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**COOPERATIVE AGREEMENT**

**between the**

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

**and the**

**BLUE PARKWAY AND COLBERN ROAD COMMUNITY IMPROVEMENT DISTRICT**

**dated as of**

April 30, 2012

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**COOPERATIVE AGREEMENT**

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## COOPERATIVE AGREEMENT

THIS COOPERATIVE AGREEMENT (the "Agreement"), entered into as of this 30<sup>th</sup> day of April, 2012, by and between the **CITY OF LEE'S SUMMIT, MISSOURI**, a Missouri municipal corporation (the "City"), and the **BLUE PARKWAY AND COLBERN ROAD COMMUNITY IMPROVEMENT DISTRICT**, a Missouri community improvement district (the "District" or "CID") (the City and the District being sometimes collectively referred to herein as the "Parties", and individually as a "Party", as the context so requires).

### WITNESSETH:

**WHEREAS**, the owners of real property located within the District filed the Petition (as defined herein) which proposed formation of the District to assist in the funding of certain public improvements that serve the District; and

**WHEREAS**, on March 22, 2012, the City Council held a public hearing concerning the establishment of the proposed District and adopted Ordinance No. 7165, which approved the Petition and established the District; and

**WHEREAS**, the Petition and Ordinance No. 7165 require the District to enter into an agreement with the City regarding the operation of the District, the imposition, administration, and disbursement of the District Special Assessments and the District Sales Tax, the construction and maintenance of the Public Improvements (as defined herein), the process by which the City will be reimbursed by the District for expenses incurred to establish the District and for reviewing the District's annual budget and other reports required to be filed with the City, and any other relevant aspects of the overall financing for the construction and maintenance of the Public Improvements within the District.

**NOW, THEREFORE**, for and in consideration of the premises, and the mutual covenants herein contained, the Parties agree as follows:

### ARTICLE 1: DEFINITIONS, RECITALS AND EXHIBITS

**Section 1.1 Recitals and Exhibits.** The representations, covenants, and recitations set forth in the foregoing recitals and the exhibits attached to this Agreement 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, and the appropriate exhibits are incorporated into each Section of this Agreement that makes reference to an exhibit.

**Section 1.2. Definitions.** Words and terms defined elsewhere in this Agreement shall have the meanings assigned therein. Whenever used in this Agreement, the following words and phrases, unless the context otherwise requires, shall have the following meanings:

**"Administration Fee"** means that amount of the District Revenues that the City shall receive as compensation for performing the administrative duties of the District and administering and accounting for the District Special Assessments and the District Sales Tax, as set forth in this Agreement.

**"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, directive, requirement or decision of or agreement with or by any unit of government.

**“Board of Directors”** means the governing body of the Blue Parkway and Colbern Road Community Improvement District.

**“Budget”** shall have the meaning set forth in Section 6.2.

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

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

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

**“Costs of Formation”** means actual, reasonable costs and expenses of the City related to the formation of the CID.

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

**“District Revenues”** means the District Sales Tax Revenues and the District Special Assessment Revenues.

**“District Sales Tax”** means the sales tax imposed by the District on the receipts from the sale at retail of all tangible personal property or taxable services at retail within its boundaries pursuant to the CID Act in the amount of up to one percent (1%), as established by resolution of the District and approved by the qualified voters of the District.

**“District Sales Tax Revenues”** means the monies actually collected, pursuant to this Agreement and the CID Act, from the imposition of the District Sales Tax.

**“District Special Assessments”** means the special assessments to be imposed, pursuant to Section 67.1521 of the CID Act, on each tract, lot, or parcel within the District for which Tax Abatement is authorized in accordance with the Redevelopment Plan and Redevelopment Agreement, in an amount equal to the amount of Tax Abatement provided for such tract, lot, or parcel pursuant to the Redevelopment Plan and Redevelopment Agreement.

**“District Special Assessment Revenue”** means the monies actually collected, pursuant to this Agreement and the CID Act, from the imposition of the District Special Assessments.

