the provisions of the Redevelopment Plan and the TIF Act, including, but not limited to, Section 99.845 thereof, when tax increment financing is established by a Project Ordinance, the Property is subject to assessment for annual Payments in Lieu of Taxes. Payments in Lieu of Taxes shall be due November 30 of each year in which said amount is required to be paid and will be considered delinquent if not paid by December 31 of each such year. The obligation to make said Payments in Lieu of Taxes shall be a covenant running with the land and shall create a lien in favor of the City on each such tax parcel as constituted from time to time and shall be enforceable against the Developer and its successors and assigns in ownership of property in a redevelopment area.

B. Enforcement of Payments. Failure to pay Payments in Lieu of Taxes as to the Property or any portion thereof shall entitle any Collection Authority to proceed against the applicable portion of the Property as in other delinquent property tax cases or otherwise as permitted at law or in equity; provided, however, that the failure of any portion of the Property to yield sufficient Payments in Lieu of Taxes because the increase in the current equalized assessed value of such Property is or was not as great as expected, shall not by itself constitute a breach or default. The City shall use all reasonable and diligent efforts to notify the County Collector and all other appropriate officials and persons and seek to fully implement the Payments in Lieu of Taxes.

C. Protesting Tax Assessments. Subject to the approval of discretionary waivers by the City as set forth in **Section 9.15** to facilitate tax-exempt financing, Developer agrees that annual tax assessments on the Property or any tax parcel therein shall not be formally or informally protested or contested if such assessments are equal to or less than 110% of the projected assessed values as set forth in the Redevelopment Plan or the Cost Benefit Analysis submitted in support of the Redevelopment Plan (the “**Projected Assessed Value**”) for any calendar year during the effective period of this Agreement. In the event that any tax assessment is greater than 110% of the Projected Assessed Value and the Developer elects to formally or informally protest the tax assessment, Developer shall not protest, contest or seek in any manner to have the assessment reduced to an amount that is less than 100% of the Projected Assessed Value. Subdivision of the Property in a manner that produces parcels of a different size or configuration

than as set forth in the Redevelopment Plan shall not alter, affect or eliminate the limitation set forth in this paragraph, and this obligation shall be binding on all successors in interest on the Property.

D. Release of Liens. Notwithstanding anything to the contrary herein, the lien on the Property or any portion thereof shall be deemed (1) released as to any public street or other public way included within any plat in the Redevelopment Area, and (2) subordinated to the lot lines, utility easements and other similar matters established by any such plat (but not to any private access or parking rights granted or created by any such plat), effective upon the passage of an Ordinance by the City as aforesaid, and to any easement or like interests granted to the City or any public utility for public facilities or utilities or connection(s) thereto.

E. Certification of Base for Payments in Lieu of Taxes. Within ninety (90) days after adoption of a Project Ordinance, the City shall use Best Efforts to provide to the Developer a certification of the County Assessor's calculation of the Total Initial Equalized Assessed Valuation of the taxable real property within the Redevelopment Project Area based upon the most recent equalized assessed valuation of each taxable lot, block, tract, or parcel of real property within the Redevelopment Project Area.

F. Surplus Payments in Lieu of Taxes.

1. In accordance with the Redevelopment Plan, when the market value of all real property within Redevelopment Project 1 is in excess of Sixty Million Dollars (\$60,000,000), as determined by the County Assessor for taxable land and improvements in such area, then fifty percent (50%) of the Payments in Lieu of Taxes collected within Redevelopment Project Area 1 which are attributable to the valuation of the property in excess of \$60 million shall be distributed pro rata to the affected taxing jurisdictions within the boundaries of Redevelopment Project Area 1. The City shall, or, if an agreement between the City and County has been executed for such purpose then the County Collector shall on behalf of the City, pay such Surplus Payments in Lieu of Taxes to the appropriate Taxing Districts in the order of priority set forth in **Section 4.07**. Once commenced, such declaration of Surplus Payments in Lieu of Taxes shall continue at a level of fifty percent (50%) for the Payment In Lieu of Taxes generated by property values in excess of \$60 million throughout the entire remaining term of the Redevelopment Plan and this Agreement, unless the Redevelopment Plan is amended in accordance with the TIF Act to alter such payments.

2. At the time that Bonds may be issued, if the Payments in Lieu of Taxes revenue stream generated by Redevelopment Project 1 is in excess of the amount needed to market Bonds, fifty percent (50%) of such excess Payments in Lieu of Taxes revenue shall be declared surplus and distributed pro rata to the affected taxing jurisdiction within Redevelopment Project Area 1 and the remaining fifty percent (50%) shall be pledged to the retirement of the Bonds for the term of Redevelopment Project Area 1. When an amendment to the Redevelopment Plan is proposed to facilitate Redevelopment Project 2, the Redevelopment Plan will not seek more than fifty percent (50%) of Payments in Lieu of Taxes generated within Redevelopment Project Area 2 from the post development real property values, as assessed by the County Assessor's market value or land and improvement.

**Section 4.06. Economic Activity Taxes.**

A. Initiation of Payment Obligations. In addition to the Payments In Lieu of Taxes described above, and pursuant to Section 99.845 of the TIF Act, fifty percent (50%) of the total additional revenue from taxes which are imposed by the City or other Taxing Districts, and which are generated by economic activities within a Redevelopment Project Area which are in excess of the amount of such taxes



generated by economic activities within a Redevelopment Project Area for the calendar year prior to the adoption of a Project Ordinance, while tax increment financing remains in effect, but excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 RSMo, licenses, fees or special assessments and personal property taxes, other than payments in lieu of taxes and any penalty and interest thereon, or taxes levied for the purpose of public transportation pursuant to Section 94.660, RSMo, shall be allocated to, and paid by the collecting officer to the designated financial officer of the City, who shall deposit such funds in a separate segregated account within the Special Allocation Fund for the purpose of paying Redevelopment Project Costs incurred in the payment thereof.

B. Accounting. The City shall deposit the payments of Economic Activity Taxes received from the respective Taxing Districts in the Economic Activity Taxes Account of the Special Allocation Fund, to be utilized and expended in accordance with the TIF Act, the Redevelopment Plan and this Agreement.

C. Documentation of Economic Activity Taxes. The City and the Developer agree to cooperate and take all reasonable actions necessary to cause the Economic Activity Taxes to be paid into the Special Allocation Fund, including the City's enforcement and collection of all such payments through all reasonable and ordinary legal means of enforcement.

D. Certification of Base for Economic Activity Taxes. Within ninety (90) days after adoption of a Project Ordinance, the City shall certify the amount of revenue from taxes, penalties and interest which are imposed by the City and other Taxing Districts and which are generated by economic activities within a Redevelopment Project Area for the preceding calendar year, but excluding those personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 RSMo, taxes levied for the purpose of public transportation, the Jackson County Sports Stadium Improvement tax, or licenses, fees or special assessments identified as excluded in Section 99.845.3 of the TIF Act.

**Section 4.07. Special Allocation Fund.** The City shall establish and maintain the Special Allocation Fund which shall contain the following separate segregated accounts: (1) Payments in Lieu of Taxes shall be deposited into the PILOT Account within the Special Allocation Fund and (2) Economic Activity Taxes shall be deposited into the Economic Activity Taxes Account within the Special Allocation Fund. To the extent required by the CID Cooperative Agreement, the City Director of Finance shall also establish and maintain additional separate segregated accounts into which all payments of Non-Captured CID Sales Tax Revenues that are pledged to pay Reimbursable Project Costs are to be deposited. Subject to the requirements of the TIF Act and, with respect to Economic Activity Taxes, subject to annual appropriation by the City Council, the City will promptly upon receipt thereof deposit or be deemed to deposit all Payments in Lieu of Taxes into the PILOT Account and all Economic Activity Taxes into the Economic Activity Taxes Account.

**Section 4.08. Disbursements From Special Allocation Fund.** All disbursements from the Special Allocation Fund will be paid in such priority as the City shall determine from the separate segregated accounts maintained within the Special Allocation Fund for Payments in Lieu of Taxes and Economic Activity Taxes. The City hereby agrees for the term of this Agreement to apply available TIF Revenues in the following manner and order of preference for each disbursement from the Special Allocation Fund:

A. If no Obligations are outstanding:

1. Payment of Administrative Costs incurred by the City;
2. Payment to the Developer for certified Reimbursable Project Costs, plus all Advanced Costs and Reimbursable Interest, as provided by this Agreement;
3. Payment of any Surplus Payments In Lieu of Taxes as required by the terms of this Agreement;

B. If Obligations are outstanding, moneys shall be applied in the manner specified in the ordinance or trust indenture relating to the issuance of the Obligations.

**Section 4.09. Full Assessment.**

A. Redevelopment Project Area. The Developer shall not be entitled to receive further disbursements from the Special Allocation Fund beyond the monies collected as a result of TIF Revenue levied and collected during the twenty-three (23) years from the adoption of the last Project Ordinance, except as property tax payments which are levied during the 23-year period are lawfully collected and subsequently disbursed to the City after such period.

B. Completion of Redevelopment Plan. Upon terminating the designation of the Redevelopment Area as a “redevelopment area” under the TIF Act, the rates of the Taxing Districts shall be extended and taxes shall be levied, collected and distributed in the manner applicable in the absence of the adoption of tax increment financing, and the Redevelopment Area shall be free from the conditions, restrictions and provisions of the TIF Act, of any rules or regulations adopted pursuant thereto, of the Redevelopment Plan Ordinance, the Redevelopment Plan, this Agreement, and of the Redevelopment Plan.

**ARTICLE 5: CONSTRUCTION AND OPERATION OF THE PROJECT**

**Section 5.01. Project Schedule, Design and Construction.**

A. Schedule. Absent an event of Excusable Delay, the Developer shall commence and complete or cause the completion of the Redevelopment Projects and each of its obligations under this Agreement with respect to the acquisition, construction and completion of the Redevelopment Projects in substantial compliance with the Project Schedule attached as **Exhibit E**. The Developer shall obtain the approval of the Final Development Plan in accordance with the Project Schedule and Applicable Laws and Requirements. The Project Schedule may be modified as necessary by the Developer, with the prior written consent of the City, which will not be unreasonably conditioned, delayed, or withheld.

B. Easements on City Land. The City shall grant the Developer temporary grading and construction easements on the City Land to commence grading of the City Land for the scheduled Public Improvements and Sports Complex, and thereafter construction of the Public Improvements, in accordance with all Applicable Laws and Requirements of the City. Such temporary grading and construction easements may be granted prior to the construction of the Sports Complex in order to facilitate construction of the Public Improvements.

C. Construction Plan Approval. The City shall review and act on the Construction Plans in accordance with all Applicable Laws and Requirements of the City.

D. Construction. In accordance with the Project Schedule attached as **Exhibit E**, and absent an event of Excusable Delay, the Developer shall commence the construction of the Redevelopment Projects in a good and workmanlike manner in accordance with the terms of this Agreement. Absent an event of Excusable Delay, the Developer shall cause the Redevelopment Projects to be completed in accordance with the Project Schedule set forth in **Exhibit E**. The bid packages for construction of the Sports Complex shall be reviewed and approved by the CID board of directors.

E. Construction Contracts. The Developer may enter into or cause other parties to enter into one or more construction contracts to complete the Work. Construction of the Sports Complex and the Public Improvements shall be treated as public improvements and shall be subject to all Applicable Laws and Requirements that are applicable to public improvements and public works projects. Developer shall use, as much as possible, the City forms and documents to arrange for and contract for the design and construction of the Sports Complex and the Public Improvements, which shall include advertisements, bid documents and bidding manual, notice of award forms, performance bonds, payment bonds, applications for payment, certificates of completion, statements of general conditions, payroll affidavits, lien waivers, changes orders and other similar documents associated with the construction of public improvement projects.

