

AN ORDINANCE APPROVING THE TAX INCREMENT FINANCING CONTRACT BETWEEN THE CITY OF LEE'S SUMMIT AND M-III LONGVIEW, LLC, FOR THE NEW LONGVIEW TAX INCREMENT FINANCING PLAN AND THE SECOND AMENDED AND RESTATED LONGVIEW FARM TAX INCREMENT FINANCING PLAN.

WHEREAS, on October 16, 2003, the City Council approved the First Amended and Ratified Longview Farm Tax Increment Financing Plan (the "Longview Farm TIF Plan") through the adoption of Ordinance No. 5630, for the redevelopment of certain historic structures on the Longview Farm property, in accordance with 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"); and,

WHEREAS, on January 19, 2012, the City Council adopted Ordinance No. 7138 which approved the First Amendment to the Longview Farm TIF Plan, which adjusted the location of Redevelopment Project 5 in order to accommodate the location of an apartment complex development within the Redevelopment Area of the Longview Farm TIF Plan; and,

WHEREAS, on December 17, 2015, the City Council approved Ordinance No. 7778 which approved the Second Amended and Restated Longview Farm Tax Increment Financing Plan (the "2003 TIF Plan"), and which also adjusted the boundaries of certain Redevelopment Project Areas for the Amended Plan and took other actions related to the Amended 2003 TIF Plan; and,

WHEREAS, on December 17, 2015, the City Council also approved Ordinance No. 7779 which approved the New Longview Tax Increment Financing Plan (the "New Longview TIF Plan"), and which also approved the Redevelopment Area for the plan, designated M-III Longview, LLC (the "Developer") as the developer of record for the plan and took other actions related to approval of the plan; and,

WHEREAS, the City Council desires to approve a tax increment financing contract to provide for the implementation of the 2003 TIF Plan and the New Longview TIF Plan.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. The Tax Increment Financing Contract between the City and Developer, which is attached hereto as Exhibit A and incorporated herein by reference (the "TIF Agreement"), is hereby approved and the City Manager is authorized and directed to execute the TIF Agreement in substantial compliance with the attached TIF Agreement.

SECTION 2. City officers and agents of the City are each hereby authorized and directed to take such action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and the TIF Contract.

SECTION 3. All ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed.

SECTION 4. This Ordinance shall be in full force and effect from and after its passage, adoption, and approval by the Mayor.

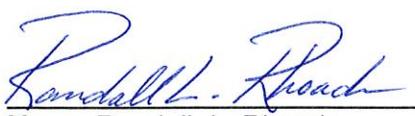
PASSED by the City Council for the City of Lee's Summit, Missouri, this 1<sup>st</sup> day of December, 2016.

  
\_\_\_\_\_  
Mayor Randall L. Rhoads

ATTEST:

  
\_\_\_\_\_  
City Clerk Denise R. Chisum

APPROVED by the Mayor of said city this 3<sup>rd</sup> day of December, 2016.

  
\_\_\_\_\_  
Mayor Randall L. Rhoads

ATTEST:

  
\_\_\_\_\_  
City Clerk Denise R. Chisum

APPROVED AS TO FORM:

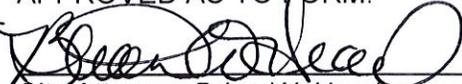
  
\_\_\_\_\_  
City Attorney Brian W. Head

EXHIBIT A

TAX INCREMENT FINANCING CONTRACT

[ATTACHED]

November 22, 2016

TO: Lee's Summit City Council

FROM: David Bushek

RE: Summary of the TIF Contract for the New Longview TIF Plan and the Second Amended and Restated Longview Farm TIF Plan

The TIF Contract will implement the Second Amended and Restated Longview Farm Tax Increment Financing Plan and the New Longview Tax Increment Financing Plan which were approved by the City Council in December 2015. The memo summarizes the TIF Plans and the key features of the TIF Contract.

### Background

The First Amended and Ratified Longview Farm Tax Increment Financing Plan (the "2003 TIF Plan") was approved on October 16, 2003. The primary purpose of the 2003 TIF Plan is to encourage the preservation of historic structures in the Longview area by providing reimbursement from TIF revenues for costs incurred to preserve certain structures in the Redevelopment Area. The City and Gale Communities, Inc. (the "Original Developer"), entered into the First Amended and Restated Tax Increment Financing Contract (the "TIF Contract") on October 28, 2003, to implement the Longview TIF Plan.

As originally approved, the Redevelopment Area for the 2003 TIF Plan encompassed the entire development area including the proposed single family residential development, multi-family development, commercial development and historic structures. The Redevelopment Area for the 2003 TIF Plan contained ten Redevelopment Project Areas which are the areas planned for commercial development within which TIF revenues could be collected. Four Redevelopment Projects have been approved and the collection of TIF revenues has been activated in these areas by the City:

<u>Project Area</u>	<u>Development</u>
1B (Commercial East B)	McDonalds
2C (Commercial Center C)	Retail commercial – CVS Pharmacy, gas station
3 (Commercial West)	Retail and service commercial

All TIF redevelopment projects must be approved within ten years after the date of the ordinance that approves a TIF plan, so the remaining six redevelopment projects can no longer be activated by the City under the 2003 TIF Plan. The revenues generated by the four activated projects can continue to be used for eligible historic preservation costs, and the proposed restructuring is discussed below.

The Original Developer was designated as the developer of record under the 2003 TIF Plan for the entire TIF Redevelopment Area. On May 14, 2008, the City certified \$2,750,458.00 in TIF-reimbursable project costs in connection with redevelopment of the Show Horse Arena. After receiving \$132,087.93 in TIF reimbursement, the Original Developer assigned the right to receive the remaining TIF reimbursement payments for the Show Horse Arena to Hawthorn Bank. As of today, the City has paid all or nearly (pending final reconciliation at the end of 2016) all of the TIF reimbursement for the Show Horse Arena. No other reimbursable project costs associated with any other historic preservation work have been submitted by Original Developer or approved by the City.

### **2012 TIF Plan Approvals for Apartment Development**

The TIF Agreement contains restrictions that limit the type and density of retail development based on a schedule of historic preservation improvements. On January 19, 2012, the City approved an amendment to the 2003 TIF Plan and an amendment to the TIF Contract to accommodate Original Developer's request to consolidate the remaining allowable multi-family residential development in the Redevelopment Area. On April 3, 2014, the City approved a development plan for the apartment development to the west of the dairy barn and calf barn and also approved a companion Chapter 100 tax abatement plan that allows for the abatement of sales taxes that would otherwise be paid for construction materials and personal property installed for the apartment project.

### **Transfer of Ownership**

Mariner Real Estate Management, operating under the subsidiary of M-III Longview, LLC ("Mariner") has taken ownership of approximately 173.7 acres of property from Original Developer pursuant to a transfer in lieu of foreclosure associated with Original Developer's mortgage of certain undeveloped parcels in the Redevelopment Area. Some parcels in the developed areas of Longview are still owned by the Original Developer, and some of the developed parcels are owned by the end-users, such as Citizens Union State Bank & Trust. As a result, there are now several property owners in the original Redevelopment Area. The TIF Contract that was executed by Original Developer runs with the land in the Redevelopment Area, and that TIF contract still applies to the entire Redevelopment Area at the present time and until a new contract is approved.

## Restructuring Actions

In December 2015, the City Council approved the Second Amended and Restated Longview Farm Tax Increment Financing Plan (amending the 2003 TIF Plan), to provide for a re-prioritization of the historic preservation improvements that would be funded by the 2003 TIF Plan. The 2003 TIF Plan will continue to produce TIF revenues from the four activated project areas, and the revenue from the four activated project areas are authorized to be used on the following items pursuant to this amendment:

- Finish reimbursement of the Show Horse Arena (if needed)
- Stabilize the historic barns (\$650,000) and houses (\$200,000)
- Complete a portion of the Mansion rehabilitation (\$1,100,000)
- Complete restoration of the Pergola (\$900,000)
- Fund associated professional services (\$300,000)

The boundaries of three Redevelopment Projects that have already been activated (Projects 1B, 2C and 3) were adjusted through this amendment. These adjustments eliminated the undeveloped portions of the project areas under the 2003 Plan so these undeveloped areas could be included in new redevelopment project areas pursuant to the New Longview TIF Plan.

In December 2015, the Council also approved the New Longview TIF Plan (the “**2015 TIF Plan**”), which has a Redevelopment Area that is the remaining undeveloped areas of the Longview project as a whole. The New Longview Redevelopment Area includes all of the historic structures and the parcels that are planned for future commercial development. The 2015 TIF Plan includes 15 different project areas, which will allow the City to activate the collection of TIF revenues on a parcel-by-parcel basis as new development occurs. The Council has approved Project A (LaSalle Memory Care) and Project N (Goddard Child Care). TIF revenues will be collected for up to 23 years from all activated project areas, running from the date that the project ordinance is approved.

The 2015 TIF Plan authorizes TIF revenues to be used for the following items:

- Complete historic barns redevelopment (\$9,650,000)
- Complete historic houses redevelopment (\$1,200,000)
- Complete mansion redevelopment including temporary structure (\$1,400,000)
- Lake rehabilitation (\$500,000)
- City loan repayment, professional costs and contingency (\$2,690,000)

### City Loan and Other Financing

The 2015 TIF Plan calls for use of the City’s “Interfund Loan Policy” to be used to provide financing for the costs items that are to be funded by the amendment to the 2003 TIF Plan. The City loan will promptly finance the most urgent historic preservation costs, particularly stabilization of the historic barns and houses which are in serious disrepair and in need of immediate stabilization to halt continued deterioration.

The Interfund Loan Policy can be used by the City because the Special Allocation Fund that was created for the 2003 TIF Plan and the 2015 TIF Plan are funds created and managed by the City. The City's cash reserves that are available for a loan between City funds, as allowed by the Policy, can be loaned for reimbursable project costs and moneys that accumulate in the Special Allocation Funds for the two TIF plans would be used to repay the loan. The revenue from both TIF Plans would be pledged as repayment sources, and other safeguards and security for repayment will be incorporated into the TIF contract.

The remaining project costs, including the reimbursable project costs that are not financed through the City loan, are proposed to be funded through a combination of private loans and federal and state historic preservation tax credits. The total project costs for the amended 2003 TIF Plan are projected to be a maximum of \$3,650,000, which are all reimbursable project costs. The total project costs under the new TIF Plan are projected to be about \$81.8 million, of which about \$18 million will be reimbursable project costs associated with the historic preservation improvements.

### **Significant TIF Contract Provisions**

The following summarizes key provisions of the new TIF Contract.

#### **Covers Two TIF Plans**

This single TIF Contract covers the implementation of both TIF plans. This Contract includes authorization of the City Loan pursuant to the 2003 TIF Plan and the pay-as-you-go reimbursement arrangement for the 2015 TIF Plan.

#### **Reimbursable Project Costs Cap (Section 3.01)**

The Contract includes a reimbursable project costs cap that matches the approved TIF Plans -- \$3.65 million under the 2003 TIF Plan and \$16.9 million under the 2015 TIF Plan, plus interest under the 2015 TIF Plan at the Reimbursement Interest Rate (Prime Rate Plus 2%, which would be 5.50% today) pursuant to the New Longview TIF Plan.

#### **Shifting Among Reimbursable Project Costs (Section 3.04.B)**

Developer is allowed a reasonable amount of cost shifting between reimbursable line items in the project budgets. Developer may shift up to five percent (5%) of each Reimbursable Line Item associated with the Phase 1 Historic Preservation Improvements (2003 TIF Plan) to other Reimbursable Line Items associated with the Phase 1 Historic Preservation Improvements, and may shift up to five percent (5%) of each Reimbursable Line Item associated with the Phase 2 Historic Preservation Improvements (except for the Reimbursable Line Item associated with the "Interfund Loan Repayment, Restructuring Costs and Contingency") to other Reimbursable Line Items associated with the Phase 2 Historic Preservation Improvements.

**Processing Reimbursement Applications (Section 3.04.C)**

Developer must submit requests for reimbursement, which will be reviewed and approved by the City. The City may request additional information to verify the eligibility of each requested reimbursable cost. Developer must itemize reimbursement between the Phase 1 Historic Preservation Improvements or Phase 2 Historic Preservation Improvements.

**Separate Special Allocation Funds (Section 4.06)**

The City will maintain separate funds for the 2013 TIF Plan and the 2015 TIF Plan. This will allow the City to separately account for the funds that will repay the City Loan from the 2003 TIF Plan.

**Project Schedule, Design and Construction (Section 5.01)**

Developer must exercise commercially reasonable efforts to complete the Redevelopment Projects and each of its obligations under the Contract with respect to the acquisition, construction and completion of the Redevelopment Projects in substantial compliance with the Project Schedule attached as Exhibit E. Developer must also use commercially reasonable efforts to commence and complete the Historic Preservation Improvements in accordance with the Contract. Developer must pay prevailing wages, where applicable, and will indemnify the City for all suits brought against the City for failure to make these payments.

**Prohibition on Business Relocation (Section 5.02)**

No business that is currently operating in the City may be relocated within one year after approval of the Project Ordinance from another location within the limits of the City to a Redevelopment Project Area without the prior written approval of the City Manager. If the City grants such approval, the sales tax base for such Tenant shall be transferred to the location of the Tenant within Redevelopment Project Area and shall be treated as sales which occurred in the Redevelopment Project Area.

**“Permitted Assigns” (Definitions, Exhibit L)**

Developer has previously transferred land to Lee’s Summit Memory Care, LLC (owner of the memory care development in activated Project Area A and affiliate of The LaSalle Group, Inc., a Texas corporation, the original purchaser). Property may only be transferred to Padline III, LLC (owner of the child care and education facility in activated Project Area N and affiliate of Primax Properties, LLC, a North Carolina limited liability company, the original purchaser) and Sunflower Development Group, LLC (to conduct the historic rehabilitation) without triggering the provision summarized immediately below.



**City Approval of Land Sales (Section 7.02.E)**

No sale, transfer or other conveyance of any fee interest in the Property in the Redevelopment Area may be made to any party except to Permitted Assigns without the prior written consent of the City.

**City Loan and Security for Loan (Section 3.03)**

The City will incur a loan through the Interfund Loan Policy as discussed above. The City Loan will be repaid from the 2003 TIF Plan revenues, which are projected to be about \$345,000 in 2017 and increase to an annual amount of about \$440,000 after ten years. The City Loan is projected to be repaid after about 13 years, assuming the TIF revenues are received as projected in the TIF plan. The longest remaining TIF project (Project 1B, McDonalds property) has about 16 years left and terminates in 2033.

As additional security for the City Loan, any City Loan amounts (principal and interest) which remain unpaid as of the termination of Redevelopment Project 1B for the 2003 TIF Plan will be reimbursed on a proportional basis, computed quarterly, by comparing the total outstanding and unpaid City Loan amount (principal and accrued interest) and the total outstanding and unpaid certified Reimbursable Project Costs (principal and accrued interest) for the 2015 TIF Plan.

All City Loan proceeds will be controlled and disbursed by the City according to the requirements of the Contract and the City policies and procedures which are applicable to the City Loan. The proceeds of the City Loan will remain with the City and only be paid out for Reimbursable Project Costs that are certified by the City.

The City Loan will not be incurred until a number of conditions are satisfied:

- City and Developer have coordinated and made good faith efforts to obtain delivery of executed Historic Preservation Easements for each of the Completed Historic Preservation Improvements, except the Show Horse Arena (which has already been recorded);
- Submission of a) a performance bond (for the Mansion and Pergola rehabilitation projects) or b) an alternative form of assurance, including a contractor's estimate, scope of work or work plan (for the Phase I Stabilization Work), that ensures completion of each of the Phase I Historic Preservation Improvements to the City's satisfaction;
- Written confirmation from Hawthorn Bank regarding the remaining pay off for the Show Horse Arena, or written confirmation that the reimbursement obligation for Show Horse Arena has been fully paid;
- Execution of one or more contracts, in a form satisfactory to the City's legal counsel, for the completion of one or more line items of Stabilization or Rehabilitation Work which will be funded by the City Loan to the extent of such line item;

- Written confirmation that the TDD is in good standing with all applicable laws, has conducted an annual election of directors, properly populated the TDD board of directors, has conducted an annual board of directors meeting, approved all routine annual business of the TDD including the adoption of an annual budget and the filing of an annual financial statement with the State Auditor's Office, and corrected or rectified any of the past violations of applicable laws; and
- Developer has provided an accounting of funds, if any, received for the Historic Items as required by Section 6.02.

### **Stabilization Work (Section 6.01)**

From the proceeds of the City Loan, Developer will undertake certain stabilization work of the Dairy Barns, Farm Office and Dairy Manager House to stabilize the structures in order to maintain the physical integrity of such structures and prevent further deterioration and collapse due to weather and natural causes such as rain and snow. Such work will include patching and filling holes in roofs and walls, weather-proofing to prevent water damage and leakage, adding support beams and trusses to prevent the collapse of walls, floors and roofs, and all other work to maintain the physical integrity of such structure until the permanent rehabilitation and improvements can be completed for such structure. Prior to the commencement of any Stabilization Work, Developer cannot demolish, damage, destroy, move or remove any of the Historic Structures or any of the Façades of such structures, and shall not take action to alter the Façades of such structures, without prior written City approval. After Stabilization Work has been completed for an Historic Structure which is funded by the City Loan or which is reimbursable from TIF Revenues, Developer cannot damage, demolish or destroy such structure or take action to alter the Façades of such Historic Structure without written City approval.

### **Accounting for Historic Items (Section 6.02)**

Developer represents to the City that it has not knowingly sold any Historic Items, is not aware of the sale of any Historic Items by any third party, and has not received any proceeds as the result of the sale of any Historic Items. Developer agrees it will provide an accounting of the proceeds that result from the sale of any Historic Items sold and any proceeds received on after the Effective Date of the Contract. An amount equal to all proceeds resulting from the sale of Historic Items as itemized by Developer must be advanced by Developer for the Stabilization Work. Historic Items are defined in the definitions section of the Contract.

### **Historic Preservation Work (Section 6.03)**

Developer must, prior to the commencement of any Work on any Historic Structure or Façade, submit to the City plans and specifications for such Work. The City is allowed to comment on the plans and Developer must take these comments into account in the Historic Preservation Work.

**Plan Amendment for North Arch (Section 6.03.C)**

The Contract provides that the North Arch #1 requires additional Work to prevent further deterioration and provide for the long-term viability of the structure. The Parties agree that City staff will process a proposed amendment to the 2003 TIF Plan to incorporate the additional North Arch Costs as a Reimbursable Project Cost which will be funded by the City Loan. If and amendment to the 2003 TIF Plan for the North Arch is approved by the City Council, then the City Loan will also fund the full rehabilitation of the North Arch.