**“Effective Date”** means the date that this Agreement is fully executed by the parties.

**“Event of Default”** means any event specified in Section 7.1 of this Agreement.

**“Excusable Delays”** means delays due to acts of terrorism, acts of war or civil insurrection, strikes, riots, floods, earthquakes, fires, tornadoes, casualties, acts of God, labor disputes, governmental restrictions or priorities, embargoes, national or regional material shortages, failure to obtain regulatory approval from any Federal or State regulatory body, unforeseen site conditions, material litigation by parties other than the Parties not caused by the Parties’ failure to perform, or any other condition or circumstances beyond the reasonable or foreseeable control of the applicable party using reasonable

diligence to overcome which prevents such party from performing its specific duties or obligation hereunder in a timely manner.

**“Fiscal Year”** means July 1 through June 30 of each year, which Fiscal Year coincides with the City’s fiscal year.

**“Operating Costs”** means the actual, reasonable expenses which are necessary for the operation of the District which shall include, but are not limited to, costs associated with notices, publications, meetings, supplies, equipment, photocopying, the engagement of special legal counsel, financial auditing services, and other consultants or services. Time expended by City employees, and materials and supplies used by the City, in the performance of the administrative services set forth in Section 3.3, for which the City receives the Administration Fee, shall not be included as Operating Costs. Costs incurred by the City regarding enforcement of the District Sales Tax and the District Special Assessments in the performance of any actions authorized in Section 3.6 shall be treated as Operating Costs. Costs of Formation shall also be treated as Operating Costs.

**“Ordinance”** means an ordinance enacted by the City Council.

**“Petition”** means the Petition to the City of Lee’s Summit, Missouri for Establishment of the Blue Parkway and Colbern Road Community Improvement District, filed with the City Clerk of the City of Lee’s Summit by the owners of real property located within the District, and approved by the City Council on March 22, 2012, pursuant to Ordinance No. 7165.

**“Public Improvements”** means the design and construction of the Public Improvements described in Exhibits 2 and 3 to the Five-Year Management Plan attached as Exhibit B to the Petition, and any other public improvements that may be approved by the District in accordance with the CID Act.

**“Public Improvement Costs”** means all actual and reasonable costs and expenses which are incurred by or at the direction of the City or the District with respect to construction of the Public Improvements, including the actual and reasonable cost of labor and materials payable to contractors, builders, suppliers, vendors, and materialmen in connection with the construction contracts awarded in connection with the Public Improvements that are constructed or undertaken, plus all actual and reasonable costs to plan, finance, develop, design, and acquire the Public Improvements, including but not limited to the following:

A. actual and reasonable fees and expenses of architects, appraisers, attorneys, surveyors and engineers for estimates, surveys, soil borings, and soil tests and other preliminary investigations and items necessary to the commencement of construction, financing, preparation of plans, drawings and specifications, and supervision of construction, as well as for the performance of all other duties of architects, appraisers, attorneys, surveyors, and engineers in relation to the construction of the Public Improvements and all actual and reasonable costs for the oversight of the completion of the Public Improvements including overhead expenses for administration, supervision, and inspection incurred in connection with the Public Improvements; and

B. all other items of expense not elsewhere specified in this definition which may be necessary or incidental to the review, approval, acquisition, construction, improvement, and financing of the Public Improvements and which may lawfully be paid for or incurred by the District under the CID Act.

“**Redevelopment Agreement**” means the Redevelopment Agreement for the Blue Parkway and Colbern Road Redevelopment Area, by and among the City, USC, Bernell K. Rice, and the Blue Parkway and Colbern Road Redevelopment Corporation, dated \_\_\_\_\_, 2012.

“**Redevelopment Plan**” means the Chapter 353 Redevelopment Plan for the Blue Parkway and Colbern Road Redevelopment Area, as approved by the City pursuant to Ordinance No. ~~7169~~

“**Redevelopment Project Area 1**” shall have the meaning ascribed in the Redevelopment Plan.

“**Redevelopment Project Area 2**” shall have the meaning ascribed in the Redevelopment Plan.

“**Redevelopment Project Area 3**” shall have the meaning ascribed in the Redevelopment Plan.

“**Redevelopment Project 1 Public Improvements**” shall have the meaning ascribed in the Redevelopment Plan.

“**Redevelopment Project 2 Public Improvements**” shall have the meaning ascribed in the Redevelopment Plan.

“**Redevelopment Project 3 Public Improvements**” shall have the meaning ascribed in the Redevelopment Plan.