F. Professional Services. The Parties agree that contracts for professional services which are associated with Redevelopment Project 1 that have already been entered into prior to the Effective Date of this Agreement may continue in effect. The Parties further agree that all contracts for professional services associated with the planning, design, engineering and construction of the Sports Complex and the Public Improvements, including project management services, shall be treated as contracts for professional services associated with public works and public improvements, and shall be bid and let pursuant to a competitive and public approval process. The contracts for professional services shall emulate the applicable City laws and policies governing the procurement of professional services. No contract for project management services for Redevelopment Project 1 shall be entered into by Developer without soliciting input from the City, reasonably exercised, for the purpose of verifying that the project manager has sufficient experience, management capabilities and personnel to manage construction of the Sports Complex and large-scale development projects.

G. Design. Developer shall comply or cause compliance with the City's Unified Development Ordinance. Developer shall prepare or cause to be prepared Construction Plans and specifications that satisfy this requirement and shall submit the same to the City for review. The City may provide comments to the Construction Plans, and such comments shall be incorporated into the design review process prior to construction. No construction on the site will be commenced until all required Construction Plans shall have been submitted to and approved by the City in accordance with all Applicable Laws and Requirements.

H. Insurance. Prior to commencing construction of the Public Improvements, and at all times until the Public Improvements are completed, Developer shall obtain liability insurance that is consistent with the requirements of the City's Design and Construction Manual, and Developer shall file with the City evidence acceptable to the City of such liability insurance.

I. Prevailing Wages. The Developer shall comply with all applicable laws regarding the payment of prevailing wages to contractors or subcontractors of the Developer, as applicable. The parties agree that Prevailing Wages shall be paid for construction of the Sports Complex and the Public Improvements. Upon written request by the City, Developer shall provide or cause to be provided written proof that the requirements of this paragraph have been satisfied from and after the date that the Work has commenced. In the event such request is made, no reimbursement payment shall be made by the City from TIF Revenues for the Reimbursable Project Costs which are subject to the payment of prevailing

wages unless the Developer has provided or caused to be provided the written proof as required by this paragraph. Developer shall indemnify the City for any damage resulting to it from failure of either the Developer or any contractor or subcontractor to pay prevailing wages pursuant to applicable laws. Payments due to Developer pursuant to this Agreement from TIF Revenues may be withheld by the City in satisfaction of this indemnification obligation if Developer has not provided payment when due pursuant to the indemnification obligation of this paragraph.

J. Competitive Bids and Other Construction Requirements. The Developer shall comply with all applicable state and local laws relating to the construction of the Redevelopment Projects, including but not limited to all applicable laws relating to competitive bidding. The Redevelopment Plan submitted in response to the City's request for proposals is deemed to satisfy all competitive bidding requirements established by the City pursuant to the TIF Act.

K. Governmental Approvals. The City agrees to employ Best Efforts to cooperate with the Developer and to process and timely consider and respond to all applications for the Governmental Approvals as received, all in accordance with the Applicable Laws and Requirements.

L. Cooperation on Third Party Approvals. Developer shall obtain all approvals required by MoDOT and any other entities or governmental departments specified by MoDOT, for all necessary public road improvements in MoDOT rights-of-way.

**Section 5.02. Certificate of Substantial Completion.** Promptly after substantial completion of a Redevelopment Project in accordance with the provisions of this Agreement, the Developer shall submit a Certificate of Substantial Completion to the City. The Certificate of Substantial Completion shall be in substantially the form attached as **Exhibit F**. The Construction Inspector shall, within thirty (30) days following delivery of the Certificate of Substantial Completion, carry out such inspections as it deems necessary to verify to its reasonable satisfaction the accuracy of the certifications contained in the Certificate of Substantial Completion. The Certificate of Substantial Completion shall be deemed accepted by the City unless, prior to the end of such 30-day period after delivery, the City furnishes the Developer with specific written objections to the status of the Redevelopment Project, describing such objections and the measures required to correct such objections in reasonable detail. Upon acceptance of the Certificate of Substantial Completion, or upon the lapse of thirty (30) days after delivery thereof without any written objections thereto, the Developer may record the Certificate of Substantial Completion with the Jackson County Recorder of Deeds, and the same shall constitute evidence of the satisfaction of the Developer's agreements and covenants to construct the Redevelopment Project(s).

**Section 5.03. Relocation within the City.** No Tenant may be relocated from another space located within the City limits of the City into the Redevelopment Area without the prior written approval of the City. If a Tenant is relocated within one year after approval of a Project Ordinance from another location within the limits of the City to a Redevelopment Project Area, the sales tax base for such Tenant shall be transferred to the location of the Tenant within the Redevelopment Project Area and shall be treated as sales which occurred in the Redevelopment Project Area in the year before the year in which the Project Ordinance was approved.

**Section 5.04. Compliance with Laws and Requirements.** The Redevelopment Projects shall be designed, constructed, equipped and completed in accordance with all Applicable Laws and Requirements of all federal, state and local jurisdictions.

**Section 5.05. Lease of Property.** The Developer may lease Property within the Redevelopment Area. To the extent practicable and using Best Efforts, the Developer, or any third party, shall insert in any such lease the following language, or language that is substantially similar to the following after being approved by the City Attorney, and shall have such lease signed by the lessee indicating acknowledgment and agreement to the following provision:

**Economic Activity Taxes:** Tenant acknowledges that the leased premises are a part of a Tax Increment Financing district (“**TIF District**”) created by the City of Lee’s Summit, Missouri (the “**City**”) and that certain taxes generated by Tenant’s economic activities, including sales taxes, will be applied toward the costs of improvements for the development. Upon the request of Landlord or the City, Tenant shall forward to the City and Landlord copies of Tenant’s State of Missouri sales tax returns filed with the Missouri Department of Revenue, or substantially similar report, for its property located in the TIF District, and, upon request, shall provide such other reports and returns regarding other local taxes generated by Tenant’s economic activities in the TIF District as the City shall require. Tenant acknowledges that the City is a third-party beneficiary of the obligations in this Section, and that the City may enforce these obligations in any manner provided by law.

The Developer shall use Best Efforts to enforce this lease provision. At the request of the City, the Developer shall provide a certification to the City confirming that the lease includes the provisions satisfying the Developer’s obligation as set forth in this Section. Failure of the Developer to require that such restrictions be placed in any such lease shall not be a Developer Event of Default and in no way modify, lessen or diminish the obligations and restrictions set forth herein.

**Section 5.06. Sale of Property.** The Developer may sell Property within the Redevelopment Area upon compliance with the requirements of **Section 7.02** and any other applicable provisions of this Agreement. To the extent practicable and using Best Efforts, the Developer, or any third party, shall insert in any such sale agreement the following language, or language that is substantially similar to the following after being approved by the City Attorney, and shall have such sale agreement signed by the buyer indicating acknowledgment and agreement to the following provision:

**Economic Activity Taxes:** Buyer acknowledges that the property is a part of a tax increment financing district (“**TIF District**”) created by the City of Lee’s Summit, Missouri (the “**City**”) and that certain taxes generated by Buyer’s economic activities, including sales taxes, will be applied toward the costs of improvements for the development. Upon the request of Seller or the City, Buyer shall forward to the City and Seller copies of Buyer’s State of Missouri sales tax returns filed with the Missouri Department of Revenue, or substantially similar report, for its property located in the TIF District, and, upon request, shall provide such other reports and returns regarding other local taxes generated by Buyer’s economic activities in the TIF District as the City shall require. Buyer acknowledges that the City is a third-party beneficiary of the obligations in this Section, and that the City may enforce these obligations in any manner provided by law.

**PILOTS:** Buyer further acknowledges that the property will be subject to assessment for annual payments in lieu of taxes (“**PILOTS**”) when the redevelopment project area is activated by the City. **PILOTS** are due on November 30 of each year and are considered delinquent if not paid by December 31 of each year. The obligation to make said **PILOTS** shall be a covenant running with the land and shall create a lien in favor of the City on the property and shall be enforceable against Buyer and its successors and assigns in ownership of the property. Buyer acknowledges that in the event of the sale, lease, sublease, assignment, or other voluntary or involuntary

disposition of any or all of the property, PILOTs with respect to the property shall continue and shall constitute a lien against the property from which they are derived, and such obligations shall inure to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties as if they were in every case specifically named and shall be construed as a covenant running with the land and enforceable as if such purchaser, tenant, transferee or other possessor thereof were originally a party to and bound by the agreement.

The Developer shall use Best Efforts to enforce this provision. At the request of the City, the Developer shall provide a certification to the City confirming that the sale agreement includes the provisions satisfying the Developer's obligation as set forth in this Section. Failure of the Developer to require that such restrictions be placed in any such sale agreement shall not be a Developer Event of Default and in no way modify, lessen or diminish the obligations and restrictions set forth herein.

## ARTICLE 6: OTHER FUNDING SOURCES

### Section 6.01. TDD.

A. Formation. The Parties agree to cooperate in the formation of the TDD, which will be used to finance the TDD Projects. Formation of the TDD shall be initiated by a petition filed by the City in the Circuit Court of Jackson County, Missouri. The City, in its sole discretion, shall determine the form of the petition and the process to be used in forming the TDD pursuant to the TDD Act. The TDD petition and all documents related to the formation of the TDD will be subject to review and approval by legal counsel for the City and Developer. The Parties agree to cooperate to process the TDD petition to a final judgment and order in the Circuit Court of Jackson County, Missouri.

B. Use of TDD Sales Tax Revenues. Those TDD Sales Tax Revenues consisting of the portion of the TDD Sales Tax Revenues captured as Economic Activity Taxes will be deposited into the Economic Activity Taxes Account within the Special Allocation Fund and will be disbursed in accordance with **Section 4.08** ("**Captured TDD Sales Tax Revenues**"). For as long as the Redevelopment Project Areas are subject to tax increment financing, the remaining TDD Sales Tax Revenues consisting of that portion of the TDD Sales Tax Revenues not considered hereunder as Captured TDD Sales Tax Revenues ("**Non-Captured TDD Sales Tax Revenues**") shall be determined and deposited into the Special Allocation Fund in accordance with the TDD Cooperative Agreement, the TDD Act, the Redevelopment Plan, and this Agreement. To the extent required by the TDD Cooperative Agreement, the City Director of Finance may also establish and maintain additional separate segregated accounts into which all payments of Non-Captured TDD Sales Tax Revenues that are pledged to pay Reimbursable Project Costs, are to be deposited. Deposited payments of the Non-Captured TDD Sales Tax Revenues pledged by the TDD to the repayment of Developer Reimbursable Project that are TDD Eligible Expenses shall be distributed in accordance with the TDD Cooperative Agreement, the TDD Act, the Redevelopment Plan, and this Agreement.

C. TDD Agreements. The City and Developer will enter into a TDD Cooperative Agreement to memorialize the provisions of this **Section 6.01** and will provide for the operation of the TDD and the administrations of the TDD Sales Tax Revenues and will include other provisions as the Parties agree.

D. TDD Projects. The Parties acknowledge and agree that reimbursement for TDD Eligible Expenses from the TDD for the construction of TDD Projects shall be pursued, which costs are separate from the Redevelopment Project Costs, and which reimbursement shall be in addition to and separate from the limitations on Reimbursable Project Costs set forth in **Section 3.01**. The Parties acknowledge

that the approval of such TDD reimbursements may be subject to additional acts of the TDD and the Parties shall cooperate to obtain any necessary approvals.

E. TDD Obligations. At the earliest practical time as exercised on the basis of prudent public finance and principles of market economics, and subject to all terms, conditions and requirements of this Agreement, the TDD shall, promptly and to the fullest extent permitted by law consider the issuance of Bonds to pay or reimburse the TDD Projects which serve Redevelopment Project Area 1. It is anticipated that the Non-Captured TDD Sales Tax Revenues generated within the Redevelopment Project Area will pay the Debt Service on the Obligations issued by the TDD.