**Additional Historic Tax Credits (Section 6.03.G)**

If the formula or methodology for state or federal Historic Tax Credits is modified or amended such that the Developer or another party associated with the Historic Preservation Improvement receives credits for Work on the Historic Preservation Improvements in excess of the Historic Tax Credit amounts itemized in the Plans, then 75% of the amount of the new credits received will be treated as follows: (1) reduce the City Loan on a dollar for dollar basis if the credits are received while the City Loan is still being disbursed, or (2) if after the City Loan has been disbursed, then such amount shall be credited to the certified Reimbursable Project Costs that are due to be paid from the Special Allocation Fund for the 2015 TIF Plan. As an incentive for a party to commit time, energy and costs toward obtaining New Historic Tax Credits, the remaining twenty-five (25%) of any New Historic Tax Credits actually received may be retained by the recipient.

**Replacement of 2003 TIF Contract (Section 9.06.E)**

This new Contract is intended to completely replace the 2003 TIF Contract as to Mariner and the property that Mariner owns within the TIF Redevelopment Areas. Other rights maintained by the City under the original TIF Contract will continue in effect under the terms of that contract with respect to other parties besides Mariner.

**Payments to Taxing Districts from Residential Development (Section 3.06)**

The TIF Commission voted unanimously to approve Resolution 2015-02 which recommends approval of the New Longview TIF Plan. The TIF Commission voted 9-1 to approve an amendment to Resolution 2015-02 to include an additional recommendation which reads as follows:

[I]nclude provisions in the tax increment financing contract to incorporate a payment to the property taxing districts to cover direct costs incurred by the taxing districts as a direct result of residential development in the tax increment financing redevelopment project areas.

This provision is incorporated in to Section 3.06 of the TIF Contract. All of the payments authorized by this Section would come exclusively from TIF revenue generated by Redevelopment Project I for a maximum of 20 years, in the total maximum amount of about \$1.49 million for the Lee's Summit School District and about \$646,000 for the remaining taxing

districts. Payments to the taxing districts would only be from captured TIF revenues that are generated by each taxing district's tax levy within the Project I area.

The TIF Commission also voted unanimously to approve Resolution 2015-03 which recommends approval of the amendment to the 2003 TIF Plan.

Comparison of Revenues  
PILOTS, TIF EATs and TDD EATs  
Project Areas F, G, H and I Only

2015 Approved TIF Plan  
Yarco / B&B PDP - 2016

SUMMARY	
TIF PLAN NPV =	\$ 7,622,281
PDP NPV =	\$ 8,386,921
DIFFERENCE	\$ 764,640
% DIFFERENCE	110%

TIF PLAN ASSUMPTIONS - 2015 Approval

Program:	Units/Lots	SqFt	Sales Per Sq Foot	County Value Per Sq Ft or Per Unit
Total Office		17,000	\$ -	\$ 110
Total Retail		39,000	\$ 228	\$ 125
Total Senior	228	-	\$ -	\$ 65,000
<b>TOTAL</b>	<b>228</b>	<b>56,000</b>		

Projections:	PILOTS for TIF	Sales Tax Revenues for TIF		Total TIF Revenues
	Total PILOTS	TIF Sales Tax Revenue (TIF EATs)	TDD Sales Tax Revenue (TDD EATs)	TIF PILOTS, TIF EATs, TDD EATs
Total	\$ 10,136,836	\$ 3,357,661	\$ 1,074,451	\$ 14,568,948
NPV @ 5.0%	\$ 5,253,542	\$ 1,794,499	\$ 574,240	\$ 7,622,281

REVENUE ESTIMATES PER NEW PDP (Yarco / B&B) - 2016

Program:	Units/Lots	SqFt	Sales Per Sq Foot	County Value Per Sq Ft or Per Unit
Total Office		87,000	\$ -	\$ 112
Total Retail		37,500	\$ 131	\$ 125
Total Senior	172	-	\$ -	\$ 65,000
<b>TOTAL</b>	<b>172</b>	<b>124,500</b>		

Projections:	PILOTS for TIF	Sales Tax Revenues for TIF		Total TIF Revenues
	Total PILOTS	TIF Sales Tax Revenue (TIF EATs)	TDD Sales Tax Revenue (TDD EATs)	TIF PILOTS, TIF EATs, TDD EATs
Total	\$ 13,749,595	\$ 1,811,655	\$ 579,730	\$ 16,140,979
NPV @ 5.0%	\$ 7,126,089	\$ 955,176	\$ 305,656	\$ 8,386,921

Additional Notes:

- (1) Any projections contained herein are preliminary. These indications are provided solely for your information and consideration, are subject to change at any time without notice. The information contained in this presentation may include results of analyses from a quantitative model which represent potential future events that may or may not be realized, and is not a complete analysis of every material fact. Any estimates included herein constitute our judgment as of the date hereof and are subject to change without any notice.
- (2) IRR C&P is not acting as an advisor to a municipal entity or obligated person and does not owe a fiduciary duty pursuant to Section 158 of the Exchange Act to any municipal entity or obligated person with respect to the information and material contained in this communication.
- (3) IRR C&P is acting for its own interests or the interests of a client which is not a municipal entity or obligated person. A municipal entity or obligated person should discuss any information and material contained in this communication with any and all internal or external advisors and experts that the municipal entity or obligated person deems appropriate before acting on this information or material.
- (4) The attached analysis, prepared by IRR Corporate and Public Finance, LLC ("IRR C&P"), contains factual and general information and is not recommending an action to a municipal entity or obligated person with respect to the structure, timing, or terms of any municipal financial products. Any examples, analyses, scenarios, or options contained in this communication are not a recommendation or advice to any municipal entity or obligated person.
- (5) Prior to any Transaction, you should determine, without reliance upon us or our affiliates, the economic risks and merits (and independently determine that you are able to assume these risks) as well as the legal, tax and accounting characterizations and consequences of any such Transaction. In this regard, by accepting this presentation, you acknowledge that (a) we are not in the business of providing (and you are not relying on us for) legal, tax or accounting advice, (b) there may be legal, tax or accounting risks associated with any Transaction, (c) you should receive (and rely on) separate and qualified legal, tax and accounting advice and (d) you should apprise senior management in your organization as to such legal, tax and accounting advice (and any risks associated with any Transaction) and our disclaimer as to these matters.
- (6) IRS Circular 230 Disclosure: IRR Corporate & Public Finance, LLC and its affiliates do not provide tax or legal advice. Any discussion of tax matters in these materials is not intended or written to be used, and cannot be used or relied upon, by you for the purpose of avoiding any tax penalties. Accordingly, you should seek advice based on your particular circumstances from an independent tax advisor.

TIF PLAN (select areas only)

PILOTS, TIF EATs and TOD EATs  
New Longview TIF  
Project Areas F, G, H and I Only

	Units/Lots	SqFt
Total Office		17,000
Total Retail		39,000
Total Senior	228	-
<b>TOTAL</b>	<b>228</b>	<b>56,000</b>

New Longview Redevelopment

Year	PILOTS for TIF		Taxable Sales for TIF & TOD		Sales Tax Revenues for TIF		Total TIF Revenues
	Incremental Assessed Value	Total PILOTS	Total Projected Taxable Sales	TIF Sales Tax Revenue (TIF EATs)	TOD Sales Tax Revenue (TOD EATs)	TIF PILOTS, TIF EATs, TOD EATs	
1 2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 2019	\$ 3,350,000	\$ -	\$ 2,612,500	\$ 39,392	\$ 12,605	\$ 51,997	\$ 103,994
5 2020	\$ 4,121,300	\$ 295,301	\$ 5,225,000	\$ 78,783	\$ 25,211	\$ 432,999	\$ 534,715
6 2021	\$ 5,041,200	\$ 363,291	\$ 6,918,375	\$ 104,316	\$ 33,381	\$ 618,376	\$ 622,345
7 2022	\$ 5,056,626	\$ 444,380	\$ 8,612,926	\$ 129,867	\$ 41,557	\$ 632,522	\$ 636,598
8 2023	\$ 5,142,024	\$ 445,740	\$ 8,742,120	\$ 131,815	\$ 42,181	\$ 647,005	\$ 651,190
9 2024	\$ 5,157,759	\$ 453,268	\$ 8,873,251	\$ 133,792	\$ 42,813	\$ 661,834	\$ 666,131
10 2025	\$ 5,244,864	\$ 454,855	\$ 9,008,350	\$ 135,799	\$ 43,456	\$ 677,016	\$ 681,428
11 2026	\$ 5,260,914	\$ 462,333	\$ 9,141,445	\$ 137,836	\$ 44,107	\$ 692,560	\$ 697,091
12 2027	\$ 5,349,762	\$ 463,748	\$ 9,278,567	\$ 139,903	\$ 44,769	\$ 708,476	\$ 713,128
13 2028	\$ 5,366,132	\$ 471,580	\$ 9,417,746	\$ 142,002	\$ 45,441	\$ 724,773	\$ 729,550
14 2029	\$ 5,456,757	\$ 473,023	\$ 9,559,012	\$ 144,132	\$ 46,122	\$ 741,480	\$ 746,365
15 2030	\$ 5,473,455	\$ 481,011	\$ 9,702,397	\$ 146,294	\$ 46,814	\$ 758,547	\$ 765,315
16 2031	\$ 5,565,892	\$ 482,483	\$ 9,847,933	\$ 148,488	\$ 47,516	\$ 775,579	\$ 782,815
17 2032	\$ 5,582,924	\$ 490,632	\$ 9,995,652	\$ 150,716	\$ 48,229	\$ 790,476	\$ 799,721
18 2033	\$ 5,677,210	\$ 492,133	\$ 10,145,587	\$ 152,976	\$ 48,952	\$ 805,834	\$ 812,815
19 2034	\$ 5,694,582	\$ 500,444	\$ 10,297,770	\$ 155,271	\$ 49,687	\$ 820,721	\$ 827,915
20 2035	\$ 5,790,754	\$ 501,976	\$ 10,452,237	\$ 157,600	\$ 50,432	\$ 835,834	\$ 842,815
21 2036	\$ 5,808,474	\$ 510,453	\$ 10,609,020	\$ 159,964	\$ 51,189	\$ 850,834	\$ 857,721
22 2037	\$ 5,906,569	\$ 512,015	\$ 10,768,156	\$ 162,364	\$ 51,956	\$ 865,834	\$ 872,627
23 2038	\$ 5,924,843	\$ 520,662	\$ 10,929,678	\$ 164,799	\$ 52,736	\$ 880,834	\$ 887,533
24 2039	\$ 6,024,701	\$ 522,255	\$ 11,093,623	\$ 167,271	\$ 53,527	\$ 895,834	\$ 902,439
25 2040	\$ 6,043,136	\$ 531,075	\$ 11,260,028	\$ 169,780	\$ 54,330	\$ 910,834	\$ 917,345
26 2041	\$ 1,979,891	\$ 172,730	\$ 11,428,928	\$ 172,327	\$ 55,145	\$ 925,834	\$ 932,251
27 2042	\$ 1,039,680	\$ 91,647	\$ 4,350,342	\$ 65,595	\$ 20,990	\$ 179,532	\$ 184,438
28 2043	\$ -	\$ -	\$ 4,415,597	\$ 66,579	\$ 21,305	\$ -	\$ -
29 2044	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30 2045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 10,136,836</b>	<b>\$ 10,136,836</b>	<b>\$ 3,357,661</b>	<b>\$ 1,074,451</b>	<b>\$ 1,074,451</b>	<b>\$ 14,568,948</b>	<b>\$ 14,568,948</b>
<b>NPV @ 5.0%</b>	<b>\$ 5,253,842</b>	<b>\$ 5,253,842</b>	<b>\$ 1,794,499</b>	<b>\$ 574,240</b>	<b>\$ 574,240</b>	<b>\$ 7,622,281</b>	<b>\$ 7,622,281</b>

Notes:

- (1) PILOTS are captured at a rate of \$8,9583 per \$100 of assessed value
- (2) PILOTS are currently calculated gross of the base value of \$154,908
- (3) NPV is calculated based on the respective start date of each project
- (4) Collections and administrative fees are as shown below
- (5) A 1.0% TOD sales tax is assumed and as such 50% of the TOD sales tax is captured as a TOD EAT.
- (6) Applicable fees factored into the calculations include: Property tax revenues reduced by 1.6%, TIF sales tax revenues reduced by 3.5% and TOD revenues reduced by 3.50%.

Ad Valorem Levies

	Rate	Capture %	Captured Rate
CITY OF LS	1.5700	100%	1.5700
HND WKSHP	0.0753	100%	0.0753
JR COLG	0.2374	100%	0.2374
LBRY DIST	0.3200	100%	0.3200
MENTAL HEALTH	0.1223	100%	0.1223
LEE'S SUMMIT SD	6.1192	100%	6.1192
JA COUNTY	0.5141	100%	0.5141
MO BLIND PENSION	0.0300	0%	-
<b>Total Levy</b>	<b>8.9883</b>		<b>8.9883</b>
Assessment Ratio - Commercial	32.00%		
Assessment Ratio - Residential	19.00%		

Retail Sales Tax Rates

	Rate	Capture %	Captured Rate
State of Missouri	4.225%	0.00%	0.0000%
County - General	0.500%	50.00%	0.2500%
County - Capital Improvement	0.375%	0.00%	0.0000%
County - Drug Enforcement	0.250%	50.00%	0.1250%
Zoo District	0.125%	50.00%	0.0625%
City - General	1.000%	50.00%	0.5000%
City - Local Parks	0.250%	50.00%	0.1250%
City - Capital Projects	0.500%	50.00%	0.2500%
City - Transportation	0.500%	50.00%	0.2500%
<b>Total</b>	<b>7.725%</b>		<b>1.5625%</b>
<b>TOD Sales Tax</b>	<b>1.000%</b>	<b>50.00%</b>	<b>0.5000%</b>
<b>Grand Total Sales Tax Rate</b>	<b>8.725%</b>		<b>2.0625%</b>

NEW PDP

PILOTs, TIF EATs and TOD EATs  
New Longview TIF  
Project Arcos A-1 (New PDP)

	Units/Lots	SqFt
Total Office		87,000
Total Retail/Theater		37,500
Total Senior	172	-
<b>TOTAL</b>	<b>172</b>	<b>124,500</b>

New Longview Redevelopment

Year	PILOTs for TIF		Total Projected Taxable Sales	Sales Tax Revenues for TIF		Total TIF Revenues
	Incremental Assessed Value	Total PILOTs		TIF Sales Tax Revenue (TIF EATs)	TDD Sales Tax Revenue (TDD EATs)	
1 2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 2018	\$ 1,120,000	\$ -	\$ 2,394,000	\$ 36,097	\$ -	\$ 47,848
4 2019	\$ 3,437,800	\$ 98,728	\$ 2,429,910	\$ 36,638	\$ 11,551	\$ 147,090
5 2020	\$ 4,228,200	\$ 303,041	\$ 2,466,359	\$ 37,188	\$ 11,900	\$ 352,129
6 2021	\$ 4,591,356	\$ 372,714	\$ 2,503,354	\$ 37,746	\$ 12,079	\$ 422,539
7 2022	\$ 5,009,564	\$ 404,727	\$ 4,797,154	\$ 72,332	\$ 23,145	\$ 500,205
8 2023	\$ 6,911,183	\$ 441,591	\$ 4,869,112	\$ 73,417	\$ 23,493	\$ 538,502
9 2024	\$ 6,950,155	\$ 609,219	\$ 4,942,149	\$ 74,518	\$ 23,845	\$ 707,583
10 2025	\$ 7,049,407	\$ 612,654	\$ 5,016,281	\$ 75,635	\$ 24,204	\$ 712,494
11 2026	\$ 7,089,158	\$ 621,403	\$ 5,091,525	\$ 76,771	\$ 24,567	\$ 722,740
12 2027	\$ 7,190,395	\$ 624,907	\$ 5,167,898	\$ 77,922	\$ 24,935	\$ 727,764
13 2028	\$ 7,230,942	\$ 633,831	\$ 5,245,416	\$ 79,091	\$ 25,309	\$ 738,231
14 2029	\$ 7,334,203	\$ 637,405	\$ 5,324,097	\$ 80,277	\$ 25,689	\$ 743,371
15 2030	\$ 7,375,560	\$ 646,508	\$ 5,403,559	\$ 81,482	\$ 26,074	\$ 754,053
16 2031	\$ 7,480,897	\$ 650,153	\$ 5,485,018	\$ 82,704	\$ 26,465	\$ 759,322
17 2032	\$ 7,523,072	\$ 659,438	\$ 5,567,293	\$ 83,944	\$ 26,862	\$ 770,244
18 2033	\$ 7,633,505	\$ 663,156	\$ 5,650,803	\$ 85,204	\$ 27,265	\$ 775,625
19 2034	\$ 7,673,533	\$ 672,626	\$ 5,735,565	\$ 86,482	\$ 27,674	\$ 786,782
20 2035	\$ 7,783,115	\$ 676,419	\$ 5,821,598	\$ 87,779	\$ 28,093	\$ 792,287
21 2036	\$ 7,827,034	\$ 685,079	\$ 5,908,322	\$ 89,095	\$ 28,511	\$ 803,685
22 2037	\$ 7,938,777	\$ 689,948	\$ 5,997,555	\$ 90,432	\$ 28,935	\$ 809,318
23 2038	\$ 7,983,544	\$ 699,801	\$ 6,087,520	\$ 91,788	\$ 29,372	\$ 820,951
24 2039	\$ 8,097,553	\$ 703,747	\$ 6,178,832	\$ 93,165	\$ 29,813	\$ 826,725
25 2040	\$ 8,150,635	\$ 593,448	\$ 2,949,687	\$ 44,476	\$ 14,232	\$ 652,156
26 2041	\$ 3,985,031	\$ 346,010	\$ 2,993,933	\$ 45,143	\$ 14,445	\$ 435,588
27 2042	\$ 3,048,844	\$ 268,755	\$ 3,038,842	\$ 45,820	\$ 14,652	\$ 329,237
28 2043	\$ 2,715,920	\$ 234,713	\$ 3,084,424	\$ 46,507	\$ 14,882	\$ 296,103
29 2044	\$ 2,252,702	\$ 198,575	\$ -	\$ -	\$ -	\$ 198,575
30 2045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 13,749,595</b>			<b>\$ 1,811,655</b>	<b>\$ 579,730</b>	<b>\$ 16,140,979</b>
NPV @ 5.0%		<b>\$ 7,126,089</b>		<b>\$ 955,176</b>	<b>\$ 305,655</b>	<b>\$ 8,386,921</b>

Notes

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- (3) NPV is calculated based on the respective start date of each project
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- (5) A 1.0% TDD sales tax is assumed and as such 50% of the TDD sales tax is captured as a TDD EAT
- (6) Applicable fees factored into the calculations include: Property tax revenues reduced by 1.6%, TIF sales tax revenues reduced by 3.5% and TDD revenues reduced by 3.50%

Ad Valorem Levies

	Rate	Capture %	Captured Rate
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LBRY DIST	0.3200	100%	0.3200
MENTAL HEALTH	0.1223	100%	0.1223
LEE'S SUMMIT SD	6.1192	100%	6.1192
JA COUNTY	0.5141	100%	0.5141
HO BLIND PENSION	0.0300	0%	-
<b>Total Levy</b>	<b>8.9883</b>		<b>8.9583</b>
Assessment Ratio - Commercial	32.00%		
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Retail Sales Tax Rates

	Rate	Capture %	Captured Rate
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County - General	0.500%	50.00%	0.2500%
County - Capital Improvement	0.375%	0.00%	0.0000%
County - Drug Enforcement	0.250%	50.00%	0.1250%
Zoo District	0.125%	50.00%	0.0625%
City - General	1.000%	50.00%	0.5000%
City - Local Parks	0.250%	50.00%	0.1250%
City - Capital Projects	0.500%	50.00%	0.2500%
City - Transportation	0.500%	50.00%	0.2500%
<b>Total</b>	<b>7.725%</b>		<b>1.5625%</b>
TDD Sales Tax	1.000%	50.00%	<b>0.500%</b>
<b>Grand Total Sales Tax Rate</b>	<b>8.725%</b>		<b>2.0625%</b>

**Feasibility Study  
Old Longview Lake**

<u>Company</u>	<u>Scope</u>	<u>Hours</u>	<u>Unit</u>	<u>\$/Hour</u>	<u>\$ Total</u>
Lutjen	Survey critical elevations, set benchmarks and corners, complete existing and future condition hydraulic model, size and price new spillway	1	Allowance	\$17,500	\$17,500
Shafer Kline	Bathymetric Survey	1	LS	\$3,450	\$3,450
KC Testing	Geotechnical Borings	1	LS	\$7,500	\$7,500
Terra Technologies	Coordinate tasks, submit for jurisdictional determination, evaluate dredge alternatives, evaluate forebay requirements, prepare feasibility study report with costs	120	\$125	\$12,500	\$15,000
					\$43,450



November 22, 2016

VIA ELECTRONIC MAIL

David Bushek, Esq.  
Gilmore & Bell  
20405 Grand Boulevard, Suite 1100  
Kansas City, MO 64108

**Re: Longview TIF and TDD Revenues**

Dear Dave:

This will confirm the results of our meeting on November 11, 2016 regarding the Longview TIF and TDD revenues going forward.