“**Report**” shall have the meaning set forth in Section 6.2.

“**State**” means the State of Missouri.

“**Treasurer**” means the official elected then currently serving as the treasurer of the District.

“**USC**” means Unity School of Christianity, a Missouri corporation, or its successors and assigns under the Redevelopment Plan and Redevelopment Agreement.

**Section 1.3. Other Definitions.** All capitalized terms used but not otherwise defined herein shall have the meanings ascribed in the Redevelopment Plan or the Redevelopment Agreement.

## ARTICLE 2: REPRESENTATIONS

**Section 2.1. Representations by the District.** The District represents that:

A. The District is a community improvement district and political subdivision, duly organized and existing under the laws of the State, including particularly the CID Act.

B. The District has authority to enter into this Agreement and to carry out its obligations under this Agreement. By proper action of its Board of Directors, the District has been duly authorized to execute and deliver this Agreement, acting by and through its duly authorized officers.

C. The Public Improvements are authorized by the Petition.

D. The execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement, and the performance of or compliance with the terms and conditions of this Agreement by the District will not conflict with or result in a breach of any of the terms, conditions,

or provisions of, or constitute a default under, any mortgage, deed of trust, lease, or any other restriction or any agreement or instrument to which the District is a party or by which it or any of its property is bound, or any order, rule, or regulation of any court or governmental body applicable to the District or any of its property, or result in the creation or imposition of any prohibited lien, charge, or encumbrance of any nature whatsoever upon any of the property or assets of the District under the terms of any instrument or agreements to which the District is a party.

E. The District acknowledges that construction of the Public Improvements are of significant value to the District, the property within the District, and the general public. The District finds and determines that the Public Improvements will promote the economic welfare and the development of the District, the City, and the State through: (i) the creation of temporary and permanent jobs; (ii) stimulating additional development in the area near the Public Improvements; (iii) increasing local and state tax revenues; and (iv) providing necessary street infrastructure for surrounding development. Further, the District finds that the Public Improvements conform to the purposes of the CID Act.

F. There is no litigation or proceeding pending or threatened against the District affecting the right of the District to execute or deliver this Agreement or the ability of the District to comply with its obligations under this Agreement or which would materially adversely affect its financial condition.

**Section 2.2. Representations by the City.** The City represents that:

A. The City is duly organized and existing under the Constitution and laws of the State, as a constitutional charter city.

B. The City has authority to enter into this Agreement and to carry out its obligations under this Agreement, and the Mayor of the City is duly authorized to execute and deliver this Agreement.

C. The execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement, and the performance of or compliance with the terms and conditions of this Agreement by the City will not conflict with or result in a breach of any of the terms, conditions, or provisions of, or constitute a default under, any mortgage, deed of trust, lease, or any other restriction or any agreement or instrument to which the City is a party or by which it or any of its property is bound, or any order, rule or regulation of any court or governmental body applicable to the City or any of its property, or result in the creation or imposition of any prohibited lien, charge, or encumbrance of any nature whatsoever upon any of the property or assets of the City under the terms of any instrument or agreement to which the City is a party.

D. There is no litigation or proceeding pending or threatened against the City affecting the right of the City to execute or deliver this Agreement or the ability of the City to comply with its obligations under this Agreement.

**ARTICLE 3: DISTRICT SALES TAX AND DISTRICT SPECIAL ASSESSMENTS**

**Section 3.1. Imposition of the District Sales Tax.** The District will approve the District Sales Tax by resolution. The Treasurer shall request each year that the District annually appropriate all District Sales Tax Revenues by resolution in accordance with this Agreement. The District Sales Tax shall be collected by the Missouri Department of Revenue as provided in the CID Act. On behalf of the District, the City shall receive the District Sales Tax Revenue from the Missouri Department of Revenue, which shall be used in accordance with this Agreement.



**Section 3.2. Imposition of the District Special Assessments.** The District will approve the District Special Assessments by resolution. The District Special Assessments shall be collected by the County. On behalf of the District, the City shall receive the District Special Assessment Revenue from the County, which shall be used in accordance with this Agreement.