1. Cooperation in the Issuance of Obligations.

a. If the TDD elects to issue Obligations, Developer covenants to cooperate and take all reasonable actions necessary to assist the TDD and its Bond Counsel, underwriters and financial advisors in the preparation of the Financing Documents, offering statements, private placement memorandums or other disclosure documents and all other documents necessary to market, sell and issue Obligations, including (i) disclosure of Tenants of the Property and the non-financial terms of the leases between the Developer and such Tenants and (ii) providing sufficiently detailed estimates of Reimbursable Project Costs so as to enable Bond Counsel to render its opinion as to the tax-exemption of the Obligations. The Developer will not be required to disclose to the general public or any investor the rent payable under any such lease or any proprietary or confidential financial information pertaining to the Developer, its Tenants or the leases with its Tenants, but upon the execution of a confidentiality agreement acceptable to the Developer, the Developer will provide such information to the City's financial advisors, underwriters and their counsel to enable such parties to satisfy their due diligence obligations.

b. The Developer further agrees (i) to provide a closing certificate in a form reasonably similar to the form used for similar bond transactions (which shall include a certification regarding the accuracy of the information relating to the Developer and the Project), (ii) to cause its counsel to provide a legal opinion in a form reasonably similar to the form used for similar bond transactions and (iii) to provide the following information to enable the underwriter of the Obligations to comply with Rule 15c2-12 of the Securities and Exchange Commission: all retail and commercial Tenants of the Project, the square footage occupied by each such Tenant, the purpose for which space is used by each retail Tenant, and the term of each commercial and retail lease. Developer shall provide information on an ongoing basis so that the City can comply with its continuing disclosure obligations, as requested by the City. The Obligations under this Section shall be a covenant running with the land, enforceable as if any subsequent transferee thereof were originally a party to and bound by this Agreement.

**Section 6.02. CID.**

A. Formation. The CID, as contemplated in the Redevelopment Plan, has been formed. Currently, the CID Sales Tax generates or will generate Economic Activity Taxes which are eligible to pay Reimbursable Project Costs, and the Non-Captured CID Sales Tax Revenues will assist in financing Public Improvements. The Non-Captured CID Sales Tax Revenues will be appropriated in accordance with the terms of the CID Cooperative Agreement.

B. CID Sales Tax Revenues. The City, Developer and CID will enter into the CID

Cooperative Agreement which provides that the CID revenues will be remitted by the Missouri Department of Revenue pursuant to an automated clearing house agreement to the City's Finance Department, to be disbursed as set forth in this paragraph and the CID Cooperative Agreement. Those CID Sales Tax Revenues consisting of the portion captured as Economic Activity Taxes will be deposited into the Economic Activity Taxes Account within the Special Allocation Fund and will be disbursed in accordance with **Section 4.08** ("**Captured CID Sales Tax Revenues**"). For as long as the Redevelopment Project Area is subject to tax increment financing, the remaining CID Sales Tax Revenues which are not Captured CID Sales Tax Revenues (the "**Non-Captured CID Sales Tax Revenues**") shall be disbursed in accordance with the CID Cooperative Agreement, which shall provide for the payment of the CID's administrative costs, operating costs, maintenance costs and reimbursable project costs as agreed by the parties. To the extent required by the CID Cooperative Agreement, the City Director of Finance shall also establish and maintain additional separate segregated accounts into which all payments of Non-Captured CID Sales Tax Revenues that are pledged to pay Reimbursable Project Costs, are to be deposited.

C. Cooperative Agreement. The Developer, City and the CID will enter into a CID Cooperative Agreement to memorialize the provisions of this **Section 6.02** and will provide for the operation of the CID and the administration of the CID Sales Tax Revenues.

D. CID Eligible Expenses. The Parties acknowledge and agree that the Developer may seek reimbursement for CID Eligible Expenses from the CID. The amount of CID Eligible Expenses which may be funded by the CID shall be determined based on the available Non-Captured CID Sales Tax Revenues, and such expenses shall be in addition to and separate from the limitations on Reimbursable Project Costs set forth in **Section 3.01**. The Parties acknowledge that the approval of such CID reimbursements may be subject to additional acts of the CID and the Parties shall cooperate to obtain any necessary approvals.

**Section 6.03. State of Missouri Funding.** The CID will apply for capital improvement financing from the State of Missouri utilizing state programs which are available for the Sports Complex, the Public Improvements and other Redevelopment Project Costs. The funds obtained through this financing will be used by the CID to fund Redevelopment Project Costs or retire Obligations related to those costs. In the event this financing does not occur, the Developer agrees to provide Documentation to the City showing additional commitments from other private funding sources to cover the amount that would have been received through the State of Missouri financing. The Developer further agrees that in the event the full amount as shown in the Project Budget is not received from state funding, the Developer will provide Documentation to the City to demonstrate that adequate funding from other sources can be obtained to complete all the Public Improvements before construction of the Private Improvements and the Sports Complex is completed.

**Section 6.04. City General Obligation Bonds.** At the earliest practical time as determined in the City's legislative discretion exercised on the basis of prudent public finance and principles of market economics, and subject to all terms, conditions and requirements of this Agreement, the City shall, promptly and to the fullest extent permitted, appropriate funds from the issue of general obligation bonds, which have been previously authorized by the qualified voters of the City, in an amount equal to One Million Dollars (\$1,000,000.00) to pay or reimburse selected portion of the Reimbursable Project Costs for road improvements at the intersection of I-470 and View High Drive, This approval shall be in the City's sole reasonable discretion, not to be unreasonably withheld or conditioned, provided that the market conditions for such general obligation bonds are such that the payment terms of the such bonds are sufficiently favorable that reasonably prudent City financial officers would undertake the issuance of such bonds.



## ARTICLE 7: GENERAL COVENANTS

### Section 7.01. Indemnification of the City.

A. Developer agrees to indemnify and hold the City, its employees, agents, independent contractors and consultants (collectively, the “**City Indemnified Parties**”) harmless from and against any and all suits, claims, costs of defense, damages, injuries, liabilities, costs and/or expenses, including court costs and attorneys’ fees, resulting from, arising out of, or in any way connected with:

1. the Developer’s actions and undertaking in implementation of the Redevelopment Projects and this Agreement;
2. the negligence or willful misconduct of Developer, its employees, agents, independent contractors and consultants in connection with the management, design, development, redevelopment and construction of the Redevelopment Projects; or
3. any litigation filed against the Developer by any member of the Developer, or any prospective investor, prospective partner or joint venture partner, lender, co-proposer, architect, contractor, consultant or other vendor which is not based in whole or in part upon any negligence or willful misconduct of the City or the City’s breach of this Agreement.

B. In the event any suit, action, investigation, claim or proceeding (collectively, an “**Action**”) is initiated or made as a result of which the Developer may become obligated to one or more of the City Indemnified Parties hereunder, any one of the City Indemnified Parties shall give prompt notice to the Developer of the occurrence of such event. After receipt of such notice, the Developer may elect to defend, contest or otherwise protect the City Indemnified Parties against any such Action, at the cost and expense of the Developer, utilizing counsel of the Developer’s choice. The City Indemnified Parties shall assist, at Developer’s sole discretion, in the defense thereof. In the event of such defense against any Action by Developer for the City, Developer shall provide to the City regular periodic reports on the status of such Action. In the event that the Developer shall fail to timely defend, contest or otherwise protect any of the City Indemnified Parties against such Action, the City Indemnified Parties shall have the right to do so, and, if such defense is undertaken by the City Indemnified Parties after notice to the Developer asserting the Developer’s failure to timely defend, contest or otherwise protect against such Action, the cost of such defense shall be at the expense of the Developer.

C. Any one of the City Indemnified Parties shall submit to the Developer any settlement proposal that the City Indemnified Parties shall receive which may only be accepted with the approval of the Developer. The Developer shall be liable for the payment of any amounts paid in settlement of any Action to the extent that and only with respect to any part the Developer expressly assumes in writing as part of such settlement. Neither the Developer nor the City Indemnified Parties will unreasonably withhold its consent to a proposed settlement.

D. The right to indemnification set forth in this Agreement shall survive the termination of this Agreement.

### Section 7.02 Assignment of Developer’s Rights and Obligations and Transfer of Property.

A. Restrictions on Assignment. Prior to the issuance of a Certificate of Substantial Completion, the Developer’s rights and obligations hereunder may not be assigned, in whole or in part, to

another entity, without the prior approval of the City Council. The City Council shall provide such consent unless in the City's reasonable determination, a proposed assignee does not have qualifications and financial responsibility necessary and adequate to fulfill the obligations of the Developer under the Redevelopment Plan and this Agreement. Following the City's issuance of a Certificate of Substantial Completion for the Redevelopment Projects, Developer and its successors and assigns shall have the right, without the City's consent, to assign any and all of its obligations as Developer under this Agreement with respect to such Redevelopment Projects to any person or entity.

**B. Related Entities, Collateral Assignment, and Certificate of Substantial Completion.**

1. Related Entities. Nothing in this Section shall prevent the Developer from assigning, without the City's consent, all rights and/or obligations under this Agreement to a Related Entity (as defined below), provided that prior to such assignment Developer furnishes City with the name of any such Related Entity, together with a certification from Developer, and such other proof as City may reasonably request, that such assignee is a Related Entity of Developer. **"Related Entity"** means any entity in which the ownership or membership of such entity is controlled by Developer or the majority owners or members of Developer. For purposes hereof, "control" shall mean the power to direct or cause the direction of the management or policies of such entity.

2. Collateral Assignment. Developer and its successors and assigns shall also have the right, without the City's consent, to collaterally assign and pledge to any Secured Lender (as defined below) as collateral all TIF Revenues, and any and all of Developer's rights and/or obligations under this Agreement, and such Secured Lender shall have the right to perform any term, covenant, condition or agreement and to remedy, in accordance with the terms of this Agreement, any default by Developer under this Agreement, and City shall accept such performance by any such Secured Lender with the same force and effect as if furnished by Developer. No Secured Lender shall be personally liable or obligated to perform the obligations of Developer under the Agreement unless and until (i) such Secured Lender takes possession of the property as a mortgagee or by a receiver appointed at the request of mortgagee or becomes the owner of the fee estate under this Agreement by foreclosure, or deed in lieu of foreclosure or otherwise, and (ii) such Secured Lender elects to become the assignee of the Developer under the Agreement by providing the notices described in (a) and (b) below. For purposes of this Section, **"Secured Lender"** means a bank, financial institution or other person or entity from which Developer has borrowed funds to finance all or a portion of the Redevelopment Projects and in whose favor Developer has agreed to provide a security interest as collateral for such loan.

Before a Secured Lender may exercise any rights of the Developer under the Agreement, the City shall receive: (a) within thirty (30) days following the date of such collateral assignment, a notice from the Developer that it has entered into a collateral assignment with a Secured Lender in connection with the Property, which shall specify the name, address and telephone number of the Secured Lender, as well as the title, date and parties to the collateral assignment agreement; and (b) not less than ten (10) days' notice of the Secured Lender's intent to exercise its right to become the assignee of the Developer under the Agreement, which notice shall include the effective date of the collateral assignment, and the title, date and parties to such collateral assignment agreement. The City is entitled to rely upon representations made in the notices described in this paragraph without further investigation or inquiry.

Provided that the Developer has provided the City with notice of a collateral assignment as described in this Section, the City agrees to provide the Secured Lender with the same notice of default at the same time such notice is given to the Developer, and the Secured Lender shall

have the same rights (but shall have no obligation) to cure, correct or remedy a default as are provided to the Developer. The Developer and the City hereby agree to review, negotiate and enter into a collateral assignment agreement with the Secured Lender to more formally memorialize the pledge of the TIF Revenues and the assignment rights set forth herein at the request of the Secured Lender, which agreement shall be acceptable to all parties thereto.

3. Certificate of Completion. Following the City's issuance of a Certificate of Substantial Completion for a Redevelopment Project, Developer and its successors and assigns shall have the right, without the City's consent, to assign any and all of its obligations as Developer under this Agreement with respect to such portion of the Redevelopment Project to any person or entity. This right of assignment does not extend to the operation and management of the Sports Complex, and the Parties agree that the CID Cooperative Agreement shall control the rights, duties and obligations of all relevant parties regarding the operation and management of the sports Complex.