Once the TDD and TIF revenues and expenses are reconciled, which is underway on the part of the City, the State and Hawthorn Bank, we will all be able to agree if additional TIF revenues should flow to Hawthorn Bank under its Assignment of TIF Revenues with Gale Community Properties. As soon as any outstanding TIF Reimbursable Project Costs have been paid in full, the Bank will no longer be entitled to receive TIF revenues under its assignment with Gale Communities. However, under the Assignment, TDD revenues, whether from existing or future retailers, which are not captured by the TIF as it has been and may be amended from time to time in the future, will flow to Hawthorn Bank until the TDD Project Costs funded by Gale Communities have been paid in full.

Should you have any questions in this regard, feel free to call.

Very truly yours,



Aaron G. March

AGM:jjw

cc: Mr. Keith Asel  
John W. Keubler, Esq.

{33019 / 68723; 727677. }

Final for Execution

**TAX INCREMENT FINANCING CONTRACT**

**between the**

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

**and**

**M-III LONGVIEW, LLC**

**dated as of December 1, 2016**

---

**IMPLEMENTING**

**THE NEW LONGVIEW TAX INCREMENT FINANCING PLAN**

**AND**

**THE SECOND AMENDED AND RESTATED  
LONGVIEW FARM TAX INCREMENT FINANCING PLAN**

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**TAX INCREMENT FINANCING CONTRACT**

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<b><u>Exhibit A</u></b>	Map of Redevelopment Areas
<b><u>Exhibit B</u></b>	Legal Description of Redevelopment Project Areas
<b><u>Exhibit C</u></b>	Map of Redevelopment Project Areas
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<b><u>Exhibit L</u></b>	Permitted Assigns

## TAX INCREMENT FINANCING CONTRACT

**THIS TAX INCREMENT FINANCING CONTRACT** is made and entered into as of December 1, 2016, (the “**Effective Date**”) by and between the **CITY OF LEE’S SUMMIT, MISSOURI**, a charter city and political subdivision of the State of Missouri, and **M-III LONGVIEW, LLC**, a Delaware limited liability company authorized to conduct business in Missouri. (All capitalized terms used but not otherwise defined herein shall have the meanings ascribed in **Section 1.02** of this Contract.)

### RECITALS

1. On October 16, 2003, the City Council approved the First Amended and Ratified Longview Farm Tax Increment Financing Plan (the “**Longview Farm TIF Plan**”) through the adoption of Ordinance No. 5630, for the redevelopment of historic structures on the Longview Farm property, in accordance with the TIF Act.

2. The financing and historic preservation purposes of the Longview Farm TIF Plan were not realized, and only four of the ten redevelopment project areas were initiated within the legally required ten-year period, and the ownership of a significant portion of the initial Longview Farm TIF Plan redevelopment area was transferred through foreclosure proceedings.

3. Revised incentive plans were proposed by the new owner of undeveloped property within the Longview Farm TIF Plan redevelopment area, including revisions to the Longview Farm TIF Plan and the creation of a new TIF Plan.

4. Pursuant to the provisions of the TIF Act, the Lee’s Summit Tax Increment Financing Commission (“**TIF Commission**”) was composed of representatives from the City and from the affected taxing jurisdictions for the purpose of conducting a public hearing and making recommendations about the Plans to the City Council.

5. On November 16, 2015, the TIF Commission held public hearings to consider the proposed Second Amended and Restated Longview Farm TIF Plan and the New Longview TIF Plan and thereafter voted unanimously to approve Resolution 2015-02 and Resolution 2015-03 which recommended approval of the two plans.

6. On December 17, 2015 the City Council approved Ordinance No. 7778 which approved the Second Amended and Restated Longview Farm TIF Plan, Ordinance No. 7779 which approved the New Longview TIF Plan, and Ordinance No. 7780 which approved Redevelopment Project A for the New Longview TIF Plan.

7. The Parties desire to enter into this Contract to implement the Plans.

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 Contract and are hereby incorporated into and made a part of this Contract as though they were fully set forth in this Section. The provisions of the Redevelopment Plans

and the provisions of the TIF Act as amended as of and including the date of this Contract, are hereby incorporated herein by reference and made a part of this Contract, subject in every case to the specific terms hereof. In the event of any conflict between the provisions of this Contract and any other documents related to the Redevelopment Plans previously prepared or executed, the provisions of this Contract shall control.

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

**“2003 TIF Contract”** means the First Amended and Restated Tax Increment Financing Contract dated October 28, 2003 between the City and Gale Communities, Inc.

**“2003 TIF Plan”** means the Second Amended and Restated Longview Farm Tax Increment Financing Plan as approved by Ordinance No. 7778 on December 17, 2015.

**“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 Plans and this Contract, 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**.

**“Applicable Law 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 J** hereto furnished by the Developer to the City evidencing Reimbursable Project Costs.

**“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.

**“Certificate of Substantial Completion”** means a certificate in substantially the form attached as **Exhibit I** hereto furnished by the Developer and approved by the City pursuant to **Section 6.04** upon the substantial completion of an Historic Structure.

**“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 Loan”** means the loan to be made by the City pursuant to the City’s Interfund Loan Policy, using available City funds which will be allocated and designated to fund the payment of those Reimbursable Project Costs under the 2003 TIF Plan for the Phase 1 Historic Preservation Improvements as set forth in **Exhibit G**.

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

**“City Planning Commission”** means the Planning Commission of the City.

**“Closing”** means, with respect to the City Loan, the delivery of written confirmation by the City that all steps necessary to make \$3,450,000 available for the reimbursement of Phase 1 Reimbursable Project Costs in accordance with this Contract, the City’s Interfund Loan Policy and all procedures and policies adopted by the City to implement the Interfund Loan Policy have been completed.

**“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.

**“Completed Historic Preservation Improvements”** means those Historic Preservation Improvements as listed in **Exhibit F** which are stabilized, renovated, rehabilitated, reconstructed, repaired or remodeled in accordance with the description of such work as set forth in the Plans on the Effective Date of this Contract.

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

**“Contract”** means this Tax Increment Financing Contract, as the same may be from time to time modified, amended or supplemented in writing by the Parties hereto.

**“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.

**“Developer”** means M-III Longview, LLC, a Delaware limited liability company, its Permitted Assigns as set forth in **Section.7.02** and **Exhibit L**, and/or its permitted successors in interest.

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

**“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.

**“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, unavailability of labor or other labor/contractor disputes, unusually adverse weather conditions, and any other events or conditions which in fact prevents the Party so affected from discharging its respective obligations hereunder.

**“Façade”** means the exterior features of an Historic Structure together with the structural portions of the Historic Structure that support such exterior features.

**“Funding Agreement”** means the Funding Agreement executed by the City and the Developer dated August 24, 2015 for the payment of City costs associated with reviewing, approving and implementing the Plans.

**“Governmental Approvals”** means all plat approvals, re-zoning or other zoning changes, site plan approvals, conditional use permits, variances, building permits, architectural review or other subdivision or zoning approvals as required in the ordinary course of business pursuant to the City’s Unified Development Ordinance and this Contract.

**“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) having jurisdiction or authority over the Redevelopment Areas, whether now or hereafter in existence.

**“Historic Items”** means all tangible personal property of an historical nature located at or on an Historic Structure on the date that the Property was acquired by Developer, including all farm equipment, farm implements, tools, signs and signage, advertisements, furniture and household items used on the farm, equipment and implements associated with farm operations, horse stall fixtures and equipment, dairy stall fixtures and equipment, light fixtures, wood beams, ceiling joists, wood flooring, all wood associated with the Historic Structures that may be re-purposed for functional or decorative purposes, floor tiles, roof tiles, decorative farm items, ornaments and ornamental items, equipment and items associated with farming operations, and all similar items of historic nature associated with the farm property or farming operations.

**“Historic Preservation Easement”** means an easement granted by Developer or an authorized successor and assign of Developer to the City (or to a third party as selected by the City) in substantial compliance with the form of easement attached as **Exhibit G** which may include those changes and additions as the Parties deem necessary to fit the particular facts and circumstances associated with a completed Historic Structure and the granting of an easement for such structure and the associated lands and water features. The Parties agree that the form of the Historic Preservation Easement may be modified to fit the particular facts and circumstances associated with the characteristics of each Historic Structure, taking into account any aspect of the Façade of such structure that requires special treatment based on the renovation and reconstruction that has occurred to allow for the intended uses of the structure and the property. Alterations to the form of Historic Preservation Easement may be negotiated and approved by the City Manager or his designee without City Council approval of the final form of easement, provided that the final form of easement binds Developer to the substantially identical restrictions regarding future alterations of the Façade, the City’s rights of approvals for proposed

alterations of the Façade, and the Developer's obligations to maintain the Façade in accordance with the approve plans for the structure, all as provided in the form of easement attached as **Exhibit G**.

**"Historic Preservation Improvements"** means the Phase 1 Historic Preservation Improvements and the Phase 2 Historic Preservation Improvements as set forth in **Exhibit F**.

**"Historic Structure"** means each of the structures set forth in **Exhibit F**, along with all lands and water features, supporting grounds, support areas, fixtures and improvements associated with each structure.

**"Historic Tax Credits"** means those tax credits applicable to federal and state income taxes which are provided for the Historic Preservation Improvements as a result of the Historic Preservation Tax Incentives Program which are administered by the National Park Service and the Missouri Department of Natural Resources pursuant to applicable federal and state laws and regulations.

**"New Longview TIF Plan"** means the New Longview Tax Increment Financing Plan as approved by Ordinance No. 7779 on December 17, 2015.

**"North Arch Cost"** shall have the meaning set forth in **Section 6.03**.

**"Obligations"** means bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by the City to fund Reimbursable Project Costs or to refund outstanding Obligations. The issuance of Obligations is the sole discretion of the City.

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

**"Party"** or **"Parties"** means the City or the Developer, or collectively both City and Developer.

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

**"Permitted Subsequent Approvals"** means the building permits and other Governmental Approvals customarily obtained prior to construction which have not been obtained or which the City or other Governmental Authority has not yet determined to grant on the date that this Contract is executed.

**"Permitted Assigns"** means the permitted assigns pursuant to **Section 7.02** and shall include as of the Effective Date of this Contract those assigns set forth on **Exhibit L**.

**"Phase 1 Historic Preservation Improvements"** means those Uncompleted Historic Preservation Improvements set forth in **Exhibit D** which are listed under Phase 1 Historic Preservation Improvements and which are intended to be funded, in part, from the City Loan and TIF Revenues generated by the 2003 TIF Plan.

**"Phase 2 Historic Preservation Improvements"** means those Uncompleted Historic Preservation Improvements set forth in **Exhibit D** which are listed under Phase 2 Historic Preservation Improvements and which are intended to be funded, in part, from TIF Revenues generated by the New Longview TIF Plan.

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

“Plans” means, collectively, the 2003 TIF Plan and the New Longview TIF Plan.

“Project Budget” means the Project Budget set forth in **Exhibit D**.

“Project Ordinance” means each of the Ordinances approved by the City Council to approve and activate one or more of the Redevelopment Project Areas for the New Longview TIF Plan.

“Project Schedule” means the schedule for completion of the private development and completion of the Historic Structures as set forth in **Exhibit E**.

“Projected Assessed Value” shall have the meaning set forth in **Section 4.04.C**.

“Property” means all of the real property located within the boundaries of the Redevelopment Area for the New Longview TIF Plan which is owned by Developer or its Permitted Assigns (as set forth in **Section 7.02**) on the Effective Date of this Contract.

“Redevelopment Areas” means the areas depicted in **Exhibit A** for each of the Plans.

“Redevelopment Plan” means the 2003 TIF Plan and/or the New Longview TIF Plan, as the context so requires.

“Redevelopment Project” means each of the fifteen (15) redevelopment projects labeled A through O in the New Longview TIF Plan and located within the Redevelopment Area for the New Longview TIF Plan that are approved by Ordinance pursuant to the TIF Act.

“Redevelopment Project Area” means the property within each of the Redevelopment Projects that is approved by Ordinance for the New Longview TIF Plan.

“Redevelopment Project Costs” means the sum total of all reasonable or necessary costs incurred or estimated to be incurred in connection with the Plans and any such costs incidental to the Plans, 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 Plans);
- (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;
- (6) Financing costs;

(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 Plans, 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"** means a line in the Project Budget associated with an Historic Preservation Improvement for which TIF reimbursement is scheduled to occur.

**"Reimbursable Project Costs"** means those Redevelopment Project Costs incurred by Developer, its designee or its Permitted Assigns which perform Work on Historic Preservation Improvements, which may be reimbursed pursuant to the Plans.

**"Reimbursable Project Costs Cap"** shall have the meaning set forth in **Section 3.01**.

**"Reimbursement Interest Rate"** means the prime rate as reported by the Wall Street Journal on the first day of each calendar quarter (January 1, April 1, July 1 and October 1), plus 2%.

**"Related Entity"** shall have the meaning set forth in **Section 7.02.B.1**.

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

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

**"Site Plan"** means the final development plan for each Redevelopment Project Area that is submitted by the Developer to the City and approved by the City pursuant to Applicable Law and Requirements.

**"Special Allocation Fund"** means each of the special allocation funds for the 2003 TIF Plan and the New Longview TIF Plan, including any accounts and subaccounts created within each fund, into which TIF Revenues are deposited for each respective Redevelopment Plan, as required by the TIF Act and this Contract.

**"Stabilization Work"** means the work to be funded by the City Loan for certain Phase 1 Historic Preservation Improvements which is intended to stabilize the structures in order to maintain the physical integrity of such structures and prevent further deterioration and collapse due to weather and natural causes such as rain and snow. Such work will include patching and filling holes in roofs and walls, weather-proofing to prevent water damage and leakage, adding support beams and trusses to prevent the collapse of walls, floors and roofs, and all other work to maintain the physical integrity of such structure until the permanent rehabilitation and improvements can be completed for such structure. Such **Stabilization Work** is understood to be limited to the scope of work approved by the City pursuant to **Section 6.01**.

**"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.

**"Taxing Districts Capital Contribution"** shall have the meaning set forth in **Section 3.06**.

“**TDD**” means the Lee’s Summit New Longview Transportation Development District.

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

“**TDD Administrative Costs**” shall have the meaning set forth in **Section 6.02.B**.

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

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

“**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 Plans.

“**TIF Revenues**” means Payments In Lieu of Taxes and fifty percent (50%) of Economic Activity Taxes generated by each of the Plans.

“**Total Initial Equalized Assessed Value**” 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 each Redevelopment Project Area immediately after tax increment financing for each Redevelopment Project Area has been approved by Ordinance.

“**Uncompleted Historic Preservation Improvements**” means those Historic Preservation Improvements as listed in **Exhibit F** which are not yet stabilized, renovated, rehabilitated, reconstructed, repaired or remodeled in accordance with the description of such work as set forth in the Plans on the Effective Date of this Contract.

“**Work**” means, as the context so requires, (1) all work, including, but not limited to, demolition, site preparation, development, design, engineering and construction of each Redevelopment Project and (2) all work to stabilize, renovate, rehabilitate, reconstruct, repair and remodel each Uncompleted Historic Preservation Improvement.

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

**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. 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 Contract.

B. 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 Contract.

**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 Contract 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 Contract constitutes the legal valid and binding obligation of the Developer, enforceable in accordance with its terms.

B. Ownership.

1. Developer owns all of the Property and has the authority to conduct all Work as required to complete or cause the completion of each Redevelopment Project, except as to those properties which have been transferred or conveyed to Permitted Assigns pursuant to **Section 7.02**, which Permitted Assigns are set forth in **Exhibit L** and which properties are parts of Projects A and N as depicted in **Exhibit C**.

2. Developer owns the Historic Structures as identified in **Exhibit F** as Uncompleted Historic Preservation Improvements and has the authority to complete or cause the completion of the Stabilization Work and the Work necessary for rehabilitation, redevelopment and preservation of the Uncompleted Historic Preservation Improvements.

3. Developer also owns the North Arch #1 as described in **Exhibit F**.

C. No Defaults or Violation of Law. The execution and delivery of this Contract, 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.

D. 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 Contract 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 Contract.