**Section 3.3. District Administration.** The City agrees to perform for the District all functions incident to the administration and enforcement of the District Sales Tax and the District Special Assessments, on behalf of the District, pursuant to the CID Act and this Agreement. The District Revenues shall be deposited by the City in a special trust account. District Revenues generated within Redevelopment Project Area 1 shall be segregated into a separate account within the special trust account to be used to reimburse the City for its costs incurred in the design and construction of the Redevelopment Project 1 Public Improvements. District Revenues generated within Redevelopment Project Area 2 shall be segregated into a separate account within the special trust account to be used to reimburse USC for its costs incurred in the design and construction of the Redevelopment Project 2 Public Improvements. District Revenues generated within Redevelopment Project Area 3 shall be segregated into a separate account within the special trust account to be used to reimburse USC for its costs incurred in the design and construction of the Redevelopment Project 3 Public Improvements. The District may amend the forms, administrative rules, and regulations applicable to the administration, collection, enforcement, and operation of the District Sales Tax and the District Special Assessments, as needed.

**Section 3.4. Administration Fee.**

A. The City shall be entitled to receive annually an Administration Fee for administering and accounting for the District Sales Tax and the District Special Assessments in the greater amount of (a) one percent (1%) of the total District Revenues, or (b) the actual reasonable costs incurred by the City for performing the duties set forth in this Agreement.

B. In the event that the Administration Fee does not fully reimburse the City for actual costs and expenses incurred in fulfilling its obligations under this Agreement, then the City shall receive reimbursement for those actual costs that exceed the Administration Fee. In the event that there are insufficient funds in any Fiscal Year to cover the actual costs incurred by the City, any unpaid Administration Fee shall be paid in subsequent Fiscal Years.

C. The City may, at its own election, apply any Administration Fee it receives pursuant to this Agreement to pay for reimbursable Public Improvement Costs or Operating Costs.

**Section 3.5. Operating Costs.** The City, on behalf of the District, shall pay for the Operating Costs of the District from District Revenues. The Operating Costs shall be included in the District's annual budget, as provided in Section 6.2. In the course of performing the enforcement duties set forth in Section 3.6, the City may incur Operating Costs for the District, which shall be approved by the District.

**Section 3.6. Enforcement.** The District authorizes the City, to the extent required or authorized by the Missouri Department of Revenue, to take all actions necessary for enforcement of the District Sales Tax. The District further authorizes the City, to the extent required or authorized by the County, to take all actions necessary for enforcement of the District Special Assessments. The City may, in its own name or in the name of the District, prosecute or defend an action, lawsuit, or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to secure the payment of the District Sales Tax or the District Special Assessments. The District hereby agrees to cooperate fully with the City and to take all action necessary to effect the substitution of the City for the District in any such action, lawsuit, or proceeding if the City shall so request. All actions taken by

the City for enforcement and any legal proceeding filed by the City for enforcement and collection of the District Sales Tax or the District Special Assessments shall be treated as Operating Costs of the District.

#### **ARTICLE 4: DESIGN, CONSTRUCTION AND FUNDING OF DISTRICT PROJECTS**

##### **Section 4.1. Design and Construction of the Public Improvements.**

A. The Public Improvements which are designated as the Redevelopment Project 1 Public Improvements in the Redevelopment Plan will be designed, constructed, and initially funded by or at the direction of the City.

B. The Public Improvements which are designated as the Redevelopment Project 2 Public Improvements and the Redevelopment Project 3 Public Improvements in the Redevelopment Plan will be designed, constructed, and initially funded by or at the direction of USC.

**Section 4.2. Financing of the Public Improvements.** The District shall impose the District Sales Tax and the District Special Assessments within the boundaries of the District to fund the Public Improvements and other costs authorized by this Agreement. District Revenues generated within Redevelopment Project Area 1 shall be used to reimburse the City for its costs incurred in the design and construction of the Redevelopment Project 1 Public Improvements. District Revenues generated within Redevelopment Project Area 2 shall be used to reimburse USC for its costs incurred in the design and construction of the Redevelopment Project 2 Public Improvements. District Revenues generated within Redevelopment Project Area 3 shall be used to reimburse USC for its costs incurred in the design and construction of the Redevelopment Project 3 Public Improvements. The District shall not use or impose any taxes or assessments other than the District Sales Tax and the District Special Assessments unless the City Council modifies, by Ordinance, the limitations on the District's authority as set forth in the Petition and in accordance with the CID Act. Reimbursable Public Improvement Costs shall be paid to the extent that funds are available from District Revenues in the order of priority set forth in Section 4.3.