C. Assignment & Assumption Agreement. Any assignee under **subsections A** or **B.1** above shall, by instrument in writing, for itself and its successors and assigns, and expressly for the benefit of the City, assume all of the obligations of the Developer being assigned. The Developer shall be relieved from any obligations that are assigned according to the terms of this Agreement.

D. Lease of Property. Nothing in this section shall apply to Developer's lease of portions of the Property to other persons or entities. This Agreement shall not obligate, provide rights, or otherwise apply to any such lessees, and any such leases shall not relieve Developer of its obligations under this Agreement, including but not limited to its obligations with respect to the leased property.

E. Sale of Property. No sale, transfer or other conveyance of any fee interest in the Property in the Redevelopment Area may be made without the prior written consent of the City, which shall not be unreasonably withheld. This restriction shall not apply to easements granted on the Property and leases of the Property. The City shall be notified by Developer in writing of the proposed sale of property in the Redevelopment Area prior to the proposed effective date of the sale. The rights, duties and obligations of Developer under this Agreement shall run with the land and shall be binding upon the successors and assigns of Developer.

F. Right to Receive TIF Revenues. Only the Developer, or a Related Entity or Secured Lender pursuant to **subsection B** hereof, and not any subsequent purchaser or tenant, unless expressly consented to in writing by the City or otherwise made in accordance with the provisions of this Agreement, shall be entitled to receive TIF Revenues.

G. No Assignment if in Default. Notwithstanding anything in this section to the contrary, no assignment or transfer of this Agreement is permitted if the Developer is in default in the performance of any of the material terms, covenants, conditions and agreements of this Agreement.

H. City's Reasonable Consideration. If, from time to time, the City's consent to any assignment and transfer under the terms of this Agreement is required, or if confirmation that such consent is not required is requested, such consent or confirmation, as the case may be, shall not be unreasonably withheld or delayed.

**Section 7.03. Mutual Assistance.** The City and the Developer agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may be necessary or appropriate to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions and intent.

**Section 7.04. Time of Essence.** Time is of the essence of this Agreement. The Parties will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation.

**Section 7.05. Amendments.** This Agreement may be amended only by the mutual consent of the Parties, by the adoption of an ordinance of the City approving said amendment, as provided by law, and by the execution of said amendment by the Parties or their successors in interest.

## **ARTICLE 8: DEFAULTS AND REMEDIES**

**Section 8.01. Developer Event of Default.** Subject to **Section 8.05 “Excusable Delays”**, a **“Developer Event of Default”** means a default in the performance of any obligation or breach of any covenant or agreement of the Developer in this Agreement (other than a covenant or agreement, a default in the performance or breach of which is specifically dealt with elsewhere in this Section), and continuance of such default or breach for a period of thirty (30) days after City has delivered to Developer a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default or breach cannot be fully remedied within such 30-day period, but can reasonably be expected to be fully remedied and the Developer is diligently attempting to remedy such default or breach, such default or breach shall not constitute an event of default if the Developer shall immediately upon receipt of such notice diligently attempt to remedy such default or breach and shall thereafter prosecute and complete the same with due diligence and dispatch. During any such cure period which extends beyond 30 days, the Developer shall provide regular written updates to the City regarding its efforts toward, and the status of, remedying such default or breach.

**Section 8.02. City Event of Default.** Subject to **Section 8.05 “Excusable Delays”**, a **“City Event of Default”** means default in the performance of any obligation or breach of any other covenant or agreement of the City in this Agreement (other than a covenant or agreement, a default in the performance or breach of which is specifically dealt with elsewhere in this Agreement), and continuance of such default or breach for a period of thirty (30) days after there has been given to the City by the Developer a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default or breach cannot be fully remedied within such 30-day period, but can reasonably be expected to be fully remedied and the City is diligently attempting to remedy such default or breach, such default or breach shall not constitute an event of default if the City shall immediately upon receipt of such notice diligently attempt to remedy such default or breach and shall thereafter prosecute and complete the same with due diligence and dispatch. During any such cure period which extends beyond 30 days, the City shall provide regular written updates to the Developer regarding its efforts toward, and the status of, remedying such default or breach.

### **Section 8.03. Remedies Upon a Developer Event of Default.**

A. Upon the occurrence and continuance of a Developer Event of Default, the City shall have the following rights and remedies, in addition to any other rights and remedies provided under this Agreement or by law:

1. The City shall have the right to remove the Developer as the developer of record for the Redevelopment Projects under the Redevelopment Plan and terminate this Agreement or terminate the Developer’s rights under this Agreement.

2. The City may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce and compel the performance of the duties and obligations of the Developer as set forth in this Agreement, to enforce or preserve any other rights or interests of the City under this Agreement or otherwise existing at law or in equity and to recover any damages incurred by the City resulting from such Developer Event of Default.

B. Upon termination of this Agreement for any reason, the City shall have no obligation to reimburse the Developer for any amounts advanced under this Agreement or costs otherwise incurred or paid by Developer, except for (i) Reimbursable Project Costs certified by the City as of the date of termination of this Agreement, and (ii) the outstanding amounts advanced to the City for Administrative Costs hereunder that are not needed to pay for or reimburse such costs.

C. If the City has instituted any proceeding to enforce any right or remedy under this Agreement by suit or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the City, then and in every case the City and the Developer shall, subject to any determination in such proceeding, be restored to their former positions and rights hereunder, and thereafter all rights and remedies of the City shall continue as though no such proceeding had been instituted.

D. The exercise by the City of any one remedy shall not preclude the exercise by it, at the same or different times, of any other remedies for the same default or breach. No waiver made by the City shall apply to obligations beyond those expressly waived.

E. Any delay by the City in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this Section shall not operate as a waiver of such rights or limit it in any way. No waiver in fact made by the City of any specific default by the Developer shall be considered or treated as a waiver of the rights with respect to any other defaults, or with respect to the particular default except to the extent specifically waived.

#### **Section 8.04. Remedies Upon a City Event of Default.**

A. Upon the occurrence and continuance of a City Event of Default, the Developer shall have the following rights and remedies, in addition to any other rights and remedies provided under this Agreement or by law:

1. The Developer shall have the right to terminate the Developer's obligations under this Agreement;

2. The Developer may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce and compel the performance of the duties and obligations of the City as set forth in this Agreement, to enforce or preserve any other rights or interests of the Developer under this Agreement or otherwise existing at law or in equity and to recover any damages incurred by the Developer resulting from such City Event of Default.

B. The exercise by the Developer of any one remedy shall not preclude the exercise by it, at the same or different times, of any other remedies for the same default or breach. No waiver made by the Developer shall apply to obligations beyond those expressly waived.

C. Any delay by the Developer in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this paragraph shall not operate as a waiver of such rights or limit it

in any way. No waiver in fact made by the Developer of any specific default by the City shall be considered or treated as a waiver of the rights with respect to any other defaults, or with respect to the particular default except to the extent specifically waived.

**Section 8.05. Excusable Delays.** The parties understand and agree that neither the City nor the Developer shall be deemed to be in default of this Agreement because of an Excusable Delay.

## **ARTICLE 9: GENERAL PROVISIONS**

**Section 9.01. Term.** Unless earlier terminated as provided herein, this Agreement shall remain in full force and effect until such time as all Reimbursable Project Costs up to the maximum amounts allowed under **Section 3.01**, are repaid to Developer. Upon such repayment, this Agreement shall terminate and become null and void.

**Section 9.02. Nondiscrimination.** The Developer agrees that, as an independent covenant running with the land, there shall be no discrimination upon the basis of race, creed, color, national origin, sex, age, marital status, or physical handicap in the sale, lease, rental, occupancy or use of any of the facilities under its control.

**Section 9.03. Inspections and Audits.** Developer shall, upon reasonable advance notice, allow the City and the City's agents (including the City Engineer) access to the Redevelopment Projects from time to time for reasonable inspection of the Redevelopment Projects, including the Work and Public Improvements.

**Section 9.04. Required Disclosures.** The Developer shall immediately notify the City of the occurrence of any material event which would cause any of the information furnished to the City by the Developer in connection with the matters covered in this Agreement to contain any untrue statement of any material fact or to omit to state any material fact required to be stated therein or necessary to make any statement made therein, in the light of the circumstances under which it was made, not misleading.

### **Section 9.05. Authorized Parties.**

A. Whenever under the provisions of this Agreement and other related documents, instruments or any supplemental agreement, a request, demand, approval, notice or consent of the City or the Developer is required, or the City or the Developer is required to agree or to take some action at the request of the other Party, such approval or such consent or such request shall be given for the City, unless otherwise provided herein, by the City Manager and for the Developer by any officer of Developer so authorized; and any person shall be authorized to act on any such agreement, request, demand, approval, notice or consent or other action and neither Party shall have any complaint against the other as a result of any such action taken. The City Manager may seek the advice, consent or approval of the City Council before providing any supplemental agreement, request, demand, approval, notice or consent for the City pursuant to this Section.

B. Any action that is required by this Agreement to be performed by the City within a specified time period shall be extended for such additional reasonable time as may be necessary for the City to act or provide a response, as the case may be, in order to account for holidays, weekends, work stoppages, regular meeting schedules, meeting agendas, agenda management, delays or continuances of meetings and City staff availability. The City shall, within the time period specified in this Agreement, provide notice to Developer of such additional time needed to respond.

**Section 9.06. No Other Agreement.** The Parties agree that, as required by the TIF Act, the Redevelopment Plan contains estimated Redevelopment Project Costs, the anticipated sources of funds to pay for Redevelopment Project Costs, the anticipated type and term of the sources of funds to pay Reimbursable Project Costs, and the general land uses that apply to the Redevelopment Area. This Agreement specifies the rights, duties and obligations of the City and Developer with respect to constructing the Redevelopment Projects, the payment of Redevelopment Project Costs, Reimbursable Project Costs, payments from the Special Allocation Fund, and all other methods of implementing the Redevelopment Plan. The Parties further agree that this Agreement contains provisions that are in greater detail than as set forth in the Redevelopment Plan and that expand upon the estimated and anticipated sources and uses of funds to implement the Redevelopment Plan. Nothing in this Agreement shall be deemed an amendment of the Redevelopment Plan. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the Parties. In the event of a conflict between this Agreement and the Redevelopment Plan Ordinance, the Construction Plans, the Final Development Plan, the Redevelopment Plan or any other document pertaining to the Redevelopment Projects, this Agreement shall control.

**Section 9.07. Severability.** If any provision, covenant, agreement or portion of this Agreement, or its application to any person, entity or property, is held invalid, such invalidity shall not affect the application or validity of any other provisions, covenants or portions of this Agreement and, to that end, any provisions, covenants, agreements or portions of this Agreement are declared to be severable.

**Section 9.08. Missouri Law.** This Agreement shall be construed in accordance with the laws of the State of Missouri.

**Section 9.09. Notices.** All notices and requests required pursuant to this Agreement shall be sent as follows:

To the City:

City of Lee's Summit  
City Hall  
220 SE Green Street  
Lee's Summit, Missouri 64063  
Attn: City Manager

With a copy to:

Gilmore & Bell, P.C.  
2405 Grand Blvd., Suite 1100  
Kansas City, Missouri 64108  
Attn: Rich Wood

To the Developer:

Paragon Star, LLC  
801 NW Commerce Drive  
Lee's Summit, MO 64086  
Attn: Philip Short

With a copy to:

Bushyhead Law, LLC  
315 SE Main Street  
Lee's Summit, Missouri 64063  
Attn: Christine Bushyhead

or at such other addresses as the Parties may indicate in writing to the other either by personal delivery, courier, or by registered mail, return receipt requested, with proof of delivery thereof. Mailed notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.

**Section 9.10. Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

**Section 9.11. Recordation of Memorandum of Agreement.** The Parties agree to execute and deliver a Memorandum of this Agreement in proper form for recording and/or indexing in the appropriate land or governmental records. Such Memorandum shall be recorded by the City, on parcels owned by the City and Developer only, and proof of recording shall be provided to the Developer.