E. No Material Change. Since the City's approval of the TIF Plans in December, 2015, (1) the Developer has not incurred any material liabilities or entered into any material transactions other than a) transactions undertaken in the ordinary course of business, and b) transactions contemplated by this Contract, and (2) there has been no material adverse change in the business, financial position or results of operations of the Developer, from that that shown in any financial information provided by the Developer to the City prior to the execution of this Contract, which could reasonably be expected to affect the Developer's ability to perform its obligations pursuant to this Contract

F. 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, delivery and performance by the Developer of this Contract (other than typical Governmental Approvals for development activity).

G. Historic Preservation Easements.

1. Developer has the authority to execute an Historic Preservation Easement to the City for each of the Completed Historic Preservation Improvements it owns as listed on **Exhibit F** as a precondition to completing the City Loan in accordance with this Contract.

2. Developer has the authority to execute or to cause to be executed through any conveyance or transfer document an Historic Preservation Easement to the City of each of the Uncompleted Historic Preservation Improvements it owns as listed on **Exhibit F**.

3. With respect to certain Completed Historic Preservation Improvements described in **Exhibit F**, Developer has entered into a separate agreement with David Gale and Gale Communities, Inc. (collectively "**Gale**"), whereby Gale will execute or cause to be executed an Historic Preservation Easement for the South Arch #2, the Water Tower, the Band Stand, and the Gate House and Gate House Lodge.

4. The City acknowledges that the Historic Preservation Easement for the Showhorse Arena has been previously executed and recorded.

H. 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 Contract, 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.

**Section 2.03. Conditions to Effective Date.** This Contract 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 Missouri Secretary of State;
- B. a Certificate of Good Standing of the Developer in the State of Missouri;
- C. a Certificate of authority to do business in the State of Missouri.

**Section 2.04. Developer to Advance Costs.** The Developer agrees to advance all Redevelopment Project Costs and Reimbursable Project Costs as necessary to complete the Work associated with completion of the Uncompleted Historic Preservation Improvements, except as such Work is funded by the City Loan, all subject to any Excusable Delay and the Developer's right to terminate this Contract as set forth in **Section 8.04**.

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

A. Termination of Funding Agreement. The Developer has previously advanced, pursuant to a Funding Agreement between the City and the Developer, certain funds for Administrative Costs. Within thirty (30) days after execution of this Contract, 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. All such invoiced amounts shall be paid first from the existing advanced funds and



thereafter by the Developer directly to the extent that invoiced amounts exceed the existing advanced funds. All such payments by Developer are Reimbursable Project Costs and are eligible for reimbursement with TIF Revenues, including the City Loan. Reimbursement of Administrative Costs from the City Loan shall cover those Administrative Costs incurred prior to the termination of the Advanced Funds Account as provided in **Section 2.05.C**, and thereafter such Administrative Costs shall be funded from the Special Allocation Fund for the New Longview TIF Plan as described in **Section 2.05.C**. After final payment of all outstanding invoices is made by Developer under the Funding Agreement, the Funding Agreement shall be terminated, and any funds remaining on deposit with the City pursuant to the Funding Agreement shall be used by the City in accordance with **Section 2.05.B** hereof and shall be treated as a Reimbursable Project Cost to Developer.

B. Initial Deposit. In addition to the Administrative Costs paid under the Funding Agreement, the City shall also be reimbursed for all Administrative Costs incurred in connection with the Plans and this Contract. Upon termination of the Funding Agreement, the City shall deposit the funds remaining on deposit with the City pursuant to the Funding Agreement 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, is \$15,000. If there are no funds on deposit with the City pursuant to the Funding Agreement 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. 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 is at least \$20,000 in the Special Allocation Fund of the New Longview TIF Plan to implement **Section 2.05.C** 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 Reimbursable Project Costs Cap and will be eligible for reimbursement with TIF Revenues, including the City Loan.

C. Future Administrative Costs on a Pay As You Go Basis. When sufficient funds are available in the Special Allocation Fund for the New Longview TIF Plan, the City will withdraw funds from the Special Allocation Fund for the New Longview TIF Plan to pay the maximum annual Administrative Costs. It is hereby agreed that in no event shall the annual Administrative Costs exceed \$20,000. In the event the City has not used such annual amount by the end of a given calendar year, Developer shall be entitled to request such remaining balance and out of such amount City shall provide reimbursement of amounts advanced under 2.05.A. and 2.05.B., which have not otherwise been reimbursed.

**Section 2.06. Developer’s Ownership of the Property.** At the time that this Contract is executed, Developer represents that it owns the Property, except for the portions of the Property located in Redevelopment Project A and Project N, which parcels have been transferred to LaSalle Memory Care and Goddard School, as end-users for the purpose of development. The Parties do not anticipate that condemnation is needed to acquire any portion of the Property. There are no adverse or other parties in possession of the Property, or of any part thereof. The Developer is not aware of any boundary, survey, or title questions or disputes with respect to the Property.

**Section 2.07. Developer Designation and Development Rights.** The City hereby selects the Developer to perform or otherwise cause the performance of the Work for the Plans in accordance with the Plans and this Contract. For the purpose of implementing the Plans and this Contract, the City hereby grants to the Developer and its successors, Permitted Assigns, and any other assigns (as specified in **Section 7.02**) exclusive redevelopment rights over the Redevelopment Project Areas and the Historic Structures, subject to and in accordance with the terms and conditions of this Contract.

### ARTICLE 3: REIMBURSEMENT OF COSTS

**Section 3.01. Limitation on Reimbursement.** 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 shall not exceed the Reimbursable Project Costs Cap, plus any Advanced Funds. "**Reimbursable Project Costs Cap**" means the sum of following dollar amounts: (1) three million six hundred fifty thousand dollars (\$3,650,000) for reimbursement pursuant to the 2003 TIF Plan and (2) sixteen million nine hundred thirty nine thousand four hundred sixty three dollars (\$16,939,463), plus interest at the Reimbursement Interest Rate, pursuant to the New Longview TIF Plan. In the event that the City issues Obligations to fund the reimbursement of any Reimbursable Project Costs, all costs of issuance and interest, financing costs, fees and expenses associated with such Obligations may also be funded from revenues generated by the New Longview TIF Plan, as approved by the City pursuant to the issuance of such Obligations.

#### **Section 3.02. City's Obligations for Reimbursement.**

A. Reimbursement of Project Costs Generally. Subject to the limitations set forth in this Contract, the City shall reimburse the Developer for all certified Reimbursable Project Costs which do not exceed the Reimbursable Project Costs Cap under the conditions and restrictions set forth in this Contract, plus all Advanced Funds and other Administrative Costs paid by Developer. In connection with the Work associated with the Plans, the Developer shall submit an Application for Reimbursable Project Costs in substantial compliance with **Exhibit J** 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.

B. Phase 1 Historic Preservation Improvements. The City will incur the full principal of the City Loan to fund reimbursement of the Phase 1 Historic Preservation Improvements, with the exception of the contingency line item. The costs associated with the Phase 1 Historic Preservation Improvements which are certified for reimbursement pursuant to this Contract shall be reimbursed from the proceeds of the City Loan pursuant to the conditions and requirements of **Section 3.03**. The Parties agree that the Developer will complete or cause to be completed the Phase 1 Historic Preservation Improvements as set forth in **Exhibit D**, with the Work on each Improvement to be undertaken in a commercially reasonable time period following approval of the City Loan. The City's obligation to provide reimbursement for the Phase 1 Historic Preservation Improvements shall be limited to the Reimbursable Project Costs Cap, and no interest shall accrue on the Reimbursable Project Costs which are funded pursuant to the City Loan.

#### C. Phase 2 Historic Preservation Improvements.

1. The Parties anticipate that the certified Reimbursable Project Costs for the Phase 2 Historic Preservation Improvements will be reimbursed on a "pay as you go" basis as revenues are collected in the Special Allocation Fund for the New Longview TIF Plan in accordance with this Contract. The Parties agree that the Developer will exercise commercially reasonable efforts

to complete or cause to be completed the Phase 2 Historic Preservation Improvements generally in the order set forth in **Exhibit D**, with the understanding that such Improvements may be phased and may overlap and that market conditions, end-users or investors and other circumstances that cannot be determined at this time may cause reconsideration of the timing or order of the Improvements. In the event of such unforeseen circumstances, the Developer or its Permitted Assigns agree to provide notice to the City and obtain City approval for any material change in the timing or order of the Improvements, which approval shall not be unreasonably withheld. The Phase 2 Historic Preservation Improvements shall be reimbursed solely from the TIF Revenues generated by the New Longview TIF Plan in the order of priority set forth in **Section 4.07** and subject to the limitations associated with the Phase 2 Retainage Account as described immediately below.

2. Developer shall obtain and deliver to the City executed performance and payment bonds for all Work associated with each Phase 2 Historic Preservation Improvement except the Lake Rehabilitation prior to the commencement of Work on such Phase 2 Historic Preservation Improvement. There shall be a retainage by the City equal to ten percent (10%) of hard costs for the construction of each separate project. Such retainage shall be retained by the City in a retainage account within the Special Allocation Fund (the "**Phase 2 Retainage Account**") and shall be released from the Phase 2 Retainage Account upon the City's grant of a Certificate of Substantial Completion and pursuant to the order of priority set forth in **Section 4.07**. The City shall have no obligation to reimburse Developer for Reimbursable Project Costs associated with a Phase 2 Historic Preservation Improvement from the amounts held in the Phase 2 Retainage Account until:

(a) the City has certified costs for such improvement or portion of improvement in accordance with this Contract;

(b) a Certificate of Substantial Completion has been granted by the City pursuant to **Section 6.04** for the applicable Phase 2 Historic Preservation Improvement;

(c) Developer has submitted an Historic Preservation Easement in recordable form in substantial compliance with the form set forth in **Exhibit G** as required by this Contract for the applicable Phase 2 Historic Preservation Improvement for which reimbursement is requested; and

(d) thereafter, funds are available in the Phase 2 Retainage Account for reimbursement.

3. The City's obligation for reimbursement for the Phase 2 Historic Preservation Improvements shall be limited to the Reimbursable Project Costs Cap, and any amounts which would be Reimbursable Project Costs and which exceed the Reimbursable Project Costs Cap shall, if expended, be funded solely by Developer and shall not be reimbursed by the City.

4. The City may, in its sole discretion, issue Obligations to fund the Phase 2 Historic Preservation Improvements, or may fund any portion of the Phase 2 Historic Preservation Improvements through the City Loan as proceeds may be available from the City Loan as a result of the cost savings in Phase 1 Historic Preservation Improvements.

5. Reimbursable Project Costs for the Phase 2 Historic Preservation Improvements which have been certified by the City through an approved Application for Reimbursable Project Costs in accordance with this Contract shall accrue simple interest at the Reimbursement Interest

Rate starting on the day that the City approves such application in accordance with **Section 3.03** until the principal amounts of such certified Reimbursable Project Costs are paid, or until this Contract is terminated as provided herein. TIF Revenues distributed to pay Reimbursable Project Costs shall be applied first to accrued and unpaid interest, then to principal. Unpaid interest shall accrue but shall not be compounded.

**Section 3.03. City Loan.**

A. Closing on City Loan. The City will incur the City Loan internally and make funds available to implement the City Loan and provide written confirmation on the Closing of the City Loan upon satisfaction of the following conditions and requirements:

1. City and Developer have coordinated and made good faith efforts to obtain delivery of executed Historic Preservation Easements in substantial compliance with the form attached as **Exhibit G** for each of the Completed Historic Preservation Improvements listed in **Exhibit F**, except the Show Horse Arena (which has already been recorded);

2. Submission of a) a performance bond (anticipated with respect to the Mansion and Pergola rehabilitation projects) or b) an alternative form of assurance, including but not limited to a contractor's estimate, scope of work or work plan (anticipated with respect to Phase I Stabilization Work), that ensures completion of each of the Phase I Historic Preservation Improvements to the satisfaction of the City's legal counsel;

3. Written confirmation from Hawthorn Bank regarding the remaining amount of the outstanding Reimbursable Project Costs for the Show Horse Arena (the "pay-off" amount as of a date certain), or written confirmation that the reimbursement obligation for Show Horse Arena has been fully paid, as applicable;

4. Execution of one or more contracts, in a form satisfactory to the City's legal counsel, for the completion of one or more line items of Stabilization or Rehabilitation Work set forth in **Exhibit D**, which will be funded by the City Loan to the extent of such line item;

5. Written confirmation or reasonable documented progress demonstrating that the TDD has: a) conducted an annual election of directors for 2016, b) properly populated the TDD board of directors, has conducted an annual board of directors meeting for 2016, c) approved all routine annual business of the TDD including the adoption of an annual budget and the filing of an annual financial statement with the State Auditor's Office, d) satisfied all Applicable Laws and Requirements which are applicable to the operation and administration of the TDD, e) corrected or rectified of any past violations of all Applicable Laws and Requirements, and f) delivered a written statement to the City that the TDD is in agreement with the capture and appropriation of 50% of the TDD revenues as Economic Activity Taxes within activated Redevelopment Project Areas under both Plans, in order to rectify any prior discrepancies regarding the flow of TDD funds in connection with the Plans.

6. Developer has provided an accounting of funds, if any, received for the Historic Items as required by **Section 6.02**.

B. Administration of City Loan Proceeds. All City Loan proceeds will be designated or allocated among other City funds in a manner determined by the City Director of Finance for the benefit of the 2003 TIF Plan, and will be controlled and disbursed by the City according to the requirements of this Contract and the City policies and procedures which are applicable to the City Loan. The outstanding

reimbursement for the Show Horse Arena, as set forth in **Section 3.03.A.3.**, above, will be the highest priority of disbursement from the City Loan proceeds. Subject to the Reimbursable Project Costs Cap, Reimbursable Project Costs that are certified by the City will be paid from the City Loan proceeds within 30 days following the City's certification of the Costs. Reimbursable Project Costs which are funded by the City Loan shall be certified as provided in **Section 3.04**. Reimbursement to Developer from the proceeds of the City Loan for Administrative Costs pursuant to **Section 2.05** shall cover those Administrative Costs which are incurred prior to the termination of the Advanced Funds Account as set forth in **Section 2.05**. Reimbursement requests may be submitted on a monthly basis. The City Loan will operate as a draw-down loan, and certified Reimbursable Project Costs which are certified by the City will begin to accrue interest on the day of certification by the City pursuant to **Section 3.02**. There shall be a retainage by the City equal to ten percent (10%) for all reimbursement associated with Stabilization Work, which shall be retained by the City in the Special Allocation Fund and shall be released upon the City's verification that the Stabilization Work which is approved pursuant to **Section 3.03.A** and **Section 6.01** has been completed.

C. Repayment of City Loan. All TIF Revenues actually disbursed from the Special Allocation Fund for the 2003 TIF Plan will first be used for repayment of the City Loan pursuant to **Section 4.07**.

D. Interest on City Loan. The amounts disbursed pursuant to the City Loan shall accrue simple interest at the rate equal to the interest rate earned on the City's pooled investments account, which shall be calculated on a quarterly basis, until the principal amounts which have been disbursed are repaid from TIF Revenues in accordance with this Section. Repayment of the City Loan will first fund accrued interest, and then shall be applied to retirement of all principal on the City Loan.

E. Additional Security for City Loan.

1. As additional security for the City Loan, any City Loan amounts, including principal and interest, which remain unpaid as of the termination of Redevelopment Project 1B for the 2003 TIF Plan shall be reimbursed as part of the "Interfund Loan Repayment, Restructuring Costs & Contingency" line item of the Phase 2 Historic Preservation Improvements as set forth on **Exhibit D** on a proportional basis, computed quarterly, by comparing the total outstanding and unpaid City Loan amount (including all principal and accrued interest) and the total outstanding and unpaid certified Reimbursable Project Costs (including all principal and accrued interest) for the New Longview TIF Plan. (Redevelopment Project 1B of the 2003 TIF Plan, currently a McDonalds restaurant, was approved by Ordinance No. 6880 on January 21, 2010 and, if not terminated earlier due to full repayment of the City Loan, will terminate after 23 years on January 20, 2033.) Such payments shall be made in the order of priority set forth in **Section 4.07**.

**Example:** After Redevelopment Project 1B for the 2003 TIF Plan has been terminated, the outstanding amount of the City Loan (principal and interest) is \$100,000, and the total amount of the certified and unpaid Reimbursable Project Costs for the New Longview Plan (principal and interest) is \$900,000. The TIF Revenue generated by the New Longview TIF Plan for that quarter and available to pay reimbursable project costs in the order of priority set forth in **Section 4.07** would be allocated 10% to City Loan repayment and 90% to Reimbursable Project Costs for the New Longview TIF Plan.

2. The City may purchase a policy of insurance to protect against the loss of TIF Revenues from the 2003 TIF Plan, using TIF Revenues from the 2003 TIF Plan to fund the purchase of such insurance or by increasing the amount of the City Loan to cover such additional

expense. The use of such funds shall not reduce other TIF revenues available to the Redevelopment Projects under the Plans.

F. Source of City Loan. The City Loan will be made in accordance with the City Interfund Loan Policy. The City shall have no obligation to incur a loan from any third party lender or from any other sources. The City may, in its discretion, issue Obligations to fund part or all of the amount that is scheduled to be funded by the City Loan.

G. Historic Tax Credits. If, at any time during the effective period of the Plans and this Contract, the formula or methodology for state or federal Historic Tax Credits is modified or amended such that the Developer or another party associated with the Historic Preservation Improvement receives credit(s) for Work on the Historic Preservation Improvements in excess of the Historic Tax Credit amounts itemized and available in the Plans pursuant to Historic Tax Credits laws in effect as of the date of this Contract ("New Historic Tax Credits"), then seventy-five percent (75%) of any New Historic Tax Credits actually received or to be received by Developer, its Permitted Assign or another party affiliated with the Historic Preservation Improvement shall be credited under this Contract in the following order of priority:

1. First, the New Historic Tax Credits shall be credited to the City Loan which shall have the effect of reducing, on a dollar for dollar basis, the amount of the City Loan proceeds that are due to be paid to Developer for certified Reimbursable Project Costs. Such credit shall also serve to stop the accrual of interest on an equal amount of such certified Reimbursable Project Costs as of the date that the New Historic Tax Credits were issued by the appropriate governmental authority.

2. Second, if the full amount of the proceeds of the City Loan have been disbursed, then such amount of the New Historic Tax Credits shall be credited to the certified Reimbursable Project Costs that are due to be paid from the Special Allocation Fund for the New Longview TIF Plan for certified Reimbursable Project Costs under such Plan. Such credit shall also serve to stop the accrual of interest on an equal amount of such certified Reimbursable Project Costs as of the date that the New Historic Tax Credits were issued by the appropriate governmental authority.