**Section 4.3. Distribution of the District Revenues.** The City shall distribute the District Revenues then on deposit in its special trust account quarterly on each January 1, April 1, July 1, and October 1, beginning July 1, 2012, in the following order of priority:

A. The City shall pay its Administration Fee from all District Revenues.

B. The City shall pay Operating Costs of the District from all District Revenues.

C. The City shall pay, from District Revenues generated within Redevelopment Project Area 1, interest at the Prime Rate plus 0.75% per annum on the amount of any Public Improvement Costs incurred by the City for the Redevelopment Project 1 Public Improvements and not already reimbursed by the District. Such interest shall be payable in arrears on each July 1, commencing on July 1, 2012, and continuing thereafter until any Public Improvement Costs incurred by the City for the Redevelopment Project 1 Public Improvements are reimbursed in full. Interest shall be calculated on the basis of a year of 360 days consisting of twelve months of 30 days each.

D. The City shall pay, from District Revenues generated within Redevelopment Project Area 2, interest at the actual reasonable rate of financing per annum on the amount of any Public Improvement Costs incurred by USC for the Redevelopment Project 2 Public Improvements and not already reimbursed by the District. Such interest shall be payable in arrears on each July 1, commencing on July 1, 2012, and continuing thereafter until any Public Improvement Costs incurred by USC for the Redevelopment

Project 2 Public Improvements are reimbursed in full. Interest shall be calculated on the basis of a year of 360 days consisting of twelve months of 30 days each.

E. The City shall pay, from District Revenues generated within Redevelopment Project Area 3, interest at the actual reasonable rate of financing per annum on the amount of any Public Improvement Costs incurred by USC for the Redevelopment Project 3 Public Improvements and not already reimbursed by the District. Such interest shall be payable in arrears on each July 1, commencing on July 1, 2012, and continuing thereafter until any Public Improvement Costs incurred by USC for the Redevelopment Project 3 Public Improvements are reimbursed in full. Interest shall be calculated on the basis of a year of 360 days consisting of twelve months of 30 days each.

F. The City shall pay for Public Improvement Costs not already reimbursed by the District, as follows: (i) District Revenues generated within Redevelopment Project Area 1 shall be used to reimburse the City for its costs incurred in the design and construction of the Redevelopment Project 1 Public Improvements, (ii) District Revenues generated within Redevelopment Project Area 2 shall be used to reimburse USC for its costs incurred in the design and construction of the Redevelopment Project 2 Public Improvements, and (iii) District Revenues generated within Redevelopment Project Area 3 shall be used to reimburse USC for its costs incurred in the design and construction of the Redevelopment Project 3 Public Improvements.

## **ARTICLE 5: TERMINATION OF DISTRICT SALES TAX AND DISTRICT SPECIAL ASSESSMENTS**

### **Section 5.1. Repeal of District Special Assessments.**

A. The District shall continue to impose the District Special Assessments within Redevelopment Project Area 1 until the City has been fully reimbursed for all Public Improvement Costs for the Redevelopment Project 1 Public Improvements, plus interest as provided in this Agreement.

B. The District shall continue to impose the District Special Assessments within Redevelopment Project Area 2 until USC has been fully reimbursed for all Public Improvement Costs for the Redevelopment Project 2 Public Improvements, plus interest as provided in this Agreement.

C. The District shall continue to impose the District Special Assessments within Redevelopment Project Area 3 until USC has been fully reimbursed for all Public Improvement Costs for the Redevelopment Project 3 Public Improvements, plus interest as provided in this Agreement.

**Section 5.2. Repeal of District Sales Tax.** The District shall continue to impose the District Sales Tax until the City and USC have been fully reimbursed for all Public Improvements Costs incurred by the City or USC.