**Section 9.12. Consent or Approval.** Except as otherwise provided in this Agreement, whenever the consent, approval or acceptance of either Party is required hereunder, such consent, approval or acceptance shall not be unreasonably withheld or unduly delayed.

**Section 9.13. Tax Implications.** The Developer acknowledges and represents that (1) neither the City nor any of its officials, employees, consultants, attorneys or other agents has provided to the Developer any advice regarding the federal or state income tax implications or consequences of this Agreement and the transactions contemplated hereby, and (2) the Developer is relying solely upon its own tax advisors in this regard.

**Section 9.14. Electronic Transaction.** The transactions described herein may be conducted and related documents may be received, delivered or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 9.15. Discretionary City Waivers.** The City may temporarily or irrevocably waive any requirement of this Agreement that imposes requirements on the Developer, any Tenant or any taxpayer, related to the payment, collection, administration or guaranty of Economic Activity Taxes or Payments in Lieu of Taxes, to the extent the City determines in its sole discretion that the waiver is necessary or appropriate (1) in order to facilitate a tax-exempt financing or (2) upon the request by Developer to achieve relief from a particular requirement in order to finalize the lease or sale of property for a specific Tenant or to retain a specific Tenant in the Redevelopment Area. The City shall evidence such waiver by providing to the Developer written notice specifically listing any requirements waived by the City, the duration of the waiver, and any additional terms and conditions of the waiver, and this Agreement shall be deemed to have been amended to waive the provision if for a temporary period of time or delete the waived provisions, as provided therein.

*[Remainder of page intentionally blank]*



**IN WITNESS WHEREOF**, the Parties have duly executed this Agreement pursuant to all requisite authorizations as of the date first above written.

**CITY OF LEE’S SUMMIT, MISSOURI**

By: \_\_\_\_\_  
Randy Rhoads, Mayor

[SEAL]

ATTEST:

\_\_\_\_\_  
Denise Chisum  
City Clerk

STATE OF MISSOURI    )  
                                  )   ss.  
COUNTY OF JACKSON   )

BE IT REMEMBERED, that on this \_\_\_\_\_ day of \_\_\_\_\_, 2016, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Randy Rhoads, Mayor of the City of Lee’s Summit, Missouri, a city duly incorporated and existing under and by virtue of the laws of the State of Missouri, who is personally known to me to be the same person who executed, as such official, the within instrument on behalf of and with the authority of said City, and such person duly acknowledged the execution of the same to be the free act and deed of said City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

[SEAL]

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:

\_\_\_\_\_

**PARAGON STAR, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

BE IT REMEMBERED, that on this \_\_\_\_\_ day of \_\_\_\_\_, 2016, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came \_\_\_\_\_, \_\_\_\_\_ of Paragon Star, LLC, a Missouri limited liability company, who is personally known to me to be the same person who executed the within instrument on behalf of Paragon Star, LLC, and such person duly acknowledged the execution of the same to be the free act and deed of Paragon Star, LLC.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

[SEAL]

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:

\_\_\_\_\_

**EXHIBIT A**

**MAP OF REDEVELOPMENT AREA AND REDEVELOPMENT PROJECT AREAS**

(see attached)



**EXHIBIT B**

**LEGAL DESCRIPTION OF REDEVELOPMENT AREA  
AND REDEVELOPMENT PROJECT AREAS**

(see attached)

**TIF Legal Description:**

**A tract of land situated in the Southwest Quarter, Northwest Quarter and Northeast Quarter of Section 34, and the South Half of the North Half of Section 35, Township 48 North, Range 32 West, in Lee's Summit, Jackson County, Missouri being more particularly described as follows:**

**Parcel No. 51-900-02-02-01-0-00-000**

Owner: Jackson County, MO

**Parcel No. 51-900-02-07-00-0-00-000**

Owner: Happy Valley Properties, LLC

**Parcel No. 51-900-02-10-00-0-00-000**

Owner: Happy Valley Properties, LLC

**Parcel No. 51-900-02-09-00-0-00-000**

Owner: Happy Valley Properties, LLC

**Parcel No. 51-900-02-08-00-0-00-000**

Owner: Happy Valley Properties, LLC

**Parcel No. 51-900-02-02-03-0-00-000**

Owner: Jackson County, MO

**Parcel No. 51-900-02-01-00-0-00-000**

Owner: City of Lee's Summit, MO

**Parcel No. 51-900-02-06-01-0-00-000**

Owner: Jackson County, MO

**Parcel No. 51-900-02-06-02-0-00-000**

Owner: City of Lee's Summit, MO

Beginning at the Southwest corner of the Northwest Quarter of said Section 34; thence North 02°25'47" East, along the West line of said Quarter, a distance of 2632.77 feet, to the Northwest Corner of said Quarter; thence South 86°33'45" East, departing said West line, and along the North line of said Quarter, a distance of 2611.90 feet, to a point on the West line of the Kansas City Rock Island Railway right-of-way as recorded in Book 244, Page 79 in the recorder's office of Jackson County, Missouri, as now established; thence South 18°46'13" West, departing said North line, and along said West right-of-way line, a distance of 76.95 feet to a point of curvature; thence Southerly, continuing along said West right-of-way, and along a curve to the left,

having a radius of 2508.01 feet, and a central angle of 28°06'45", a distance of 1230.57 feet, to a point of tangency; thence South 09°20'32" East, continuing along said West right-of-way line, a distance of 30.31 feet; thence South 86°26'21" East, continuing along said right-of-way line, a distance of 16.41 feet, thence South 09°20'32" East, continuing along said right-of-way line, a distance of 354.98 feet, to a point on the East line of said Quarter; thence South 02°29'17" West, continuing along said West right-of-way line, and along said East line, a distance of 468.48 feet, to a point on the North right-of-way line of Interstate Route 470, as now established; thence departing said West right-of-way line and said East line, and along said North right-of-way line the following courses; North 85°05'37" West, a distance of 899.87 feet; thence North 75°10'03" West, a distance of 203.04 feet; thence South 77°15'22" West, a distance of 228.92 feet, to a point on the West line of the Southeast Quarter of said Quarter; thence South 02°29'01" West, departing said North right-of-way line, and along said West line of the Southeast Quarter, a distance of 410.64 feet, to a point on the South right-of-way line of Interstate Route 470, as now established; thence departing said West line of the Southeast Quarter, and along said South right-of-way line the following courses; North 71°05'22" West, 205.31 feet; thence North 85°05'37" West, 50.00 feet; thence South 85°33'47" West, 991.68 feet; thence South 19°44'16" West, 196.72 feet; thence South 21°11'08" West, 85.21 feet, to a point on the West line of the Southwest Quarter of said Section 34; thence North 02°27'40" East, along said West line, a distance of 265.01 feet to the Point of Beginning.

ALSO all that part of the Kansas City Rock Island Railway right-of-way as recorded in Book 244, Page 79 in the recorder's office of Jackson County, Missouri, lying in the North Half of said Section 34, and North of the North right-of-way line of Interstate Route 470, as now established.

**AND ALSO:**

**Parcel No. 51-900-03-06-00-0-00-000**

Owner: Happy Valley Properties, LLC

**Parcel No. 51-900-03-02-00-0-00-000**

Owner: Happy Valley Properties, LLC

**Parcel No. 51-900-02-05-00-0-00-000**

Owner: Happy Valley Properties, LLC

Commencing at the Northwest corner of the Southwest Quarter of said Section 34: thence South 02°27'40" West, along the West line of said Southwest Quarter, a distance of 265.01 feet to a point on the South right-of-way line of Interstate Route 470, as now established; thence departing said West line, and along said South right-of-way line the following courses; North 21°11'08" East, 85.21 feet; thence North 19°44'16" East, 196.72 feet; thence North 85°33'47" East, 991.68 feet; thence South

85°05'37" East, 50.00 feet; thence South 71°05'22" East, 205.31 feet, to a point on the East line of the Southwest Quarter of the Northwest Quarter of said Section 34; thence South 02°29'01" West, departing said South right-of-way line, and along said East line, a distance of 91.17 feet, to the Southeast corner of the said Quarter Quarter; thence South 02°25'07" West, along the East line of the Northwest Quarter of the Southwest Quarter, a distance of 1315.49 feet, to the Southeast corner of said Quarter Quarter; thence North 86°55'02" West, departing said East line of the Northwest Quarter of the Southwest Quarter, and along the South line of said Quarter Quarter, a distance of 190.87 feet, to the Northeast corner of Lot 2, Berkman Estates, a Subdivision in said City, County and State; thence South 02°20'24" West, departing said South line of said Quarter Quarter, and along the East line of said Lot 2, a distance of 788.05 feet, to the Southeast corner of said Lot 2, said corner also being the Northeast corner of Lot 3 of said Subdivision; thence North 87°34'12" West, departing said East line of said Lot 2, and along the North line of said Lot 3, a distance of 104.54 feet, to the Northwest corner of said Lot 3; thence South 02°28'35" West, departing said North line of Lot 3 and along the West line of said Lot 3, a distance of 345.61 feet, to the Southwest corner of said Lot 3, said corner also being on the Northerly right-of-way line of Chipman Road, as now established; thence Southwesterly, departing said West line of Lot 3, and along said Northerly right-of-way line of Chipman Road, and along a curve to the left, having a radius of 349.62 feet, a central angle of 08°02'32", and whose initial tangent bearing is South 64°38'25" West, a distance of 49.07 feet; thence South 56°47'29" West, continuing along said Northerly right-of-way line of Chipman Road, a distance of 9.51 feet, to the Southeast corner of Lot 1 in said Subdivision; thence North 02°22'36" East, departing said Northerly right-of-way line of Chipman Road, and along the East line of said Lot 1, a distance of 376.90 feet, to the Northeast corner of said Lot 1; thence North 87°31'35" West, departing said East line of Lot 1, and along the North line of said Lot 1, a distance of 115.09 feet, to the Northwest corner of said Lot 1, said point also being the Southwest corner of said Lot 2; thence North 02°22'54" East, departing said North line of Lot 1, and along the West line of said Lot 2, a distance of 791.12 feet, to the Northwest corner of said Lot 2; thence North 86°55'02" West, departing said West line of Lot 2, and along the South line of the Northwest Quarter of the Southwest Quarter, a distance of 858.18 feet, to the Southwest corner of said Quarter Quarter; thence North 02°27'40" East, departing said South line, and along the West line of said Quarter Quarter, a distance of 30.67 feet; thence Northeasterly, departing said West line, and along a curve to the right, having a radius of 236.70 feet, a central angle of 08°09'33", and whose initial tangent bearing is North 54°17'14" East, a distance of 33.71 feet; thence North 62°19'09" East, a distance of 456.02 feet; thence Northerly, along a curve to the left, having a radius of 180.00 feet, and a central angle of 83°28'00", a distance of 262.22 feet; thence North 21°08'51" West, a distance of 127.10 feet; thence Northwesterly, along a curve to the left, having a radius of 170.00 feet, and a central angle of 73°48'00", and whose initial tangent bearing is North 21°03'21" West, a distance of 218.97 feet; thence South 85°16'28" West, a distance of 47.25 feet; thence Westerly, along a curve to the right, having a radius of 210.00 feet, a central angle of 27°16'41", and whose initial tangent bearing is South 84°45'20"

West, a distance of 99.98 feet; thence South 55°18'29" West, a distance of 144.15 feet; thence North 88°44'22" West, a distance of 8.10 feet, to the West line of said Quarter Quarter; thence North 02°27'40" East, along the West line of said Quarter Quarter, a distance of 424.35 feet, to the Point of Beginning.