The Parties agree that, as an incentive for a party to commit time, energy and costs toward obtaining New Historic Tax Credits, the remaining twenty-five (25%) of any New Historic Tax Credits actually received or to be received by Developer, its Permitted Assign or another party affiliated with the Historic Preservation Improvement may be retained by such recipient.

The Parties agree that any Historic Tax Credits which are awarded to the Historic Preservation Improvements resulting from laws and regulations that are in effect on the Effective Date of this Contract, including the award of Historic Tax Credits that results from increased investment by Developer or another party on the Historic Preservation Improvements, shall not be treated as New Historic Tax Credits. The Developer or its Permitted Assign shall have an ongoing duty during the effective period of the Plans and this Contract to use its Best Efforts to obtain all available New Historic Tax Credits, as such may become available, and shall also have the ongoing duty to report to the City the receipt of any New Historic Tax Credits as described in this paragraph for the purpose of providing the credits described in this subsection. Charitable income tax deductions received by a party as the result of the granting of Historic Preservation Easements to the City pursuant to Section 2.02.G shall not be construed to be New Historic Tax Credits under this Contract.

### **Section 3.04. Reimbursement Process**

A. Application 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 J**. 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 and certified by the City, up to the Reimbursable Project Costs Cap, are eligible for reimbursement in accordance with the TIF Act and this Contract, although the City's obligation to reimburse Developer shall be as provided in **paragraph B** of this Section.

B. Shifting among Reimbursable Line-Items. Developer may shift up to five percent (5%) of each Reimbursable Line Item associated with the Phase 1 Historic Preservation Improvements to other Reimbursable Line Items associated with the Phase 1 Historic Preservation Improvements, and may shift up to five percent (5%) of each Reimbursable Line Item associated with the Phase 2 Historic Preservation Improvements (except for the Reimbursable Line Item associated with the "Interfund Loan Repayment, Restructuring Costs and Contingency") to other Reimbursable Line Items associated with the Phase 2 Historic Preservation Improvements, without consent from the City, provided that the total amount of reimbursement pursuant to each Plan shall not exceed the Reimbursable Project Costs Cap with respect to each Plan and upon providing written notice to the City of the amounts shifted between Reimbursable Line Items through an Application for Reimbursable Project Costs. Amounts sought to be shifted between Reimbursable Line Items in excess of the limitations set forth in this paragraph may occur upon written approval by the City Manager or his designee, which approval may not be unreasonably withheld. In no event will the City's total obligation for reimbursement with respect to either the 2003 TIF Plan or the New Longview TIF Plan exceed the total Reimbursable Project Costs Cap, plus any Advanced Funds.

C. Processing Reimbursement Applications. The Developer may submit an Application for Reimbursable Project Costs to the City Manager not more often than once each calendar month. 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 Reimbursable Project Cost is not a "redevelopment project cost" under Section 99.805(15) of the TIF Act or is not "TIF Reimbursable" pursuant to 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 a) provide supplemental data or information in support of the eligibility of the costs as submitted, or b) identify and substitute other Redevelopment Project Costs as Reimbursable Project Costs with a supplemental application for payment, subject to the limitations of this Contract. The City may also request such additional information from Developer as may be reasonably 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. If the City does not reject an Application within thirty (30) days of submission, the Application shall be deemed approved.

D. Apportionment between Phase 1 and Phase 2. Each application for Reimbursable Project Costs shall specify whether the requested reimbursement relates to Phase 1 Historic Preservation Improvements or Phase 2 Historic Preservation Improvements. In the event that the requested reimbursement is potentially eligible to be reimbursed under both category of improvements, the application shall specify what portion of the request relates to reimbursement as a Phase 1 Historic Preservation Improvement and as a Phase 2 Historic Preservation Improvement .

**Section 3.05. 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 or from the proceeds of the City Loan to pay for Reimbursable Project Costs.

**Section 3.06. Taxing Districts Capital Contribution from Redevelopment Project I.** An annual maximum amount, as set forth below, of the TIF Revenues generated solely from Redevelopment Project I, to the extent that sufficient revenues are available on an annual basis to make such payments, shall be used to make the payments listed in this Section to a Taxing District for a period of 20 years in the order of priority set forth in **Section 4.07** for the purpose of providing reimbursement to the Taxing Districts for capital costs that are incurred by such district as a result of the development activities in the Redevelopment Area of the New Longview TIF Plan (the "**Taxing Districts Capital Contributions**"). The Taxing Districts Capital Contributions to each Taxing District shall not annually exceed the maximum annual amounts listed in this section. In the event that less than the maximum annual amount listed in this section is available from TIF Revenues generated in Redevelopment Project I in a calendar year to make the full amount of all Taxing Districts Capital Contributions in the order of priority set forth in **Section 4.07**, the TIF Revenues that are actually available on an annual basis for such payments shall be distributed on a pro-rata basis in proportion to the percentage amounts listed below for each Taxing District. The Taxing District Capital Contributions shall consist of the following:

A. Lee's Summit School District

District	Maximum Annual Payment	Maximum 21 Year Payment	Percentage
Lee's Summit School District	\$70,860	\$1,488,060	69.72%

B. Other Districts

District	Maximum Annual Payment	Maximum 21 Year Payment	Percentage
Jackson County	\$10,790	\$226,590	10.62%
Metro Community College	\$7,708	\$161,868	7.58%
Library	\$7,289	\$153,069	7.17%
Mental Health Services	\$2,719	\$57,099	2.68%
Disabled Services	<u>\$2,262</u>	<u>\$47,502</u>	<u>2.23%</u>
	\$30,768	\$ 646,128	100.00%

It is understood that such Capital Contribution payments to the Taxing Districts reduce the anticipated revenues available for Historic Preservation Improvements by the amounts set forth above.

**ARTICLE 4: TAX INCREMENT FINANCING**

**Section 4.01. Redevelopment Project Area and Redevelopment Project.** The Redevelopment Areas for the Plans are depicted in **Exhibit A**. The Redevelopment Project Areas are



legally described in **Exhibit B** and depicted in **Exhibit C**. The Redevelopment Area for the New Longview TIF Plan will be developed in multiple redevelopment projects. It is expected that the City has initiated or will initiate tax increment financing by Ordinance, subject to the City Council's legislative discretion, for the Redevelopment Project Areas associated with the New Longview TIF Plan prior to the date that the first business establishment opens for business in each area and on a date that maximizes the collection of Payments in Lieu of Taxes and Economic Activity Taxes, subject to all provisions of this Contract. Subject to the terms and conditions of the Plans and this Contract, including any Excusable Delays, the Developer or its Permitted Assigns shall in a commercially reasonable manner construct or cause to be constructed the improvements and developments for the Redevelopment Projects.

**Section 4.02. Project Budget.** The Redevelopment Projects shall be constructed in general accordance with the budget set forth in the New Longview TIF Plan and **Exhibit D**.

**Section 4.03. Removal of Blighting Conditions in the Redevelopment Areas.** The Redevelopment Areas have each been found and declared by the City Council to be a "conservation area," as that term is defined in the TIF Act by approval of the Plans. By completing the Stabilization Work and the Uncompleted Historic Preservation Improvements, the Developer shall clear or shall cause to be cleared the conditions which cause the property to be declared a conservation area under the TIF Act and which may lead to blight in the Redevelopment Areas. It is understood and acknowledged that the Stabilization Work alone described herein is neither intended or sufficient to eliminate such potential blight conditions. Developer or its Permitted Assigns covenant that, once redeveloped, then for so long as the Plans are in effect the Redevelopment Areas will not fall into disrepair that would allow the property to again qualify as a conservation area or blighted area under the TIF Act.

**Section 4.04. Payments in Lieu of Taxes.**

A. Initiation of Payment Obligations. Pursuant to the provisions of the Plans and the TIF Act, including, but not limited to, Section 99.845 thereof, when tax increment financing is established by each 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 Project Area.

B. Enforcement of Payments. Failure to pay Payments in Lieu of Taxes as to any property in a Redevelopment Project Area 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. Developer agrees that annual tax assessments on any tax parcel located in a Redevelopment Project Area shall not be formally or informally protested or contested if such assessments for such tax parcel are equal to or less than the lesser of (i) 110% of 50% of the construction costs within the tax parcel or (ii) the projected assessed values for such tax parcel as set forth in the Plan with respect to each Redevelopment Project Area for any calendar year during the effective period of this Contract. In the event that Developer seeks to protest the tax assessment within any

Redevelopment Project Area and part (i) of the preceding sentence applies, Developer shall provide proof of all actual construction costs incurred for the appropriate tax parcel(s). This obligation shall be binding on all successors in interest within each Redevelopment Project Area in accordance with **Section 7.02**. The restrictions in this paragraph shall not apply to a Permitted Assign that has taken title to property in the Redevelopment Area prior to the Effective Date of this Contract.

D. Release of Liens. Notwithstanding anything to the contrary herein, any lien on any property within a Redevelopment Project Area or any portion thereof shall be deemed (1) released as to any public street or other public way included within any plat of the property, 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 such 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.

#### **Section 4.05. 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 each Redevelopment Project Area which are in excess of the amount of such taxes generated by economic activities within such Redevelopment Project Area for the calendar year prior to the adoption of the Project Ordinance, while tax increment financing remains in effect, but excluding those taxes which are not subject to TIF capture pursuant to the TIF Act and other applicable laws, 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 for the Redevelopment Project 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 each Economic Activity Taxes Account for the Special Allocation Funds, to be utilized and expended in accordance with the TIF Act, the Plans and this Contract.

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 Funds, 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 each 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 such Redevelopment Project Area for the preceding calendar year, but excluding those taxes, fees and assessments that are exempted from capture pursuant to the TIF Act or other applicable laws.

**Section 4.06. Special Allocation Fund.** The City shall establish and maintain the Special Allocation Fund for each of the Plans 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. 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 for the appropriate Special Allocation Fund for each of the Plans. The City shall separately account for TIF Revenues generated pursuant to the 2003 TIF Plan and the New Longview TIF Plan for the purpose of disbursing such revenues pursuant to this Contract.

**Section 4.07. Disbursements From Special Allocation Funds.** The City hereby agrees for the term of this Contract to apply available TIF Revenues generated by each of the Plans in the following manner and order of preference. The TIF Revenues shall be disbursed on a quarterly basis to pay the items described below as such revenues are deposited in the Special Allocation Funds and become available for disbursement.

A. 2003 TIF Plan: TIF Revenues in the Special Allocation Fund for the 2003 TIF Plan shall be disbursed as follows –

1. Repayment of the City Loan in accordance with **Section 3.03**; and
2. Following full retirement of the City Loan, payment of certified Reimbursable Project Costs for any remaining and unreimbursed Reimbursable Project Costs for the Phase 1 Historic Preservation Improvements.

B. New Longview TIF Plan: TIF Revenues in the Special Allocation Fund for the New Longview TIF Plan shall be disbursed as follows –

1. From TIF Revenues solely from Redevelopment Project Area I, payment of any Taxing Districts Capital Contributions which are authorized by this Contract;
2. Payment of Administrative Costs in accordance with Section 2.05.C.; and
3. After making all reductions and holdbacks as required by this Contract, (a) the payment of remaining Reimbursable Project Costs associated with the Mansion rehabilitation and not otherwise reimbursed by the City Loan as part of the Phase 1 Historic Preservation Improvements, (b) the payment of Reimbursable Project Costs associated with the Phase 2 Historic Preservation Improvements and (c) repayment of the City Loan as authorized by **Section 3.03**.

**Section 4.08. Full Assessment.**

A. Redevelopment Project Area. After all Reimbursable Project Costs have been paid, but not later than twenty-three (23) years after the adoption of the final Project Ordinance for the New Longview TIF Plan, this Contract shall terminate and Developer shall not be entitled to receive any further disbursements from the Special Allocation Fund for either of the Plans.

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 Redevelopment Project Areas shall be free from the conditions, restrictions and provisions of the TIF Act, the rules or regulations adopted pursuant thereto, the Plans, and this Contract, except that the obligation of Developer to indemnify the City as provided in this Contract shall survive termination of this Contract.

## ARTICLE 5: CONSTRUCTION OF THE REDEVELOPMENT PROJECTS

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

A. Schedule. Absent an event of Excusable Delay, the Developer or its Permitted Assigns shall exercise commercially reasonable efforts to complete or cause to be completed the Redevelopment Projects and each of its obligations under this Contract 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 or its Permitted Assigns shall obtain the approval of a contractual scope of work for the Stabilization Work described herein and shall obtain the approval of the Site Plan for each Redevelopment Project and all Historic Preservation Improvements in accordance with the Project Schedule and Applicable Law and Requirements, which approvals shall not be unreasonably withheld. The Project Schedule may be modified upon written approval by the City Manager after a request by Developer, which approval shall not be unreasonably withheld.

B. Construction. In accordance with the Project Schedule attached as **Exhibit E**, and absent an event of Excusable Delay, the Developer or its Permitted Assigns shall use commercially reasonable efforts to commence and complete or cause to be commenced and completed the construction of the Redevelopment Projects and all Historic Preservation Improvements in a good and workmanlike manner in accordance with the terms of this Contract.

C. Construction Contracts. The Developer or its Permitted Assigns may enter into one or more construction contracts to complete the Work. Third parties which undertake Work shall not be authorized to directly request reimbursement pursuant to this Contract and all requests for reimbursement shall be submitted by Developer or its Permitted Assigns in accordance with **Section 3.04**.

D. Prevailing Wages. The Developer shall comply with applicable laws, if any, regarding the payment of prevailing wages to contractors or subcontractors of the Developer who perform any work for any Historic Preservation Improvement, as applicable. 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 the Developer, any contractors or subcontractors or any other persons or entities that perform any work for any Historic Preservation Improvement to pay prevailing wages pursuant to applicable laws. Payments due to Developer pursuant to this Contract 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

E. Competitive Bids and Other Construction Requirements The Developer shall comply with applicable state and local laws, if any, relating to the construction of each Redevelopment Project and all Historic Preservation Improvements.

F. 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 Law and Requirements.

**Section 5.02. Relocation within the City** No business that is currently operating in the City shall be relocated within one year after approval of the Project Ordinance from another location within the limits of the City to a Redevelopment Project Area without the prior written approval of the City Manager. If the City grants such approval, the sales tax base for such Tenant shall be transferred to the location of the Tenant within 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 5.03. Compliance with Laws and Requirements.** All Redevelopment Projects shall be designed, constructed, equipped and completed in accordance with all Applicable Law and Requirements of all federal, state and local jurisdictions.

**Section 5.04. Lease of Property.** The Developer or its Permitted Assigns may lease Property within a Redevelopment Project Area. To the extent practicable and using Best Efforts, any such lease shall include the following language, or language that is substantially similar to the following after being approved by the City Attorney:

**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 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, all in the format prescribed by them. 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 or its Permitted Assigns shall use reasonable efforts to enforce this lease provision. At the request of the City, the Developer or its Permitted Assigns 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 to require that such restrictions be placed in any such lease shall not be a Developer Event of Default and in no way modifies, lessens or diminishes the obligations and restrictions set forth herein.

**Section 5.05. Sale of Property.** If Developer or its Permitted Assigns sell any portion of the Property within a Redevelopment Project Area in accordance with the requirements of this Contract, other than to a Permitted Assign, then to the extent practicable and using Best Efforts any such sale agreement shall include the following language, or language that is substantially similar to the following after being approved by the City Attorney:

**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 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, all in the format prescribed by them. 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 or its Permitted Assigns shall use Best Efforts to enforce this provision. At the request of the City, the Developer or its Permitted Assigns 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 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: HISTORIC PRESERVATION IMPROVEMENTS – STABILIZATION, PRESERVATION AND REDEVELOPMENT**

### **Section 6.01. Stabilization of Historic Improvements.**

A. Prior to the commencement of any Stabilization Work or any Work for an Uncompleted Historic Preservation Improvement, Developer or its Permitted Assigns shall not demolish, damage, destroy, move or remove any of the Historic Structures or any of the Façades of such structures, and shall not take action to alter the Façades of such structures, without prior written City approval. On and after the Effective Date of this Contract, Developer or its Permitted Assigns shall take reasonable steps to ensure that each Historic Structure associated with an Uncompleted Historic Preservation Improvement that will be funded pursuant to the Plans is not damaged, demolished, destroyed or altered by third parties, including reasonable security measures to protect such structures. Such obligation may include the placement of locked fencing around the Dairy Barns, the Farm Office and Dairy Manager House on the properties described in **Exhibit F**.

B. Certain of the Uncompleted Historic Preservation Improvements are intended to be stabilized through the Stabilization Work, before the Work which will provide for the permanent rehabilitation, repair and reconstruction of such structures is undertaken. Developer or its Permitted Assigns shall complete or cause to be completed the Stabilization Work on the Dairy Barns, Farm Office and Dairy Manager House under the schedule set forth in **Exhibit E** pursuant to one or more contracts for such work which shall be reviewed and approved by the City Manager prior to the undertaking of such

Stabilization Work. The obligation of the Developer or its Permitted Assigns for such Stabilization Work shall be limited to the scope of work approved by the City pursuant to this paragraph, using funds up to the amount set forth for each stabilization project as set forth in **Exhibit D**. The Parties acknowledge that the Work on the Mansion as a Phase 1 Historic Preservation Improvement is intended to be performed in coordination with the Mansion Renovation which is a Phase 2 Historic Preservation Improvement as described in **Exhibit D**.

C. After Stabilization Work has been completed for an Historic Structure which is funded by the City Loan or which is reimbursable from TIF Revenues, Developer or its Permitted Assigns shall not damage, demolish or destroy such structure or take action to alter the Façades of such Historic Structure without written City approval, which shall not be unreasonably withheld, and shall take reasonable steps to ensure that the Historic Structure is not damaged, demolished or destroyed by third parties including reasonable security measures, which may include the placement of locked fencing around the property.

**Section 6.02. Accounting for Historic Items.** As of the Effective Date of this Contract, Developer represents to the City that it has not knowingly sold any Historic Items, is not aware of the sale of any Historic Items by any third party, and has not received any proceeds as the result of the sale of any Historic Items. Developer agrees it will provide an accounting of the proceeds that result from the sale of any Historic Items sold and any proceeds received on after the Effective Date of this Contract. An amount equal to all proceeds resulting from the sale of Historic Items as itemized by Developer shall be advanced by Developer for the Stabilization Work, and Developer shall provide written proof or an affidavit that demonstrates compliance with this paragraph prior to Closing on the City Loan.