**Section 5.3. Abolishment of the District.** Unless extended in accordance with this Section, the District shall implement the procedures in the CID Act for repeal of the District Sales Tax, and if necessary, the District Special Assessments, and abolishment of the District when (1) the City has been fully reimbursed for the costs incurred by the City to fund the Redevelopment Project 1 Public Improvements, plus interest as provided in this Agreement, and USC has been fully reimbursed for the costs incurred by USC to fund the Redevelopment Project 2 Public Improvements and the Redevelopment Project 3 Public Improvements, plus interest as provided in this Agreement, or (2) forty (40) years following approval of the Petition by ordinance, whichever occurs first. The District shall not implement

the procedures for repeal or modification of the District Sales Tax, and if necessary the District Special Assessments, and abolishment of the District if: (1) any District Revenues are due to the City for outstanding Administration Fees or Public Improvement Costs associated with Redevelopment Project Area 1; (2) the District, with the prior written consent of the City, has approved another project pursuant to the CID Act; or (3) the duration of the District has been extended by mutual agreement of the Parties in compliance with the CID Act. The City's obligation to perform for the District all functions incident to the administration, enforcement, and operation of the District Sales Tax and the District Special Assessments shall terminate concurrent with the repeal of the District Sales Tax and the District Special Assessments. Upon repeal of the District Sales Tax and the District Special Assessments, the City shall:

- A. Retain the Administration Fee to which it is entitled in accordance with this Agreement.
- B. Pay all outstanding Operating Costs.
- C. Retain any remaining District Revenues until such time as the District is abolished and the District has provided for the transfer of any funds remaining in a manner permitted by the CID Act.

## **ARTICLE 6: SPECIAL COVENANTS**

**Section 6.1. Ownership and Maintenance of Public Improvements.** As allowed by the CID Act, the District's sole role is to fund and assist in the funding of the Public Improvements. The District shall have no ownership of the Public Improvements and title to the Public Improvements shall at all times be vested in the name of the City or another public entity with jurisdiction over the Public Improvements. The City shall at all times be responsible for maintenance of those Public Improvements for which it accepts ownership.

**Section 6.2. Annual Budget.** The District shall annually prepare or cause to be prepared a budget (the "**Budget**") and an annual report (the "**Report**") describing the major activities of the District during the preceding fiscal year and next fiscal year. The Treasurer shall request each year that the District annually appropriate all District Sales Tax Revenues by resolution in accordance with this Agreement. A proposed Budget shall be submitted to the City Manager for review and comment not less than ninety (90) days prior to the next fiscal year. Not later than thirty (30) days prior to the next Fiscal Year, the Board of Directors shall adopt a Budget for the District for the next budget year, for every fund of the District of any kind, in such a manner as may be provided by law. If the Board of Directors fails to adopt a Budget by the first day of a Fiscal Year, the District shall be deemed to have adopted for such Fiscal Year a Budget which provides for application of the District Sales Tax Revenues collected in such Fiscal Year in accordance with the Budget for the prior Fiscal Year.

**Section 6.3. Additional Public Improvements.** The District may use District Revenues, as such revenues are available, to pay Public Improvement Costs for new District projects which have been determined by the City Council to be necessary and approved in accordance with the CID Act. The District shall not undertake additional District projects without the prior approval of the City Council. Payments due to the City pursuant to the priority established in [Section 4.3](#) for Administration Fees shall take priority over any costs associated with new District projects.

**Section 6.4. Records of the District.** The City shall be the official record keeper of the District, and shall keep proper books of record and account on behalf of the District in which full, true, and correct entries will be made of all dealings or transactions of or in relation to its business affairs in accordance with generally accepted accounting principles consistently applied, and will furnish to the District such information as it may reasonably request concerning the District, including such statistical

and other operating information requested on a periodic basis, in order to enable such parties to determine whether the covenants, terms, and provisions of this Agreement have been met. The District shall furnish annual audited financial statements for each Fiscal Year no later than ninety (90) days following the end of such Fiscal Year. District financial audits shall be performed in coordination with City audits. All pertinent books, documents, and vouchers relating to District business, affairs, and properties shall at all times during regular business hours be open to the inspection of such accountant or other agent (who may make copies of all or any part thereof provided that the confidentiality of all records shall be maintained pursuant to such confidentiality agreements as reasonably required) as shall from time to time be designated and compensated by the inspecting party.

**Section 6.5. Records of the City.** The City shall keep and maintain adequate records pertaining to disbursements for reimbursement or payment of the costs of the Public Improvements. Such records shall be available for inspection by the District upon reasonable notice.