**AND ALSO:**

**Parcel No. 51-900-01-03-00-0-00-000**

Owner: Jackson County, MO

All that part of the West ½ of the Northeast ¼ of Section 34, Township 48, Range 32, in Lee's Summit, Jackson County, Missouri, described as follows: Beginning at the Northwest corner of the Northeast ¼ of Section 34, Township 48, Range 32, and running thence South 99 poles (1633.5 feet); thence North 55 ½° East 26 poles (429 feet); thence North 4° East 18 poles (297 feet); to a corner in the Little Blue River; thence South 88° East 24 poles (396 feet); thence South 39° East 24 poles (396 feet); thence North 49 1/2° East 23.2 poles (382.8 feet) to the East line of the West ½ of said ¼ section; thence North 70 poles (1155 feet); thence West 80 poles (1320 feet) to beginning, except the Chicago, Rock Island and Pacific Railway right-of-way, all being in Jackson County, Missouri, containing 30.4 acres, more or less.

**AND ALSO:**

**Parcel No. 51-900-01-06-02-0-00-000**

Owner: Jackson County, MO

All that part of the West ½ of the Northeast ¼ of Section 34, Township 48, Range 32, in Lee's Summit, Jackson County, Missouri, described as follows: Beginning at a point on the West line of said ¼ Section that is 99 poles (1633.5 feet) South of the Northwest corner thereof; thence North 55 degrees 30 minutes East 26 poles (429 feet); thence North 4° East, 18 poles (297 feet) to a corner in the Little Blue River; thence South 88 degrees East 24 poles (396 feet); thence South 39 degrees East 24 poles (396 feet); thence South 47 degrees West 24 poles (396 feet); thence South 72 degrees 30 minutes West 16 poles (264 feet); thence South 5 degrees 30 minutes West 380 feet, more or less to the North right of way line of Interstate Route 470, as now established; thence West along said right of way line 460 feet, more or less to the West line of said ¼ section; thence North to the point of beginning.

EXCEPTING any part in the Union Pacific Railroad recorded in Book 244, Page 79 and Book 244, Page 193 in the recorder's office of Jackson County, Missouri.



**AND ALSO:**

**Parcel No. 51-900-01-06-01-0-00-000**

Owner: Kenneth L & S Kay Gerdts

A tract of land situated in the West ½ of the Northeast ¼ of Section 34, Township 48, Range 32, in Lee's Summit, Jackson County, Missouri being more particularly described as follows:

Commencing at the Northeast corner of said Northeast ¼; thence North 88°44'52" West, along the North line of said Northeast ¼, 1314.32 feet to the Northeast corner of the West Half, of said Northeast ¼; thence South 00°00'00" West, along the East line of said West Half, 1319.88 feet to the Northeast corner of the Southwest ¼ of said Northeast ¼, said corner being the Point of Beginning of the tract to be described herein; thence South 00°00'00" West, continuing along said East line; 847.43 feet to the Northerly right-of-way line of Highway I-470; thence North 87°38'09" West, along said line, 220.00 feet from and parallel with the centerline thereof, 0.51 feet to a point opposite centerline station 329+15; thence North 78°48'22" West, continuing along said line, 521.18 feet to a point 300.00 feet from and opposite centerline station 324+00; thence North 87°38'09" West, continuing along said line, 300.00 feet from and parallel with the centerline thereof, 100.00 feet to a point opposite centerline station 323.00; thence South 71°48'29" West, continuing along said line, 213.60 feet to a point 225.00 feet from and opposite centerline station 321.00; thence North 87°38'09" West, continuing along said line, 225.00 feet from and parallel with the centerline thereof, 53.88 feet to the East line of a Tract described in a warranty deed recorded in Book 1123 at Page 1716 in the recorder's office of Jackson County, Missouri; thence North 05°30'00" East, along said line, 375.23 feet (deed = ±380'); thence North 72°30'00" East, 264.00 feet; thence North 47°00'00" East, 396.00 feet; thence North 49°30'00" East, 382.80 feet to a point on the East line of the West Half of said NE ¼; said point being South 00°00'00" West, along said line, 1154.88 feet (deed = 1155.00') from the Northeast corner of said West Half; thence South 00°00'00" West, along said line, 165.00 feet to the Point of Beginning. Containing 510,195 square feet or 11.7125 acres, more or less.

**AND ALSO:**

**Parcel No. 51-900-01-11-00-0-00-000**

Owner: The Family Ranch, LLC

The North half of the Southeast Quarter of the Northeast Quarter of Section 34, Township 48, Range 32, Lee's Summit, Jackson County, Missouri, except that part in roads.

**AND ALSO:**

**Parcel No. 51-900-01-09-00-0-00-000**

Owner: Jerry D & Deia S Rank

The Southwest Quarter of the Southeast Quarter of the Northeast Quarter of Section 34, Township 48, Range 32, EXCEPTING all that part South of the North R/W line of Interstate Route 470 by Suit No. 741042 in the Circuit Court of Jackson County, Missouri.

**AND ALSO:**

**Parcel No. 51-900-01-10-00-0-00-000**

Owner: Brinton, George C.

The Southeast Quarter of the Southeast Quarter of the Northeast Quarter of Section 34, Township 48, Range 32, EXCEPTING all that part South of the North R/W line of Interstate Route 470 by Suit No. 741042 in the Circuit Court of Jackson County, Missouri.

**AND ALSO:**

**Parcel No. 51-800-02-06-00-0-00-000**

Owner: Captain Fancy Two, LLC

Part of the Southwest Quarter of the Northwest Quarter of Section 35, Township 48 North, Range 32 West in Lee's Summit, Jackson County, Missouri, more particularly described as follows:

Beginning at the Northwest corner of said Quarter Quarter Section; thence South 86 degrees 36 minutes 33 seconds East along the North line of said Quarter Quarter Section, a distance of 1308.17 feet to a point being 20.00 feet Westerly of the East line of said Quarter Quarter Section; thence South 02 degrees 29 minutes 11 seconds West (South 03 degrees 00 minutes 16 seconds West-Deed) parallel with the East line of the Southwest Quarter of the Northwest Quarter of said Section 35, a distance 980.90 feet to a point on the existing North right of way line of I-470 Highway; thence North 85 degrees 08 minutes 16 seconds West (North 85 degrees 02 minutes 17 seconds West-Deed) along said existing North right of way line, a distance of 145.28 feet (127.64 feet-Deed) to a point being 150 feet left of Highway Station 354+00; thence North 78 degrees 00 minutes 46 seconds West (North 77 degrees 54 minutes 47 seconds West-Deed) continuing along said existing North right of way line of I-470 Highway, a distance of 201.56 feet to a point being 175 feet left of Highway Station 352+00; thence North 85 degrees 08 minutes 16 seconds West (North 85 degrees 02 minutes 17 seconds West-Deed) continuing

along said existing North right of way line of I-470 Highway, a distance of 966.76 feet (967.23 feet-Deed) to a point on the West line of said Quarter Quarter Section; thence North 02 degrees 36 minutes 11 seconds East (North 02 degrees 37 minutes 26 seconds East-Deed) along said West line, a distance of 922.17 feet (923.46 feet-Deed) to the point of beginning.

AND ALSO the East 20.00 feet of said Quarter Quarter, bounded on the South by the North R/W line of Interstate Route 470 by Suit No. 741042 in the Circuit Court of Jackson County, Missouri, and bounded on the North by the Westerly extension of the South line of a Tract described in a warranty deed recorded in Book 1123 at Page 1716 in the recorder's office of Jackson County, Missouri.

**AND ALSO:**

**Parcel No. 51-800-02-21-00-0-00-000**

Owner: The Family Ranch, LLC

All that part of Section 35, Township 48, Range 32, In Lee's Summit, Jackson County, Missouri, described as follows:

From the center of said Section 35, run South 43 rods (709.5 feet); thence North 75 degrees West 9 rods (148.5 feet) to the point of beginning of the tract described herein; thence North 30 degrees East 97 rods (1600.5 feet); thence North 58 degrees West 44-3/4 rods (738.38 feet); to the East line of the Southeast 1/4 of the Northwest 1/4 of said Section 35; thence North along said East line 10 rods (165 feet) to the Northeast corner of said 1/4 1/4 section; thence West along the North line of said 1/4 1/4 section 970 feet; more or less to a point 350 feet East of the Northwest corner of said 1/4 1/4 section; thence South parallel with the West line of said 1/4 1/4 section 124 feet; thence West parallel with the North line of said 1/4 1/4 section 350 feet to the West line of said 1/4 1/4 section; thence South along said West line, 1225.31 feet to a point 29.31 feet South of the Northwest corner of the Northeast 1/4 of Southwest 1/4 of said Section 35; thence East parallel with the North line of said 1/4 1/4 section, 265.30 feet; thence South parallel with the West line of said 1/4 1/4 section, 441.15 feet to a point in a line bearing South 75 degrees East end passing through the point of beginning, thence South 75 degrees East along said line to the point of beginning

EXCEPTING that part described as follows: All that part of the Southeast Quarter of the Northwest 1/4 of Section 35, Township 48, Range 32, described as follows: Beginning at a point 124 feet South of the Northwest corner of said Quarter Quarter Section; thence East 350 feet; thence South 124 feet; thence West 350 feet to the West line of said Quarter Quarter Section; thence North 124 feet to the point of beginning.

Also EXCEPTING all that part South of the North R/W line of Interstate Route 470 by Suit No. 741042 in the Circuit Court of Jackson County, Missouri.

**AND ALSO:**

**Parcel No. 51-800-01-03-00-0-00-000**

Owner: The Family Ranch, LLC

A tract of land in the Southwest Quarter of the Northeast Quarter of Section 35, Township 48, Range 32, City of Lee's Summit, Jackson County, Missouri, more particularly described as follows:

Commencing at the Southwest corner of the Northeast Quarter of said Section 35; thence South 86 degrees 35 minutes 26 seconds East along the South line of said Northeast Quarter Section, a distance of 1311.71 feet to the Southeast corner of the Southwest Quarter of said Northeast Quarter Section, thence North 2 degrees 28 minutes 04 seconds East along the East line of the Southwest Quarter of said Northeast Quarter Section and parallel with the West line of said Northeast Quarter Section, a distance of 282.38 feet (282.15 feet Deed); thence North 52 degrees 58 minutes 43 seconds West, a distance of 18.00 feet (North 53 degrees 45 minutes 21 seconds West, a distance of 22.33 feet Deed) to a point on the North right of way line of Interstate No. 470 as now established, said point being the point of beginning; thence continuing North 52 degrees 58 minutes 43 seconds West, a distance of 833.08 feet (North 53 degrees 45 minutes 21 seconds West, a distance of 841.82 feet Deed); thence South 33 degrees 03 minutes 26 seconds West, a distance of 526.71 feet (South 31 degrees 23 minutes 25 seconds West, a distance of 517.25 feet, Deed) to a point on the North right of way line of said Interstate 470; thence South 84 degrees 53 minutes 05 seconds East, a distance of 561.37 feet (South 85 degrees 06 minutes 10 seconds East along said North Highway right of way line, a distance of 561.58 feet, Deed); thence North 87 degrees 59 minutes 25 seconds East, a distance of 201.56 feet (North 87 degrees 46 minutes 20 seconds East along said North right of way line, a distance of 201.56 feet, Deed); thence South 84 degrees 53 minutes 05 seconds East, a distance of 192.65 feet (South 85 degrees 06 minutes 10 seconds East along said North right of way line, a distance of 188.09 feet, Deed); to the point of beginning, subject to that part thereof in roads.