**Section 6.03. Historic Preservation Work.**

A. Submission of Plans and Specifications. Developer shall, prior to the commencement of any Work on any Historic Structure or Façade, including without limitation any additions or annexations thereto, submit to the City plans and specifications for such Work (the "**Preservation Plans**"). If the City determines that it requires any additional information prior to completing its review and evaluation of the Preservation Plans, the City shall notify Developer of such determination, together with the additional information required, within fifteen (15) business days after the City's receipt of the Preservation Plans. It is understood and acknowledged that this Section 6.03 does not apply to the Stabilization Work described herein.

B. City Review of Plans. After the City has received the Preservation Plans, together with any additional information that the City has requested pursuant to paragraph A of this Section, the City's Planning Director or his/her designee shall promptly proceed to review the Preservation Plans to determine if, in the City's reasonable judgment, (a) the proposed Work reasonably conforms to the quality and character of the original Façades and (b) whether changes, additions or modifications to the Work are reasonably practicable for the Developer to make to cause the proposed Work to conform more substantially to the quality and character of the original Façades. The City shall notify Developer within thirty (30) days after receipt of the Preservation Plans (and all additional information the City reasonably requests as provided herein) of the City's determination as to whether the proposed Work conforms to the quality and character of the original Façades, and whether changes, additions or modifications to the Work are reasonably practicable for the Developer to make to cause the proposed Work to conform more substantially to the quality and character of the original Façades. Following receipt of notice from the City, Developer may proceed with the Work. The Historic Preservation Easement associated with an Historic Structure shall conform to the approval of the Work for that Historic Structure.

C. North Arch #1. The Parties agree that the North Arch #1 as listed on **Exhibit F** requires additional Work to prevent further deterioration and provide for the long-term viability of the structure. The Parties agree to take the following actions to facilitate the renovation and preservation of North Arch #1:

1. Developer, as the owner of North Arch #1, or its designee, will inspect the structure to determine (a) the scope of Work that is required to provide for the repair and renovation of the structure to a state that prevents further deterioration due to water and other natural causes, and (b) the estimated cost of such Work (the “**North Arch Costs**”).

2. The City will prepare an amendment to the 2003 TIF Plan which provides that North Arch #1 is a reimbursable project cost, up to the amount of the estimated North Arch Costs. The City Council may consider the approval of such amendment by ordinance, exercising its legislative discretion.

3. If such amendment to the 2003 TIF Plan is approved by the City Council, Developer will contract for and fund the Work required to repair and renovate the structure, which will be reimbursed from the proceeds of the City Loan up to the amount of the North Arch Cost.

**Section 6.04. Certificate of Substantial Completion.** Promptly after substantial completion of each Historic Preservation Improvement in accordance with the provisions of this Contract including the approvals granted by the City pursuant to **Section 6.03**, the Developer or its Permitted Assigns shall submit a Certificate of Substantial Completion to the City. The Certificate of Substantial Completion shall be in substantially the form attached as **Exhibit I**. 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 improvement, 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 covenants with respect to completion of the Historic Preservation Improvement and shall be deemed to ratify and confirm reimbursements for eligible and certified Reimbursable Project Costs as previously paid pursuant to Section 3 herein.

## **ARTICLE 7: GENERAL COVENANTS**

### **Section 7.01. Indemnification of the City.**

A. Developer and any Permitted Assigns (collectively referred to as “Developer” in this Section 7.01), agree 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. Developer's actions and undertaking in implementation of a Redevelopment Project and this Contract;
2. Developer's Work associated with an Historic Preservation Improvement;
3. 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 a Redevelopment Project of an Historic Preservation Improvement; or
4. 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,

where any such suits, claims, or litigation are not based in whole or in part upon any negligence or willful misconduct of any of the City Indemnified Parties or upon the City's breach of this Contract.

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 timely to 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, including the right to offset against amounts of Reimbursable Project Costs payable to 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 Contract shall survive the termination of this Contract.

#### **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 for an Historic Preservation Improvement, the Developer's rights and obligations hereunder with respect to that Historic Preservation Improvement and the property on which it is located may not be assigned, in whole or in part, to any entity other than the Sunflower Development Group, LLC, without the prior approval of the City Council. Following the City's issuance of a Certificate of Substantial Completion for an Historic Preservation Improvement, Developer, Sunflower Development Group, LLC, or other Permitted Assigns shall have the right, without the City's consent, to assign any and all of its

obligations under this Contract with respect to that Historic Preservation Improvement 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 Contract 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 a) any entity in which the ownership or membership of such entity is controlled by Developer or the majority owners or members of Developer, and b) with respect to M-III Longview, LLC, any entity for which Mariner Real Estate Management, LLC (or its successors-in-interest) controls the day-to-day operations and management of such entity. 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, its Permitted Assigns and its successors and assigns shall also have the right, without the City's consent, to collaterally assign to any Secured Lender (as defined below) as collateral any and all of Developer's rights and/or obligations under this Contract, 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 Contract, any default by Developer under this Contract, 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 Contract unless and until 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 Contract by foreclosure, or deed in lieu of foreclosure or otherwise. 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 costs associated with rehabilitation and redevelopment of an Historic Preservation Improvement and the associated real property 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 or a Permitted Assign under the Contract, the City shall receive: (a) within thirty (30) days following the date of such collateral assignment, a notice that a collateral assignment has been entered into with a Secured Lender in connection with the Property, which notice 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 Contract, 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 City is provided with a 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 or a Permitted Assign, 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 in this Contract.

C. Assignment & Assumption Contract. 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 by executing an Assignment Agreement that is in substantial compliance, as determined by the City Manager, with the form set forth in **Exhibit K**. The Developer shall be relieved from any obligations that are assigned according to the terms of this Contract. Upon execution of an Assignment Agreement between the City and an assignee, the Developer shall be released from its obligations in this Contract relating to the property transferred to the assignee.

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 Contract 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 Contract, 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 by the Developer to any party except the Permitted Assigns listed in **Exhibit L** without the prior written consent of the City Manager, which shall not be unreasonably withheld. This restriction on the Developer 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, along with a copy of the instrument affecting such sale. The City shall have thirty (30) days in which to respond to such notice and if, at the end of such thirty (30) days the City has not responded, the sale shall be deemed approved.

F. Right to Receive TIF Revenues. Only the Developer or a Related Entity or Secured Party 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 Contract, shall be entitled to receive TIF Revenues or the proceeds of the City Loan.

G. No Assignment if in Default. Notwithstanding anything in this section to the contrary, no assignment or transfer of this Contract is permitted without the City Manager's written consent if the Developer is in material default in the performance of any of the material terms, covenants, conditions and agreements of this Contract and has been provided notice of such default by the City.

**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 Contract 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 Contract. The Parties will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Contract requires their continued cooperation.

**Section 7.05. Amendments.** This Contract 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**, a “**Developer Event of Default**” means a default in the performance of any material obligation or breach of any other material covenant or agreement of the Developer or its Permitted Assigns in this Contract (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**, a “**City Event of Default**” means default in the performance of any material obligation or breach of any other material covenant or agreement of the City in this Contract (other than a covenant or agreement, a default in the performance or breach of which is specifically dealt with elsewhere in this Contract), 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 Contract or by law:

1. The City shall have the right to remove the Developer as the developer of record under the Plans and terminate this Contract or terminate the Developer’s rights under this Contract.
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 Contract, to enforce or preserve any other rights or interests of the City under this Contract 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 Contract for any reason, the City shall have no obligation to reimburse the Developer for any amounts advanced under this Contract, except for the outstanding amounts advanced to the City for Administrative Costs hereunder that were not used by the City to pay for or reimburse such costs, or costs otherwise incurred or paid by Developer. The City shall continue to

be obligated to reimburse the Developer for any costs incurred by the Developer, submitted to and certified by the City prior to the effective date of the termination of the Contract

C. If a party hereto has instituted any proceeding to enforce any right or remedy under this Contract by suit or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the such party, then subject to any determination, orders or findings made or agreed upon in such proceeding, the City and the Developer shall be restored to their former positions and rights hereunder, and thereafter all rights and remedies of the parties shall continue as set forth herein.

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.

F. The defaults, rights and remedies of or with respect to any one "Developer" party under this Contract shall not affect, or be effected by, the rights and obligations of any other "Developer" party, it being further understood and agreed that any Developer Event of Default by one "Developer" party under this Contract shall not (by itself) constitute a Developer Event of Default with respect to any other "Developer" party hereunder.

#### **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 Contract or by law:

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

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 Contract, to enforce or preserve any other rights or interests of the Developer under this Contract 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.

D. Any City Event of Default that applies to or affects one "Developer" party under this Contract shall not (by itself) constitute a City Event of Default with respect to any other "Developer" party.

**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 Contract because of an Excusable Delay.

## ARTICLE 9: GENERAL PROVISIONS

**Section 9.01. Term.** Unless earlier terminated as provided herein, this Contract shall remain in full force and effect until such time as all Reimbursable Project Costs up to the amount of the Reimbursable Project Costs Cap, plus Advanced Funds, are repaid to Developer or its Permitted Assigns. Upon such repayment, this Contract 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 Historic Preservation Improvement from time to time for reasonable inspections. For up to one (1) year following the City's issuance of a Certificate of Substantial Completion, the City shall have the right at its own cost and expense to audit (either through employees of the City or a firm engaged by the City) the books and records of the Developer relating to the payment of such Reimbursable Project Costs.

**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 Contract 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 Contract 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 or his designee and for the Developer by any officer or other authorized representative of Developer designated in writing to the City; and any such person shall be deemed authorized to act on any such agreement, request, demand, approval, notice or consent or other action of its corresponding Party without the need for the other Party to confirm such authority. 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 Contract 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 Contract, provide notice to Developer of such additional time needed to respond.

**Section 9.06. Superseding Effect and Conflicts.**

A. The Parties agree that, as required by the TIF Act, the Plans contain 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 and the

B. Redevelopment Project Areas. This Contract specifies the rights, duties and obligations of the City and Developer with respect to constructing the Redevelopment Projects and completing the Historic Preservation Improvements, the payment of Redevelopment Project Costs, Reimbursable Project Costs, payments from the Special Allocation Fund, and all other methods of implementing the Plans.

C. The Parties further agree that this Contract contains provisions that are in greater detail than as set forth in the Plans and that expand upon the estimated and anticipated sources and uses of funds to implement the Plans. Nothing in this Contract shall be deemed an amendment of the Plans. Except as otherwise expressly provided herein, this Contract supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof with respect to the Property that is owned by Developer and is a full integration of the agreement of the Parties.

D. In the event of a conflict between this Contract and the Plans, or any other document pertaining to the Redevelopment Area, this Contract shall control.

E. The Parties agree that this Contract supersedes the First Amended and Restated Tax Increment Financing Contract dated October 28, 2003 (the “**2003 TIF Contract**”) which was executed between the City and Gale Communities, Inc., only as it applies to: 1) the Property that is owned by Developer or a Permitted Assign on the Effective Date of this Contract, 2) the Developer as the successor owner of the Property, and 3) the Developer as an assignee of the original developer under the 2003 TIF Contract. The Parties further agree that the rights, duties and obligations of the parties to the 2003 TIF Contract, as they apply to parties other than Developer, shall continue in full force and effect and shall not be altered or affected by this Contract and the City shall have the right to enforce such provisions of the 2003 TIF Contract against Gale Communities, Inc., under the 2003 TIF Contract and its successors and assigns to property within the redevelopment area of the 2003 TIF Plan and shall be unaltered and unaffected by this Contract. In the event of any conflict between the 2003 TIF Contract and this Contract with respect to the Property or the rights, duties and obligations of Developer with respect to implementation of the Plans, this Contract shall control. Development restrictions set forth in the 2003 TIF Plan, as they affect the Property and the development rights of Developer, are deemed void and of no further force and effect as of the Effective Date of this Contract.

**Section 9.07. Severability.** If any provision, covenant, agreement or portion of this Contract, 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 Contract and, to that end, any provisions, covenants, agreements or portions of this Contract are declared to be severable.

**Section 9.08. Missouri Law.** This Contract 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 Contract 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: David Bushek

To the Developer:

M-III Longview, LLC  
4220 Shawnee Mission Parkway  
Suite 200-B  
Fairway, KS 66205  
Attn: Corey Walker

With a copy to:

Douthitt Frets Rouse Gentile & Rhodes  
5250 W. 116<sup>th</sup> Place, Suite 400  
Leawood, KS 66211  
Attn: Greg Musil

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 Contract 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. Binding Effect and Memorandum of Contract.**

A. The provisions of this Contract shall be covenants running with the land and shall remain in effect for the duration of the Plans and any renewal periods, and shall be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, the City, its successors and assigns, against the Developer, its successors and assigns, and every successor in interest to the subject Property, or any part of it or any interest in it and any party in possession or occupancy of the real Property or any part thereof, during their period of ownership as if they were in every case specifically named.

B. The Parties agree to execute and deliver a Memorandum of this Contract in proper form for recording and/or indexing in the appropriate land or governmental records. Such Memorandum shall be recorded by the City, and proof of recording shall be provided to the Developer.

**Section 9.12. Consent or Approval.** Except as otherwise provided in this Contract, 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

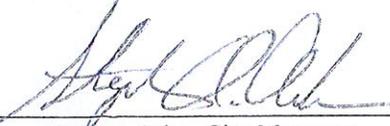


Contract and the transactions contemplated hereby, and (2) the Developer is relying solely upon its own tax advisors in this regard.

[Remainder of page intentionally left blank.]

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

CITY OF LEE'S SUMMIT, MISSOURI

By:   
Stephen Arbo, City Manager

[SEAL]

ATTEST:

  
Denise Chisum  
City Clerk

STATE OF MISSOURI    )  
  )    ss.  
COUNTY OF JACKSON    )

BE IT REMEMBERED, that on this 6<sup>th</sup> day of December, 2016, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Steve Arbo, City Manager 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]



PATRICIA FOWLER  
My Commission Expires  
December 3, 2017  
Jackson County  
Commission #13903063

  
NOTARY PUBLIC

My Commission Expires:

Dec 3, 2017

M-III LONGVIEW, LLC

By: Mariner Real Estate Management, LLC,  
its manager

By: [Signature]

Name: T. Anderson

Title: Co-President

STATE OF Kansas )  
 ) ss.  
COUNTY OF Johnson )

BE IT REMEMBERED, that on this 5<sup>th</sup> day of December, 2016, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came \_\_\_\_\_, Terry Anderson of Mariner Real Estate Management, LLC, manager of M-III Longview, LLC, a Delaware limited liability company, who is personally known to me to be the same person who executed the within instrument on behalf of M-III Longview, LLC, and such person duly acknowledged the execution of the same to be the free act and deed of M-III Longview, LLC.

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

[SEAL]



[Signature]  
NOTARY PUBLIC

My Commission Expires:

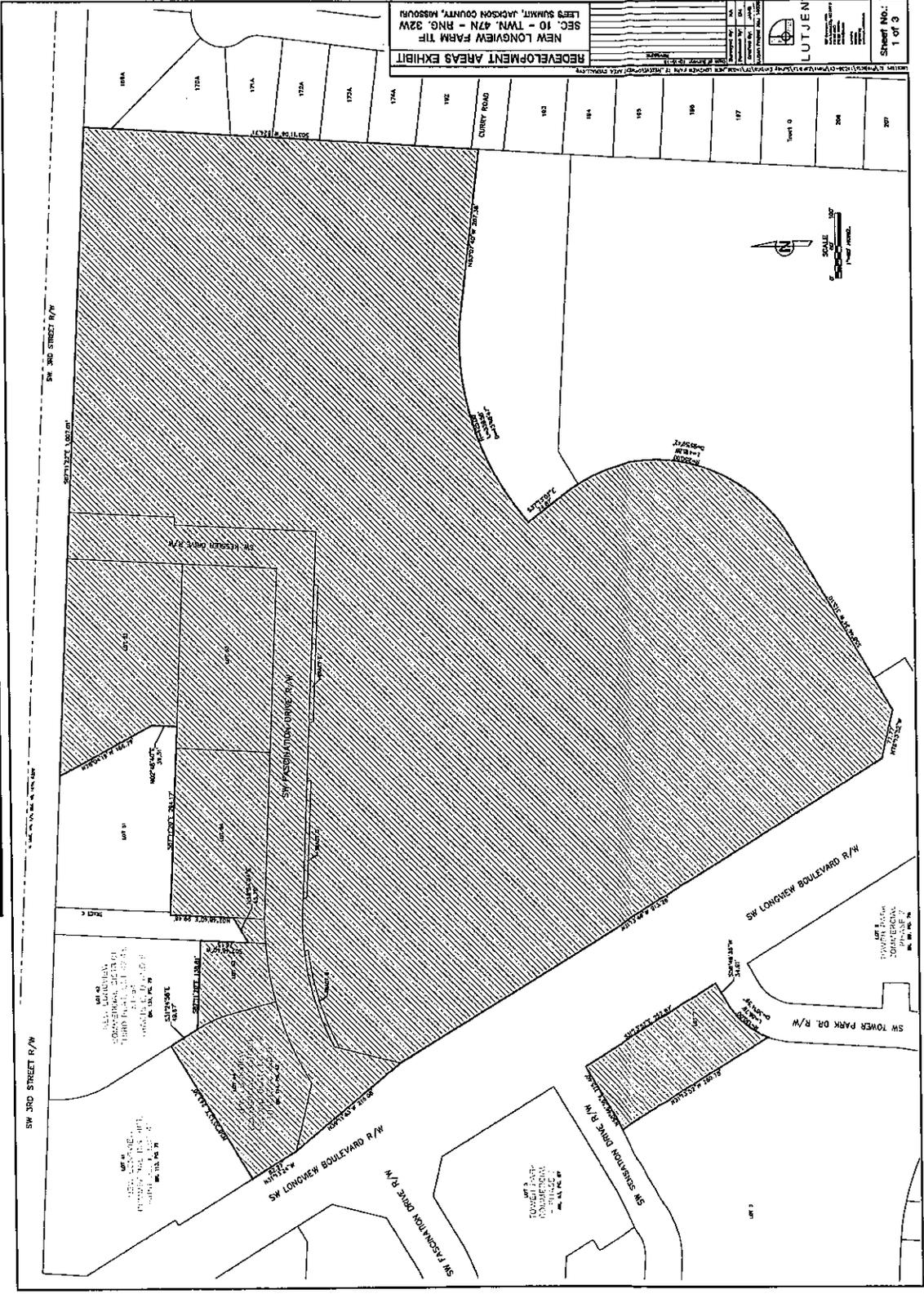
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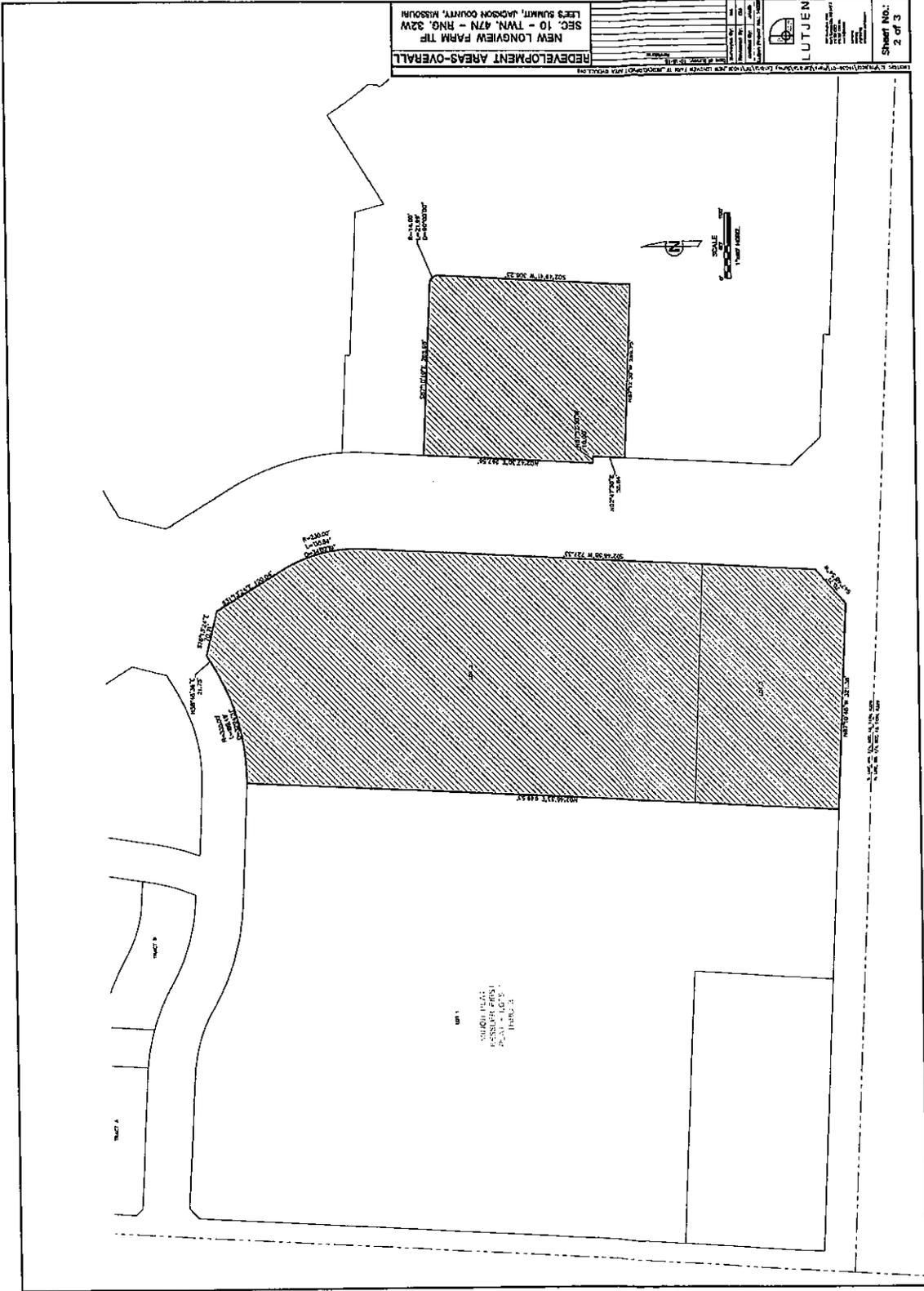
**EXHIBIT A**  
**MAP OF REDEVELOPMENT AREAS**