## **ARTICLE 7: DEFAULTS AND REMEDIES**

**Section 7.1. Events of Default.** If any one or more of the following events shall occur and be continuing, such event or events shall constitute an Event of Default under this Agreement:

A. Failure by the City to make a payment required by this Agreement, and the continuance of such failure for twenty (20) days following written notice to the City from the District of such failure, or failure by the District to make a payment, in a timely manner as required by this Agreement; or

B. Failure by either Party in the performance of any other covenant, agreement, or obligation imposed or created by this Agreement, and the continuance of such default for sixty (60) days after the non-defaulting party has given written notice to the defaulting party specifying such default.

**Section 7.2. Remedies on Default.** If any Event of Default has occurred and is continuing, then any non-defaulting party may, upon its election or at any time after its election while such default continues, by mandamus or other suit, action, or proceedings at law or in equity, enforce its rights against the defaulting party and its officers, agents, and employees, and to require and compel duties and obligations required by the provisions of this Agreement.

**Section 7.3. Rights and Remedies Cumulative.** The rights and remedies reserved by the Parties under this Agreement and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. The Parties shall be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Agreement, notwithstanding availability of an adequate remedy at law, and the Parties hereby waive the right to raise such defense in any proceeding in equity.

**Section 7.4. Waiver of Breach.** No waiver of any breach of any covenant or agreement contained in this Agreement shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of an Event of Default, a non-defaulting Party may nevertheless accept from the defaulting party, any payment or payments without in any way waiving the non-defaulting party's right to exercise any of its rights and remedies as provided herein with respect to any such default or defaults in existence at the time when such payment or payments were accepted by the non-defaulting party.

**Section 7.5. Excusable Delays.** No Party shall be deemed to be in default of this Agreement because of Excusable Delays. Excusable Delays shall extend the time of performance for the period of such Excusable Delay.

## ARTICLE 8: MISCELLANEOUS

**Section 8.1. Effective Date and Term.** This Agreement shall become effective on the date this Agreement has been fully executed by the Parties. This Agreement shall remain in effect for as long as the District is legally in existence.

**Section 8.2. Modification.** The terms, conditions, and provisions of this Agreement can be neither modified nor eliminated except in writing and by mutual agreement between the City and the District. Any modification to this Agreement as approved shall be attached hereto and incorporated herein by reference.

**Section 8.3. Jointly Drafted.** The Parties agree that this Agreement has been jointly drafted and shall not be construed more strongly against either Party.

**Section 8.4. Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State.

**Section 8.5. Common Representation.** The City and the District agree that the engagement of common special legal counsel for the City and the District does not materially limit the representation of the District or the City and will not adversely affect the relationship between the District and the City. To the extent that such common legal representation presents a conflict of interest, the City and the District hereby consent to common representation.

**Section 8.6. Validity and Severability.** It is the intention of the parties hereto that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies of the State, and that the unenforceability (or modification to conform with such laws or public policies) of any provision hereof shall not render unenforceable, or impair, the remainder of this Agreement. Accordingly, if any provision of this Agreement shall be deemed invalid or unenforceable in whole or in part, this Agreement shall be deemed amended to delete or modify, in whole or in part, if necessary, the invalid or unenforceable provision or provisions, or portions thereof, and to alter the balance of this Agreement in order to render the same valid and enforceable.

**Section 8.7. Execution of Counterparts.** This Agreement may be executed simultaneously in two counterparts, each of which shall be deemed to be an original, but both of which together shall constitute one and the same instrument.

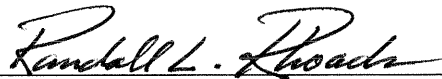
**Section 8.8. City Approvals.** Unless specifically provided to the contrary herein, all approvals of the City hereunder may be given by the City Manager or his or her designee without the necessity of any action by the City Council.

**Section 8.9. District Approvals.** Unless specifically provided to the contrary herein, all approvals of the District hereunder may be given by the Executive Director or his or her designee without the necessity of any action by the Board of Directors.


[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

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

By:   
Randy Rhoads, Mayor

ATTEST:


  
City Clerk



**BLUE PARKWAY AND COLBERN ROAD  
COMMUNITY IMPROVEMENT DISTRICT**

By:   
Brian Scott, Executive Director

ATTEST:

  
Secretary