**LEGAL DESCRIPTION OF REDEVELOPMENT PROJECT AREA 1**

**Parcel No. 51-900-02-02-01-0-00-000**

Owner: Jackson County, MO

**Parcel No. 51-900-02-07-00-0-00-000**

Owner: Happy Valley Properties, LLC

**Parcel No. 51-900-02-10-00-0-00-000**

Owner: Happy Valley Properties, LLC

**Parcel No. 51-900-02-09-00-0-00-000**

Owner: Happy Valley Properties, LLC

**Parcel No. 51-900-02-08-00-0-00-000**

Owner: Happy Valley Properties, LLC

**Parcel No. 51-900-02-02-03-0-00-000**

Owner: Jackson County, MO

**Parcel No. 51-900-02-01-00-0-00-000**

Owner: City of Lee's Summit, MO

**Parcel No. 51-900-02-06-01-0-00-000**

Owner: Jackson County, MO

**Parcel No. 51-900-02-06-02-0-00-000**

Owner: City of Lee's Summit, MO

Beginning at the Southwest corner of the Northwest Quarter of said Section 34; thence North 02°25'47" East, along the West line of said Quarter, a distance of 2632.77 feet, to the Northwest Corner of said Quarter; thence South 86°33'45" East, departing said West line, and along the North line of said Quarter, a distance of 2611.90 feet, to a point on the West line of the Kansas City Rock Island Railway right-of-way as recorded in Book 244, Page 79 in the recorder's office of Jackson County, Missouri, as now established; thence South 18°46'13" West, departing said North line, and along said West right-of-way line, a distance of 76.95 feet to a point of curvature; thence Southerly, continuing along said West right-of-way, and along a curve to the left,

having a radius of 2508.01 feet, and a central angle of  $28^{\circ}06'45''$ , a distance of 1230.57 feet, to a point of tangency; thence South  $09^{\circ}20'32''$  East, continuing along said West right-of-way line, a distance of 30.31 feet; thence South  $86^{\circ}26'21''$  East, continuing along said right-of-way line, a distance of 16.41 feet, thence South  $09^{\circ}20'32''$  East, continuing along said right-of-way line, a distance of 354.98 feet, to a point on the East line of said Quarter; thence South  $02^{\circ}29'17''$  West, continuing along said West right-of-way line, and along said East line, a distance of 468.48 feet, to a point on the North right-of-way line of Interstate Route 470, as now established; thence departing said West right-of-way line and said East line, and along said North right-of-way line the following courses; North  $85^{\circ}05'37''$  West, a distance of 899.87 feet; thence North  $75^{\circ}10'03''$  West, a distance of 203.04 feet; thence South  $77^{\circ}15'22''$  West, a distance of 228.92 feet, to a point on the West line of the Southeast Quarter of said Quarter; thence South  $02^{\circ}29'01''$  West, departing said North right-of-way line, and along said West line of the Southeast Quarter, a distance of 410.64 feet, to a point on the South right-of-way line of Interstate Route 470, as now established; thence departing said West line of the Southeast Quarter, and along said South right-of-way line the following courses; North  $71^{\circ}05'22''$  West, 205.31 feet; thence North  $85^{\circ}05'37''$  West, 50.00 feet; thence South  $85^{\circ}33'47''$  West, 991.68 feet; thence South  $19^{\circ}44'16''$  West, 196.72 feet; thence South  $21^{\circ}11'08''$  West, 85.21 feet, to a point on the West line of the Southwest Quarter of said Section 34; thence North  $02^{\circ}27'40''$  East, along said West line, a distance of 265.01 feet to the Point of Beginning.

ALSO all that part of the Kansas City Rock Island Railway right-of-way as recorded in Book 244, Page 79 in the recorder's office of Jackson County, Missouri, lying in the North Half of said Section 34, and North of the North right-of-way line of Interstate Route 470, as now established.

**LEGAL DESCRIPTIONS OF REDEVELOPMENT PROJECT AREA 2**

**Parcel No. 51-900-03-06-00-0-00-000**

Owner: Happy Valley Properties, LLC

**Parcel No. 51-900-03-02-00-0-00-000**

Owner: Happy Valley Properties, LLC

**Parcel No. 51-900-02-05-00-0-00-000**

Owner: Happy Valley Properties, LLC

Commencing at the Northwest corner of the Southwest Quarter of said Section 34: thence South 02°27'40" West, along the West line of said Southwest Quarter, a distance of 265.01 feet to a point on the South right-of-way line of Interstate Route 470, as now established; thence departing said West line, and along said South right-of-way line the following courses; North 21°11'08" East, 85.21 feet; thence North 19°44'16" East, 196.72 feet; thence North 85°33'47" East, 991.68 feet; thence South

85°05'37" East, 50.00 feet; thence South 71°05'22" East, 205.31 feet, to a point on the East line of the Southwest Quarter of the Northwest Quarter of said Section 34; thence South 02°29'01" West, departing said South right-of-way line, and along said East line, a distance of 91.17 feet, to the Southeast corner of the said Quarter Quarter; thence South 02°25'07" West, along the East line of the Northwest Quarter of the Southwest Quarter, a distance of 1315.49 feet, to the Southeast corner of said Quarter Quarter; thence North 86°55'02" West, departing said East line of the Northwest Quarter of the Southwest Quarter, and along the South line of said Quarter Quarter, a distance of 190.87 feet, to the Northeast corner of Lot 2, Berkman Estates, a Subdivision in said City, County and State; thence South 02°20'24" West, departing said South line of said Quarter Quarter, and along the East line of said Lot 2, a distance of 788.05 feet, to the Southeast corner of said Lot 2, said corner also being the Northeast corner of Lot 3 of said Subdivision; thence North 87°34'12" West, departing said East line of said Lot 2, and along the North line of said Lot 3, a distance of 104.54 feet, to the Northwest corner of said Lot 3; thence South 02°28'35" West, departing said North line of Lot 3 and along the West line of said Lot 3, a distance of 345.61 feet, to the Southwest corner of said Lot 3, said corner also being on the Northerly right-of-way line of Chipman Road, as now established; thence Southwesterly, departing said West line of Lot 3, and along said Northerly right-of-way line of Chipman Road, and along a curve to the left, having a radius of 349.62 feet, a central angle of 08°02'32", and whose initial tangent bearing is South 64°38'25" West, a distance of 49.07 feet; thence South 56°47'29" West, continuing along said Northerly right-of-way line of Chipman Road, a distance of 9.51 feet, to the Southeast corner of Lot 1 in said Subdivision; thence North 02°22'36" East, departing said Northerly right-of-way line of Chipman Road, and along the East line of said Lot 1, a distance of 376.90 feet, to the Northeast corner of said Lot 1; thence North 87°31'35" West, departing said East line of Lot 1, and along the North line of said Lot 1, a distance of 115.09 feet, to the Northwest corner of said Lot 1, said point also being the Southwest corner of said Lot 2; thence North 02°22'54" East, departing said North line of Lot 1, and along the West line of said Lot 2, a distance of 791.12 feet, to the Northwest corner of said Lot 2; thence North 86°55'02" West, departing said West line of Lot 2, and along the South line of the Northwest Quarter of the Southwest Quarter, a distance of 858.18 feet, to the Southwest corner of said Quarter Quarter; thence North 02°27'40" East, departing said South line, and along the West line of said Quarter Quarter, a distance of 30.67 feet; thence Northeasterly, departing said West line, and along a curve to the right, having a radius of 236.70 feet, a central angle of 08°09'33", and whose initial tangent bearing is North 54°17'14" East, a distance of 33.71 feet; thence North 62°19'09" East, a distance of 456.02 feet; thence Northerly, along a curve to the left, having a radius of 180.00 feet, and a central angle of 83°28'00", a distance of 262.22 feet; thence North 21°08'51" West, a distance of 127.10 feet; thence Northwesterly, along a curve to the left, having a radius of 170.00 feet, and a central angle of 73°48'00", and whose initial tangent bearing is North 21°03'21" West, a distance of 218.97 feet; thence South 85°16'28" West, a distance of 47.25 feet; thence Westerly, along a curve to the right, having a radius of 210.00 feet, a central angle of 27°16'41", and whose initial tangent bearing is South 84°45'20"

West, a distance of 99.98 feet; thence South 55°18'29" West, a distance of 144.15 feet; thence North 88°44'22" West, a distance of 8.10 feet, to the West line of said Quarter Quarter; thence North 02°27'40" East, along the West line of said Quarter Quarter, a distance of 424.35 feet, to the Point of Beginning.



### LEGAL DESCRIPTION OF REDEVELOPMENT PROJECT AREA 3

Parcel No. 51-900-01-03-00-0-00-000

Owner: Jackson County, MO

All that part of the West ½ of the Northeast ¼ of Section 34, Township 48, Range 32, in Lee's Summit, Jackson County, Missouri, described as follows: Beginning at the Northwest corner of the Northeast ¼ of Section 34, Township 48, Range 32, and running thence South 99 poles (1633.5 feet); thence North 55 ½° East 26 poles (429 feet); thence North 4° East 18 poles (297 feet); to a corner in the Little Blue River; thence South 88° East 24 poles (396 feet); thence South 39° East 24 poles (396 feet); thence North 49 1/2° East 23.2 poles (382.8 feet) to the East line of the West ½ of said ¼ section; thence North 70 poles (1155 feet); thence West 80 poles (1320 feet) to beginning, except the Chicago, Rock Island and Pacific Railway right-of-way, all being in Jackson County, Missouri, containing 30.4 acres, more or less.

**AND ALSO**

Parcel No. 51-900-01-06-02-0-00-000

Owner: Jackson County, MO

All that part of the West ½ of the Northeast ¼ of Section 34, Township 48, Range 32, in Lee's Summit, Jackson County, Missouri, described as follows: Beginning at a point on the West line of said ¼ Section that is 99 poles (1633.5 feet) South of the Northwest corner thereof; thence North 55 degrees 30 minutes East 26 poles (429 feet); thence North 4° East, 18 poles (297 feet) to a corner in the Little Blue River; thence South 88 degrees East 24 poles (396 feet); thence South 39 degrees East 24 poles (396 feet); thence South 47 degrees West 24 poles (396 feet); thence South 72 degrees 30 minutes West 16 poles (264 feet); thence South 5 degrees 30 minutes West 380 feet, more or less to the North right of way line of Interstate Route 470, as now established; thence West along said right of way line 460 feet, more or less to the West line of said ¼ section; thence North to the point of beginning.

EXCEPTING any part in the Union Pacific Railroad recorded in Book 244, Page 79 and Book 244, Page 193 in the recorder's office of Jackson County, Missouri.

**AND ALSO**

**Parcel No. 51-800-01-03-00-0-00-000**

Owner: The Family Ranch, LLC

A tract of land in the Southwest Quarter of the Northeast Quarter of Section 35, Township 48, Range 32, City of Lee's Summit, Jackson County, Missouri, more particularly described as follows:

Commencing at the Southwest corner of the Northeast Quarter of said Section 35; thence South 86 degrees 35 minutes 26 seconds East along the South line of said Northeast Quarter Section, a distance of 1311.71 feet to the Southeast corner of the Southwest Quarter of said Northeast Quarter Section, thence North 2 degrees 28 minutes 04 seconds East along the East line of the Southwest Quarter of said Northeast Quarter Section and parallel with the West line of said Northeast Quarter Section, a distance of 282.38 feet (282.15 feet Deed); thence North 52 degrees 58 minutes 43 seconds West, a distance of 18.00 feet (North 53 degrees 45 minutes 21 seconds West, a distance of 22.33 feet Deed) to a point on the North right of way line of Interstate No. 470 as now established, said point being the point of beginning; thence continuing North 52 degrees 58 minutes 43 seconds West, a distance of 833.08 feet (North 53 degrees 45 minutes 21 seconds West, a distance of 841.82 feet Deed); thence South 33 degrees 03 minutes 26 seconds West, a distance of 526.71 feet (South 31 degrees 23 minutes 25 seconds West, a distance of 517.25 feet, Deed) to a point on the North right of way line of said Interstate 470; thence South 84 degrees 53 minutes 05 seconds East, a distance of 561.37 feet (South 85 degrees 06 minutes 10 seconds East along said North Highway right of way line, a distance of 561.58 feet, Deed); thence North 87 degrees 59 minutes 25 seconds East, a distance of 201.56 feet (North 87 degrees 46 minutes 20 seconds East along said North right of way line, a distance of 201.56 feet, Deed); thence South 84 degrees 53 minutes 05 seconds East, a distance of 192.65 feet (South 85 degrees 06 minutes 10 seconds East along said North right of way line, a distance of 188.09 feet, Deed); to the point of beginning, subject to that part thereof in roads.