(see attached)



# New Longview (2015) TIF Plan Redevelopment Area









**EXHIBIT B**  
**LEGAL DESCRIPTION OF REDEVELOPMENT AREAS**

(see attached)

**Legal Description of Redevelopment Area**

PART OF THE NORTHWEST AND SOUTHWEST QUARTER OF SECTION 10; PART OF THE SOUTHEAST QUARTER OF SECTION 9; AND PART OF THE NORTHWEST QUARTER OF SECTION 15 ALL IN TOWNSHIP 47 NORTH OF THE BASELINE, RANGE 32 WEST OF THE FIFTH PRINCIPAL MERIDIAN, LEE'S SUMMIT, JACKSON COUNTY, MISSOURI AND BEING DESCRIBED MORE PARTICULARLY AS BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 10 AT A MONUMENT AT THE TRUE POINT OF BEGINNING . THENCE SOUTH 87 DEGREES 10 MINUTES 55 SECONDS EAST ALONG THE NORTH LINE OF SAID SECTION 10 A DISTANCE OF 1918.11 FEET TO A POINT FOR CORNER; THENCE ALONG THE WEST LINE OF THE HUNT MIDWEST TRACT THE FOLLOWING CALLS SOUTH 03 DEGREES 11 MINUTES 39 SECONDS WEST A DISTANCE OF 1677.01 FEET TO A POINT FOR CORNER; THENCE SOUTH 50 DEGREES 53 MINUTES 29 SECONDS EAST A DISTANCE OF 623.60 FEET TO A POINT FOR CORNER; THENCE SOUTH 14 DEGREES 52 MINUTES 56 SECONDS WEST A DISTANCE OF 266.43 FEET TO A POINT FOR CORNER; THENCE SOUTH 03 DEGREES 11 MINUTES 55 SECONDS WEST A DISTANCE OF 339.91 FEET TO THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 10, THE NORTH LINE OF LONGVIEW FARM VILLAS II AND A POINT FOR CORNER; THENCE DEPARTING THE HUNT MIDWEST TRACT AND CONTINUING ALONG SAID QUARTER SECTION LINE NORTH 87 DEGREES 10 MINUTES 25 SECONDS WEST A DISTANCE OF 702.32 FEET TO THE NORTHWEST CORNER OF LONGVIEW FARM VILLAS II AND POINT FOR CORNER; THENCE SOUTH 02 DEGREES 45 MINUTES 17 SECONDS EAST ALONG THE WEST LINE OF SAID ADDITION A DISTANCE OF 164.79 FEET TO POINT FOR CORNER AT THE NORTHWEST CORNER OF LONGVIEW FARM VILLAS; THENCE ALONG THE WEST LINE OF LONGVIEW FARM VILLAS THE FOLLOWING CALLS SOUTH 02 DEGREES 58 MINUTES 44 SECONDS EAST A DISTANCE OF 195.44 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE 195.66 FEET, A RADIUS OF 775.00 FEET, A CHORD DISTANCE OF 195.14 FEET, BEARING SOUTH 04 DEGREES 15 MINUTES 14 SECONDS WEST TO A POINT ON A NON TANGENT LINE; THENCE SOUTH 38 DEGREES 35 MINUTES 44 SECONDS EAST ALONG SAID LINE A DISTANCE OF 137.11 FEET TO A POINT FOR CORNER; THENCE SOUTH 33 DEGREES 53 MINUTES 38 SECONDS EAST A DISTANCE OF 30.00 FEET TO A POINT ON A CURVE; THENCE ALONG SAID CURVE 444.97 FEET, A RADIUS OF 295.00 FEET, A CHORD DISTANCE OF 403.97 FEET, BEARING SOUTH 80 DEGREES 40 MINUTES 55 SECONDS EAST TO A POINT OF CONTINUOUS CURVATURE AT THE SOUTHWEST CORNER OF LONGVIEW FARM VILLAS AND THE NORTHWEST CORNER OF LONGVIEW FARM ESTATES; THENCE CONTINUING ON LONGVIEW FARM ESTATES WESTERLY BOUNDARY ALONG A CURVE 356.51 FEET, A RADIUS OF 295.00 FEET, A CHORD DISTANCE OF 335.20 FEET, BEARING SOUTH 02 DEGREES 50 MINUTES 59 SECONDS EAST TO A POINT FOR CORNER; THENCE SOUTH 31 DEGREES 46 MINUTES 16 SECONDS WEST ALONG SAID LINE A DISTANCE OF 232.94 FEET TO A POINT FOR CORNER AT THE SOUTHWEST CORNER OF LONGVIEW FARM ESTATES AND THE NORTHWEST CORNER OF LONGVIEW FARM ESTATES SECOND PLAT;

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THENCE SOUTH 31 DEGREES 46 MINUTES 16 SECONDS WEST A DISTANCE OF 385.00 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE 139.84 FEET, A RADIUS OF 235.00 FEET, A CHORD DISTANCE OF 137.78 FEET, BEARING SOUTH 48 DEGREES 49 MINUTES 05 SECONDS WEST TO A POINT FOR CORNER; THENCE SOUTH 65 DEGREES 51 MINUTES 53 SECONDS WEST A DISTANCE OF 172.24 FEET TO A POINT FOR CORNER; THENCE SOUTH 26 DEGREES 20 MINUTES 51 SECONDS WEST ALONG SAID LINE A DISTANCE OF 266.68 FEET TO A POINT FOR CORNER; THENCE SOUTH 15 DEGREES 53 MINUTES 48 SECONDS WEST ALONG SAID LINE A DISTANCE OF 202.72 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE 188.38 FEET, A RADIUS OF 175.00 FEET, A CHORD DISTANCE OF 179.41 FEET, BEARING SOUTH 46 DEGREES 44 MINUTES 05 SECONDS WEST TO A POINT OF REVERSE CURVATURE; THENCE ALONG SAID CURVE 274.30 FEET, A RADIUS OF 275.00 FEET, A CHORD DISTANCE OF 263.07 FEET, BEARING SOUTH 48 DEGREES 59 MINUTES 50 SECONDS WEST TO A POINT FOR CORNER; THENCE SOUTH 20 DEGREES 25 MINUTES 18 SECONDS WEST ALONG SAID LINE A DISTANCE OF 218.62 FEET TO A POINT FOR CORNER; THENCE SOUTH 52 DEGREES 41 MINUTES 33 SECONDS EAST ALONG SAID LINE A DISTANCE OF 110.65 FEET TO A POINT AT THE SOUTH CORNER OF LONGVIEW FARMS ESTATES SECOND PLAT AND THE NORTH LINE OF A TRACT OF LAND CONDEMNED BY THE UNITED STATES OF AMERICA; THENCE CONTINUING ALONG SAID GOVERNMENT LAND THE FOLLOWING CALLS SOUTH 37 DEGREES 18 MINUTES 27 SECONDS WEST A DISTANCE OF 300.11 FEET TO A CORP OF ENGINEERS MONUMENT; THENCE NORTH 67 DEGREES 13 MINUTES 11 SECONDS WEST A DISTANCE OF 1171.45 FEET TO A CORP OF ENGINEERS MONUMENT AT THE CORNER TO SECTION 9, 10, 15 AND 16; THENCE NORTH 87 DEGREES 45 MINUTES 36 SECONDS WEST ALONG THE LINE BETWEEN SECTIONS 9 AND 16 A DISTANCE OF 399.76 FEET TO A CORP OF ENGINEERS MONUMENT; THENCE NORTH 18 DEGREES 18 MINUTES 47 SECONDS WEST A DISTANCE OF 706.76 FEET TO A CORP OF ENGINEERS MONUMENT; THENCE NORTH 17 DEGREES 14 MINUTES 22 SECONDS EAST A DISTANCE OF 1074.12 FEET TO A CORP OF ENGINEERS MONUMENT; THENCE NORTH 23 DEGREES 29 MINUTES 09 SECONDS EAST A DISTANCE OF 983.53 FEET TO A CORP OF ENGINEERS MONUMENT AND THE END OF THE UNITED STATES OF AMERICA PROPERTY; THENCE SOUTH 87 DEGREES 42 MINUTES 34 SECONDS EAST A DISTANCE OF 59.98 FEET TO A CORP OF ENGINEERS MONUMENT ON THE LINE BETWEEN SECTIONS 9 AND 10; THENCE NORTH 03 DEGREES 15 MINUTES 29 SECONDS EAST ALONG SAID SECTION LINE A DISTANCE OF 30.00 FEET TO A CORP OF ENGINEERS MONUMENT AT THE WEST QUARTER CORNER OF SAID SECTION 10; THENCE NORTH 03 DEGREES 15 MINUTES 45 SECONDS EAST ALONG THE LINE BETWEEN SECTIONS 9 AND 10 A DISTANCE OF 2646.25 FEET TO THE TRUE POINT OF BEGINNING.

KC-925841-1

New Longview TIF – Redevelopment Area  
Lutjen No. 14036  
Date: October 14, 2015

#### Property Description

Lot 44 and Tract B, NEW LONGVIEW COMMERCIAL DISTRICT, SECOND PLAT, LOT 44, TRACTS A AND B, Lots 43, 52, 53, and 54, Tracts D, E, and part of Tract C, NEW LONGVIEW COMMERCIAL DISTRICT, THIRD PLAT, LOT 42, 43, 51-54, TRACTS C, D, AND E, subdivisions in Lee's Summit, Jackson County, Missouri, and an unplatted tract of land in the Northwest Quarter of Section 10, Township 47 North, Range 32 West of the 5th Principal Meridian in Lee's Summit, Jackson County, Missouri, being bounded and described as follows: Commencing at the Northeast corner of said Northwest Quarter; thence North  $87^{\circ}11'22''$  West, 740.90 feet; thence South  $02^{\circ}48'38''$  West, 50.00 feet to a point on the Southerly right-of-way line of SW 3rd Street, as now established, said point being the Point of Beginning of the tract of land to be herein described; thence South  $03^{\circ}11'08''$  West, 624.71 feet; thence North  $83^{\circ}07'40''$  West, 267.38 feet; thence westerly along a curve to the left having an initial tangent bearing of North  $85^{\circ}34'58''$  West with a radius of 425.00 feet, a central angle of  $45^{\circ}46'47''$  and an arc distance of 339.58 feet; thence South  $37^{\circ}13'07''$  East, 74.87 feet; thence southerly along a curve to the right being tangent to the last described course with a radius of 250.00 feet, a central angle of  $95^{\circ}59'42''$  and an arc distance of 418.86 feet; thence South  $58^{\circ}46'34''$  West, 315.10 feet to a point on the Easterly right-of-way line of SW Longview Boulevard, as now established; thence North  $76^{\circ}13'52''$  West, along said Easterly right-of-way line, 77.77 feet; thence North  $31^{\circ}13'46''$  West, continuing along said Easterly right-of-way line, 913.26 feet; thence North  $39^{\circ}11'43''$  West, continuing along said Easterly right-of-way line, 216.08 feet; thence North  $31^{\circ}13'24''$  West, continuing along said Easterly right-of-way line, 82.27 feet to the Northwest corner of said Lot 44; thence North  $58^{\circ}35'13''$  East, along the North line of said Lot 44, 243.38 feet to the Northeast corner of said Lot 44; thence South  $31^{\circ}24'58''$  East, along the East line of said Lot 44, 49.67 feet to the Northwest corner of said Lot 43; thence South  $87^{\circ}11'20''$  East, along the North line of said Lot 43, 138.81 feet to the Northeast corner of said Lot 43; thence South  $02^{\circ}48'40''$  West, along the East line of said Lot 43, 76.15 feet; thence North  $58^{\circ}54'04''$  East, 45.79 feet to a point on the West line of said Lot 54; thence North  $02^{\circ}48'40''$  East, along said East line, 99.48 feet to the Northwest corner of said Lot 54; thence South  $87^{\circ}11'20''$  East, along the North line of said Lot 54 and the North line of said Lot 53, 294.17 feet to the Southwest corner of said Lot 52; thence North  $02^{\circ}48'40''$  East, along the West line of said Lot 52, 39.31 feet; thence North  $28^{\circ}04'19''$  West, continuing along said West line, 166.79 feet to a point on the South right-of-way line of SW 3<sup>rd</sup> Street, as now established; thence South  $87^{\circ}11'19''$  East, along said South right-of-way line, 1,007.01 feet to the Point of Beginning. Containing 1,236,392 square feet or 28.38 acres, more or less.

Also,

All of Lot 7, TOWER PARK COMMERCIAL – PHASE 2, a subdivision in Northwest Quarter of Section 10, Township 47 North, Range 32 West of the 5th Principal Meridian in Lee's Summit, Jackson County, Missouri. Containing 29,894 square feet or 0.69 acres, more or less.

Also,

All of Lots 2 and 3, MINOR PLAT, KESSLER FIRST PLAT – LOTS 1 THRU 3, a subdivision in Northwest Quarter of Section 10, Township 47 North, Range 32 West of the 5th Principal Meridian in Lee's Summit, Jackson County, Missouri. Containing 357,705 square feet or 8.21 acres, more or less.

Also,

A tract of land in the Northwest Quarter of Section 10, Township 47 North, Range 32 West of the 5th Principal Meridian in Lee's Summit, Jackson County, Missouri, being bounded and described as follows: Commencing at the Southwest corner of said Northwest Quarter; thence South 87°10'33" East, along the South line of said Southwest Quarter, 1,251.48 feet; thence North 02°49'27" East, 417.79 feet to a point on the East right-of-way line of SW Longview Boulevard, as now established, said point being the Point of Beginning of the tract of land to be herein described; thence North 02°47'30" East, along said East right-of-way line, 52.84 feet; thence North 87°12'30" West, continuing along said East right-of-way line, 10.00 feet; thence North 02°47'30" East, continuing along said East right-of-way line, 267.56 feet; thence South 87°10'19" East, 265.96 feet; thence Southeasterly, along a curve to the right, being tangent to the last described course with a radius of 14.00 feet, a central angle of 90°00'00" and an arc distance of 21.99 feet; thence South 02°49'41" West, 306.23 feet; thence North 87°12'30" West, 269.75 feet to the Point of Beginning. Containing 89,071 square feet or 2.04 acres, more or less.