**EXHIBIT C**

**LEGAL DESCRIPTION OF CITY LAND**

All of Lots 1, 2, 3 and 4 and Tract A within the Final Plat of Paragon Star, a subdivision within Jackson County, Lee's Summit, Missouri, and also all areas platted as rights-of-way for View High Parkway, River Road and Paragon Parkway within the Final Plat of Paragon Star.

**EXHIBIT D**  
**PROJECT BUDGET**

(see attached)

**EXHIBIT D to TIF Agreement**

<b>REDEVELOPMENT PROJECT COSTS</b>	<b>Redevelopment Project Costs</b>	<b>Regional TDD</b>	<b>Community Improvement District</b>	<b>Tax Increment Financing Plan RPA#1</b>	<b>View High GO Bond</b>	<b>State of Missouri Project Funding</b>	<b>Jackson County, Missouri</b>	<b>Developer Equity or Private Financing</b>
<b>1. Real Property Costs</b>								
Private Real Property	\$2,000,000							2,000,000
Property of City of Lee's Summit	\$0							
Property of Jackson County, Missouri								
Other Land Costs	-	-						
Wetlands Mitigation	1,600,000							1,600,000
<b>Total Real Property Costs</b>	<b>\$3,600,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,600,000</b>
<b>2. Sports Complex, Roads, Utility, Water, Sewer &amp; Infrastructure Improvements</b>								
Sports Complex	14,101,833		2,326,802	6,237,031		5,538,000		
Capital Replacement Fund for Fields	3,000,000					3,000,000		
Clearing & Grubbing	325,000	292,500	5,363	27,137				
Cut	1,387,000	1,249,000	22,770	115,230				
Fill, including fill for flood plan	2,305,000	1,305,000	165,000	835,000				
Landscape	500,000	450,000	8,250	41,750				
Bridge #1 (140x68)	1,428,000	1,428,000						
Bridge #2 (140x68)	1,428,000	1,428,000						
Sanitary Sewer within right of way	415,000	207,500	34,238	173,262				
Storm Sewer within right of way	582,000	465,600	19,206	97,194				
Water Main within right of way	660,000	528,000	21,780	110,220				
Seeding	232,000	185,600	7,656	38,744				
Road #1	291,000	291,000						
Road #2	770,000	770,000						
Road #3	792,000	792,000						
Road #4	486,000	486,000						
Roundabout	1,500,000	1,500,000						
Parking #1	1,727,000	1,727,000						
Parking #2	493,000	493,000						
Erosion Control (4%)	542,000	433,600	17,886	90,514				
Primary Electrical Duct Bank within right of way	625,000	562,500	10,313	52,157				
Improvements to Existing Interchange	3,000,000	2,000,000			1,000,000			
North Village Infrastructure	694,000							694,000
South Village Infrastructure	2,205,000							2,205,000
Walking Trails (Little Blue Trace)	1,167,216					1,167,216		
Rock Island Railroad Trail (2 miles)	2,000,000					2,000,000		
<b>Subtotal Road, Utility, Infra,</b>	<b>\$42,656,049</b>	<b>\$16,594,300</b>	<b>\$2,639,264</b>	<b>\$7,818,239</b>	<b>\$1,000,000</b>	<b>\$11,705,216</b>		<b>\$2,899,000</b>
Contractor Overhead & Profit (9%)	3,839,044	1,493,487	237,534	703,642		1,053,469		260,910
Architecture Engineering (8%)	3,412,484	1,327,544	211,141	625,459		936,417		231,920
Contingency (15%)	6,398,407	2,489,145	395,890	1,172,736		1,755,782		434,850
<b>Total Sports Complex, Road, Utility, Infra,</b>	<b>\$56,305,985</b>	<b>\$21,904,476</b>	<b>\$3,483,828</b>	<b>\$10,320,075</b>	<b>\$1,000,000</b>	<b>\$15,450,885</b>	<b>\$0</b>	<b>\$3,826,680</b>
<b>3. Building Costs</b>								
Hotel	18,078,000							18,078,000
Retail (non-restaurant / bar)	4,900,000							4,900,000
Garage (300 stalls)	4,500,000							4,500,000
Retail (restaurant / bar)	6,000,000							6,000,000
Entertainment Center	23,580,000							23,580,000
Office	27,000,000							27,000,000
Residential	50,000,000							50,000,000
Clubhouse / Restaurant	8,090,560							8,090,560
<b>Subtotal Building Costs</b>	<b>142,148,560</b>	-	-	-	-	-	-	<b>142,148,560</b>
Contractor Overhead & Profit (9%)	included							
Architecture Engineering (7%)	included							
Contingency (15%)	included							
<b>Total Building Costs</b>	<b>\$142,148,560</b>	-	-	-	-	-	-	<b>\$142,148,560</b>
<b>4. Soft Costs</b>								
Infrastructure	124,000		20,460	103,540				
Traffic Study	28,000		4,620	23,380				
Excise Tax	700,000							700,000
Environmental Impact Statement Wetlands	150,000		24,750	125,250				
Site Survey	25,000		4,125	20,875				
Other Studies (including not limited to RERC, HVS, hotel, Integra))	310,000		51,150	258,850				
Legal Fees - Development	350,000		57,750	292,250				
Legal Fees - Transaction	850,000		24,750	125,250				650,000
Other Professional Consultants, predevelopment, including City consultants, plan implementation	450,000		74,250	375,750				
Developer Fee	1,500,000		247,500	1,252,500				
Title Costs, closing costs, Taxes, Insurance & Misc.	200,000		33,000	167,000				
Construction Management & Design / Engineering Contingency	4,549,115					4,549,115		
Construction Interest and Financing Costs	455,000		12,538	75,985				364,000
<b>Total Soft Costs</b>	<b>\$9,691,115</b>	<b>\$0</b>	<b>\$554,893</b>	<b>\$2,820,630</b>	<b>\$0</b>	<b>\$4,549,115</b>	<b>\$0</b>	<b>\$1,714,000</b>
<b>TOTAL PROJECT COSTS</b>	<b>\$211,745,660</b>	<b>\$21,904,476</b>	<b>\$4,038,721</b>	<b>\$13,140,705</b>	<b>\$1,000,000</b>	<b>\$20,000,000</b>	<b>\$0</b>	<b>\$151,289,240</b>
Total Project Costs (Rounded)	\$212,000,000	\$21,904,000	\$4,038,000	\$13,141,000	\$1,000,000	\$20,000,000		\$151,000,000
Percentage of Contribution to Project Costs		10.33%	1.90%	6.20%	0.47%	9.43%	0.00%	71.23%

**EXHIBIT E**  
**PROJECT SCHEDULE**

(See attached)

## Estimated Redevelopment Schedule

### **Redevelopment Project Area 1**

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	<u>Sports Complex and Village</u>	<u>Commence</u>	<u>Complete</u>
	- Acquisition	November 1, 2016	July 1, 2017
RPA 1	- Blight Removal	May 1, 2016	December 1, 2017
	- Construction	December 1, 2016	December 1, 2017

### **Redevelopment Project Area 2**

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	<u>Office &amp; Commercial Development</u>	<u>Commence</u>	<u>Complete</u>
	- Acquisition	(To be determined)	
RPA 2	- Blight Removal		
	- Construction		

### **Redevelopment Project Area 3**

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	<u>Commercial Development</u>	<u>Commence</u>	<u>Complete</u>
	- Acquisition	(To be determined)	
RPA 3	- Blight Removal		
	- Construction		

**EXHIBIT F**

**FORM OF CERTIFICATE OF SUBSTANTIAL COMPLETION**

**CERTIFICATE OF SUBSTANTIAL COMPLETION  
OF  
PARAGON STAR LLC**

The undersigned, Paragon Star, LLC (the “**Developer**”), pursuant to that certain Tax Increment Financing Redevelopment Agreement dated as of \_\_\_\_\_, 2016, between the City of Lee’s Summit, Missouri (the “**City**”) and the Developer (the “**Agreement**”), hereby certifies to the City as follows:

1. That as of \_\_\_\_\_, 20\_\_\_\_, Redevelopment Project \_\_ (as such term is defined in the Agreement) has been substantially completed in accordance with the Agreement.
2. Redevelopment Project \_\_ has been completed in a good and workmanlike manner and the Public Improvements have been completed in a good and workmanlike manner and in accordance with the Construction Plans (as those terms are defined in the Agreement).
3. Lien waivers for the Public Improvements have been obtained.
4. This Certificate of Substantial Completion is accompanied by the project architect’s certificate of substantial completion on AIA Form G-704 (or the substantial equivalent thereof), a copy of which is attached hereto as **Appendix A** and by this reference incorporated herein, certifying that Redevelopment Project \_\_ has been substantially completed in accordance with the Agreement.
5. This Certificate of Substantial Completion is being issued by the Developer to the City in accordance with the Agreement to evidence the Developer’s satisfaction of all obligations and covenants with respect to Redevelopment Project \_\_.
6. The City’s acceptance (below) or the City’s failure to object in writing to this Certificate within thirty (30) days of the date of delivery of this Certificate of Substantial Completion to the City (which written objection, if any, must be delivered to the Developer prior to the end of such thirty (30)-day period), and the recordation of this Certificate of Substantial Completion with the Cass County Recorder of Deeds, shall evidence the satisfaction of the Developer’s agreements and covenants to construct Redevelopment Project \_\_.

This Certificate of Substantial Completion shall be recorded in the office of the Cass County Recorder of Deeds. This Certificate of Substantial Completion is given without prejudice to any rights against third parties which exist as of the date hereof or which may subsequently come into being.

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Agreement.

[Remainder of page intentionally blank.]



IN WITNESS WHEREOF, the undersigned has hereunto set his/her hand this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**PARAGON STAR, LLC,**  
a Missouri limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACCEPTED:**

**CITY OF LEE'S SUMMIT, MISSOURI**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

[Insert Notary Form(s) and Legal Description]

## EXHIBIT G

### FORM OF APPLICATION FOR REIMBURSABLE PROJECT COSTS

#### APPLICATION FOR REIMBURSABLE PROJECT COSTS

TO: City of Lee's Summit, Missouri  
Attention: City Manager

Re: I-470 and View High Tax Increment Financing Plan

*Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Tax Increment Financing Redevelopment Agreement dated as of \_\_\_\_\_, 2016 (the "Agreement") between the City of Lee's Summit, Missouri (the "City") and Paragon Star, LLC (the "Developer"). In connection with said Agreement, the undersigned hereby states and certifies that:*

1. Each item listed on *Schedule 1* hereto is a Developer Reimbursable Project Cost and was incurred in connection with the construction of Redevelopment Project \_\_\_.
2. These Reimbursable Project Costs have been paid by the Developer and are reimbursable under the Redevelopment Plan Ordinance and the Agreement.
3. Each item listed on *Schedule 1* has not previously been paid or reimbursed from money derived from the Special Allocation Fund and no part thereof has been included in any other Application previously filed with the City.
4. There has not been filed with or served upon the Developer any notice of any lien, right of lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested in good faith.
5. All necessary permits and approvals required for the Work for which this application relates have been issued and are in full force and effect.
6. All Work for which payment or reimbursement is requested has been performed in a good and workmanlike manner and in accordance with the Agreement.
7. If any cost item to be reimbursed under this application is deemed not to constitute a Redevelopment Project Cost within the meaning of the TIF Act and the Agreement, the Developer shall have the right to substitute other eligible Reimbursable Project Costs for payment hereunder.
8. The Developer is not in default or breach of any term or condition of the Agreement, and no event has occurred and no condition exists which constitutes a Developer Event of Default under the Agreement.
9. All of the Developer's representations set forth in the Agreement remain true and correct as of the date hereof.

10. Construction of Redevelopment Project \_\_ is in compliance with the Project Schedule set forth in **Exhibit E** to the Agreement, subject to any amendment or Excusable Delay.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**PARAGON STAR, LLC,**  
a Missouri limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Approved for Payment this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_:

**CITY OF LEE'S SUMMIT, MISSOURI**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