Also,

A tract of land in the Southeast Quarter of Section 9, the Southwest Quarter of Section 10, and the Northwest Quarter of Section 15, Township 47 North, Range 32 West of the 5th Principal Meridian in Lee's Summit, Jackson County, Missouri, being bounded and described as follows: Beginning at the Southeast corner of said Southeast Quarter; thence North 87°46'13" West, along the South line of said Southeast Quarter, 399.76 feet; thence North 18°19'24" West, 706.76 feet; thence North 17°13'45" East, 1,074.12 feet; thence North 23°28'32" East, 983.53 feet; thence South 87°43'11" East, 24.98 feet; thence South 03°14'52" West, 1,224.79 feet; thence Easterly, along a curve to the left, having an initial tangent bearing of South 50°40'15" East with a radius of 224.42 feet, a central angle of 37°19'28" and an arc distance of 146.19 feet; thence South 05°01'35" West, 141.13 feet; thence South 08°56'55" East, 92.95 feet; thence South 23°27'29" East, 92.95 feet; thence South 37°25'58" East, 92.95 feet; thence South 51°56'33" East, 92.95 feet; thence South 65°55'02" East, 92.95 feet; thence South 80°25'37" East, 160.26 feet; thence North 01°51'12" East, 161.79 feet; thence North 89°16'14" East,

45.05 feet; thence Northeasterly, along a curve to the left, having an initial tangent bearing of North 84°50'57" East with a radius of 272.00 feet, a central angle of 37°11'34" and an arc distance of 176.57 feet; thence Easterly, along a curve to the right, having a common tangent with the last described course with a radius of 228.00 feet, a central angle of 85°14'05" and an arc distance of 339.18 feet; thence Easterly, along a curve to the left, having a common tangent with the last described course with a radius of 222.00 feet, a central angle of 44°19'19" and an arc distance of 171.73 feet; thence North 88°34'09" East, 278.89 feet to a point on the West line of PERGOLA PARK – 3<sup>RD</sup> PLAT, a subdivision in Lee's Summit, Jackson County, Missouri; thence South 01°43'12" West, along said West line, 15.00 feet; thence Easterly, continuing along said West line, along a curve to the left, having an initial tangent bearing of South 88°16'49" East with a radius of 538.00 feet, a central angle of 05°18'24" and an arc distance of 49.83 feet; thence South 25°19'29" East, continuing along said West line, 199.14 feet; thence South 72°37'55" East, continuing along said West line, 79.42 feet to a point on the West line of LONGVIEW FARM ESTATES SECOND PLAT, a subdivision in Lee's Summit, Jackson County, Missouri; thence South 26°23'14" West, along said West line, 266.90 feet; thence South 15°53'11" West, continuing along said West line, 202.86 feet; thence Southwesterly, continuing along said West line, along a curve to the right, being tangent to the last described course with a radius of 175.00 feet, a central angle of 61°40'35" and an arc distance of 188.38 feet; thence Southwesterly, continuing along said West line, along a curve to the left, having a common tangent with the last described course with a radius of 275.00 feet, a central angle of 57°09'10" and an arc distance of 274.31 feet; thence South 20°24'41" West, continuing along said West line, 218.62 feet; thence South 52°42'10" East, continuing along said West line, 110.65 feet; thence South 37°17'50" West, 300.11 feet; thence North 67°13'48" West, 1,171.45 feet to the Point of Beginning. Containing 2,920,512 square feet or 67.05 acres, more or less.

The aggregate total area containing 4,633,574 square feet or 106.37 acres, more or less.

**EXHIBIT C**

**MAP OF REDEVELOPMENT PROJECT AREAS**

(See attached. Note: pages are from the TIF Plans and reference TIF Plan pages and exhibit numbers.)







**EXHIBIT D**

**PROJECT BUDGET**

<b>Phase 1 Historic Preservation Improvements</b>	<b>Total Project Costs</b>	<b>Private Funding</b>	<b>Historic Tax Credits</b>	<b>TIF</b>
Show Horse Arena (remaining payments)*	-	-	-	-
Portion of Mansion Rehabilitation	\$1,100,000	-	-	\$1,100,000
Pergola Rehabilitation	\$900,000	-	-	\$900,000
Barn Stabilization	\$650,000	-	-	\$650,000
Lake Rehabilitation	\$350,000	-	-	\$350,000
Professional Services	\$300,000	-	-	\$300,000
Farm Office and Dairy Manager House Rehabilitation/North Arch	\$150,000	-	-	\$150,000
Contingency	\$200,000	-	-	\$200,000
<b>Phase 1 TIF Subtotal</b>				<b>\$3,650,000</b>
<b>Phase 2 Private-Only Improvements</b>	<b>\$55,012,500</b>	<b>\$55,012,500</b>	-	-
<b>Phase 2 Historic Preservation Improvements</b>				
Lake Rehabilitation	\$150,000	-	-	\$150,000
Mansion Renovation & Temporary Structure Rehab	\$2,347,700	\$473,571	\$474,129	\$1,400,000
Farm Office and Dairy Manager House	\$1,743,000	\$543,000	-	\$1,200,000
Barns Redevelopment	\$17,805,285	\$3,361,041	\$4,794,244	\$9,650,000
Mansion Permanent Structure	\$1,704,550	\$204,550	-	\$1,500,000
Interfund Loan Repayment, Restructuring Costs & Contingency	\$3,039,463	-	-	\$3,039,463
<b>Phase 2 TIF Subtotal</b>				<b>\$16,939,463</b>
<b>Grand Total</b>	<b>\$85,452,498</b>	<b>\$59,594,662</b>	<b>\$5,268,373</b>	<b>\$20,589,463</b>

\*Subject to reconciliation with Hawthorn Bank as provided in **Section 3.03** prior to initiating the City Loan, the Parties are in agreement that reimbursement for the Show Horse Arena has been completed as of the Effective Date of this Contract. If it is later determine that a balance remains to be reimbursed, then the Phase I Contingency line item shall be reduced by an equal amount such that the total Phase I TIF reimbursement remains equal to \$3,650,000.

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

<b>Projects</b>	<b>Estimated Completion</b>
<b>Barn Stabilization</b>	<b>2017</b>
<b>North Arch</b>	<b>2017</b>
<b>Farm Office &amp; Dairy Manager's House Stabilization</b>	<b>2017</b>
<b>Pergola Rehabilitation</b>	<b>2017</b>
<b>Mansion Renovation &amp; Temporary Structure Rehab</b>	<b>2017/2018</b>
<b>Lake Rehabilitation</b>	<b>2017/2018</b>
Project A - Senior (Memory Care)	2017
Project N - Commercial Pad (Daycare)	2017
Project B - Commercial Pad	2018
Project C - Commercial (Retail / Office)	2018
<b>Project M - Farm Office / Dairy Manager's House</b>	<b>2019</b>
Project D - Commercial (Retail)	2019
Project F - Commercial (Retail)	2019
Project I - Senior (Multi-Family)	2019
Project H - Commercial / Senior (Office / Multi-Family)	2020
Project J - Commercial (Medical Office / Office)	2020
Project E - Commercial (Retail)	2021
Project G - Commercial / Senior (Retail / Multi-Family)	2021
Project K - Commercial (Office)	2022
Project O - Commercial (Office)	2023
<b>Project L - Commercial (Barns Redevelopment)</b>	<b>2024</b>
<b>Mansion Permanent Structure</b>	<b>2025</b>

Notes:

(1) Bolded text indicates a Historic Preservation Improvement or Stabilization Work

(2) Project descriptors and estimated completion dates are best estimates as to their final uses.

EXHIBIT F

HISTORIC PRESERVATION IMPROVEMENTS

Completed Historic Preservation Improvements

<u>Historic Improvement</u>	<u>County Ownership Information</u>	<u>Tax Parcel Number</u>	<u>Platted Legal Description</u>
South Arch #2	New Longview Community Association, Inc.	62-430-20-02-00-0-00-000	Madison Park, 1 <sup>st</sup> Plat, Tract A
Water Tower	Gale Communities, Inc.	62-420-95-02-00-0-00-000	
Band Stand	New Longview Community Association, Inc.	62-430-16-01-00-0-00-000	Pergola Park, 2 <sup>nd</sup> Plat, Tract D
Gate House & Gate House Lodge	Jennifer Brown	62-430-24-03-00-0-00-000	Madison Park, 1 <sup>st</sup> Plat, Lot 268
Show Horse Arena	Lee's Summit School District	62-430-25-02-00-0-00-000	Madison Park, 1st Plat, Lot 273

**EXHIBIT F**

**HISTORIC PRESERVATION IMPROVEMENTS**

**Uncompleted Historic Preservation Improvements**

<u>Historic Improvement</u>	<u>County Ownership Information</u>	<u>Tax Parcel Number</u>	<u>Platted Legal Description</u>
North Arch #1	M-III Longview, LLC	62-420-09-01-00-0-00-000	Tower Park Commercial, Phase 1, Tract B
Dairy Barns (2) and Milk House	M-III Longview, LLC	62-420-96-03-00-0-00-000	Kessler Ridge, 1st Plat, Lot 2 & Lot 3
Pergola and Adjacent Lake	M-III Longview, LLC	62-430-99-01-01-5-00-000	Longview Mansion, Lot 2
Farm Office and Dairy Manager House	M-III Longview, LLC	62-420-98-06-01-3-00-000	

**Notes**

Certain properties are being platted on the Effective Date of this Contract and the Platted Legal Description may be added or may change after this Contract is executed. Tax parcel numbers are subject to change based on platting and segregation and mergers as may be requested by the property owners.

Ownership information is based on County GIS data as of the Effective Date of this Contract.

**EXHIBIT G**  
**FORM OF HISTORIC PRESERVATION EASEMENT**

*[See attached]*

## HISTORIC PRESERVATION EASEMENT

THIS HISTORIC PRESERVATION EASEMENT ("Easement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by M-III LONGVIEW, LLC ("Grantor"), and the CITY OF LEE'S SUMMIT, MISSOURI, a municipal corporation ("Grantee").

### RECITALS OF CONSIDERATION

A. Grantor is the owner in fee simple of a parcel of land located in the City of Lee's Summit, Jackson County, Missouri, in an area commonly known as "New Longview," and formerly known as "Longview Farms," such parcel of land being legally described on Exhibit A attached hereto (together with all improvements on the land, the "Property").

B. Grantor intends to convey title to a certain portion of the Property containing the building commonly known as \_\_\_\_\_ (the "Structure") the location and dimensions of which are identified on Exhibit B attached hereto and incorporated herein by reference) to (the "Transferee") for use as \_\_\_\_\_, subject to the terms of this Easement.

C. Grantor has agreed to preserve certain elements of the "Façade," in accordance with the terms hereof. The term "Façade" means the exterior features of the Structure, as shown on Exhibit B attached hereto, together with the structural portions of the Structure that support such exterior features. [Add description of any other preserved features of the Structure.]

D. Grantor and Grantee desire to insure that certain significant exterior features of the Façade are preserved to the reasonable extent possible for benefit of future generations through the grant of this Easement.

NOW THEREFORE, in consideration of the foregoing and for other good and sufficient consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby grants to Grantee, and Grantee hereby accepts, this Easement on the following terms and conditions:

### Article I

#### BACKGROUND AND DEFINITIONS

##### A. Property Subject to Easement

The property subject to this Easement is comprised of the Façade and [describe any other preserved features].

##### B. Purpose

Subject to the terms hereof, this Easement is granted in perpetuity to preserve the Façade and [other features]. This Easement, to be of the nature and character hereinafter further expressed, shall constitute a binding servitude upon the property of the Grantor subject to the terms contained herein, and to that end Grantor covenants on behalf of itself, its successors and assigns, with Grantee, its successors and assigns, such covenants being deemed to run as a

binding servitude, in perpetuity, with the land, to do upon the Property each of the following covenants and stipulations, which contribute to the public purpose of which the TIF Funds have been expended in that they aid significantly in the preservation of the Façade and help maintain and assure the present and future historic integrity of the Structure.

In furtherance of this purpose, after the Effective Date the Facade and [other features] shall not be altered, restored, renovated or extended except in a way that would, in the reasonable opinion of Grantee, be in keeping with the historic character of the Structure. Alterations, renovations or improvements to the Facade shall be architecturally compatible with the original function and appearance of the Structure in Grantee's reasonable opinion. Except as otherwise may be specifically set forth herein, in no event may any exterior construction to, or alteration, renovation or redecoration of, the Facade be undertaken without the prior written approval of Grantee as hereinafter provided.

**C. Baseline Data**

In order to document the present condition of the Façade, to permit Grantor and Grantee to monitor the future condition of the Façade, and to assure compliance with the terms hereof, Grantee has prepared an inventory of the condition of the Façade existing on the Effective Date which is attached hereto as Exhibit B (the "Baseline Data"), which inventory shall include, without limitation, photographs of the Façade and plans, drawings, and specifications related thereto. The identity and condition of each element of the Facade and all related exterior architectural features shall be detailed in the Baseline Data.

In the event Grantor alters, restores or modifies the Facade in accordance with the terms of this Easement, Grantor and Grantee will, together, periodically update the photographs and other documentation in the Baseline Data to reflect the upgraded condition of the Façade. Once the Façade has been restored to a good and sound state of repair, Grantee shall prepare a revised inventory of the Facade's condition to identify and document the condition of each element of the Facade depicted in the original Baseline Data. Once such revised Baseline Data has been completed, such revised Baseline Data shall be accepted by Grantor and Grantee as an accurate depiction of the condition of the Façade as restored.

**Article II**

**RESTRICTIONS, COVENANTS AND AGREEMENTS.**

Grantor covenants on behalf of itself, its successors and assigns to do, or refrain from doing, each of the following acts.

**A. Maintenance**

Grantor shall maintain the Facade in a good and sound state of repair, as depicted in the Baseline Data, in order to preserve the original architectural character and integrity of the Façade, as the same may be revised from time to time.



**B. Facade and Viewshed Alterations Prohibited Without Grantee's Prior Written Approval**

Exterior changes, alterations, additions and improvements to the Façade as would not, in the reasonable opinion of Grantee, adversely affect the structural soundness, or fundamentally alter the historic character, of the Facade may be made thereto by Grantor upon prior written consent of Grantee, which consent shall be granted or withheld in accordance with the terms of this Easement. The view and visibility of the Façade and the Structure from public rights-of-way, including streets, sidewalks, pedestrian areas, parks and any other public areas where the public is generally allowed to gather or traverse (the "Viewshed Areas"), shall not be blocked or obstructed by the placement or construction, whether temporary or permanent, if any other structure or object within the boundaries of the Property and any other adjacent areas or properties under ownership or control of Grantor, or any affiliated or related persons or entities of Grantor, without the prior written approval of the Grantee. Structures and objects which are prohibited from the Viewshed Areas include, but are not limited to, buildings, structures (whether temporary or permanent), trees, plants, vegetation, poles, flags, banners, awnings, wires, tents, utility boxes and related structures, signage, bill boards, advertising, vehicles, trailers, automobiles (except for parking as allowed pursuant to the City Code), whether fixed to the Structure or standing independently of the Structure. Temporary gatherings, festivals and related events which are allowed by permission of the City pursuant to the City Code or a City-issued permit shall not be treated as prohibited Viewshed Area obstructions pursuant to this paragraph.

**C. Commercial or Industrial Activities**

No industrial or commercial activities shall be conducted on the Property except to the extent permissible under then applicable land use regulations or as set forth in that certain Tax Increment Financing Contract by and between Grantor and Grantee dated \_\_\_\_\_, 2016, as may be amended or modified.

**D. Signage**

No commercial signs, billboards or advertising shall be displayed on the Facade other than those approved by Grantee in its reasonable discretion. Notwithstanding the foregoing, Grantor and Grantee may mutually elect to affix at the Property such historical and interpretative signs as Grantor shall elect provided the historical or structural integrity of the Façade is not materially affected thereby.

**E. Payment of Taxes**

Grantor shall pay before delinquent all general taxes, special assessments, water charges, sewer service charges and any and all other charges which, if unpaid, would become a lien on the Property. The obligation to pay shall not apply during (i) any period Grantor has (a) timely objected to the amount or validity of the charge, (b) diligently prosecuted the appeal of such assessment or charge, and (c) effectively stayed any enforcement action relating to any such lien against the Property, and (ii) any grace period following the conclusion of such appeal.

**F. Reference on Conveyance**

Grantor agrees (i) to insert a reference to the existence of this Easement in any deed or other legal instrument by which it transfers title to the Property or any interest therein (including a leasehold interest) and (ii) to notify Grantee of any such conveyance or other transfer of interest (providing the name, address and contact information for such transferee) at least ten (10) days prior to the date of any such conveyance or transfer. The failure to include such reference in the legal instrument shall authorize the City to void such transaction upon such declaration by the City Council.

**Article III**

**GRANTOR'S RESERVED RIGHTS**

Grantor reserves for itself, its successors and assigns, all rights as fee owner of the Property, including, without limitation, the right to use and enjoy the Property in any way and for any purpose not prohibited by this Easement or otherwise prohibited by law. Without limiting the generality of the foregoing, Grantor reserves the right to make alterations to any interior features of the Structure without prior consultation with Grantee, except as required by applicable City Code provisions, provided that any such interior alteration shall not materially impair the historical or structural integrity of the Façade or the structural integrity of the Structure.

**Article IV**

**EASEMENT ADMINISTRATION**

**A. Evidence of Compliance**

Grantee acknowledges that the intended uses of the Property are compatible with the purposes of this Easement. For any sale, leasing, refinancing, mortgaging or other business purpose, Grantee shall, within ten (10) business days of request, furnish Grantor or its designee with a statement that (i) provides to the best of Grantee's knowledge, information and belief after reasonable inquiry, Grantor is in full compliance with its obligations under this instrument or (ii) that details any noncompliance with its obligations under this Easement.

**B. Grantee Marker**

Grantee is authorized to maintain one plaque or marker, not to exceed twelve (12) inches by twenty-four (24) inches, at a location mutually agreeable to Grantor and Grantee to afford public notice of (i) the history of the Property, (ii) Grantee's ownership of the right to enforce the terms of this Easement, and (iii) Grantee's name, address and phone number.

**C. Inspection**

Upon prior reasonable written notice to Grantor, its successors and assigns, Grantee shall be entitled to enter upon the Property for the purpose of inspecting the Façade to insure there are no violations under the terms of this Easement. Any such inspection will be conducted in a

manner that will not unreasonably interfere with the uses being made of the Property and Grantor's quiet enjoyment of the same at the time of such entry. Grantee's right to enter upon the Property is solely for the purpose of inspecting the Façade and making determinations regarding enforcement of this Easement. In the absence of evidence of a violation of the terms of this Easement, such inspection will not take place more often than annually.

#### **D. Initial Work**

Grantee acknowledges that Grantor intends to repair, renovate and alter the Structure ("Grantor's Initial Work") to preserve the physical integrity of the Structure and prevent further deterioration and consents to such work, subject to the terms of this Easement. Grantor hereby agrees that Grantor's Initial Work shall be performed in accordance with plans and specifications submitted by Grantor and approved by Grantee (as may be amended from time to time, "Grantor's Plans"); the approval of which shall be subject to the terms of this Easement.

#### **E. Requests for Changes and Review of Proposed Work**

Grantor shall notify Grantee promptly of any proposed work to the Façade requiring Grantee's prior approval pursuant to the terms of this Easement. Depending upon the nature of the proposed work, Grantee may request Grantor to furnish a written narrative, a sketch plan, or more detailed plans to enable Grantee to confer further with Grantor. Grantee shall notify Grantor within ten (10) business days following receipt of the initial requested information whether Grantee has sufficient information to complete its review of the proposed work and, if Grantee has sufficient information, whether the proposed work appears permissible and any areas of particular concern. At that time, Grantee shall also (i) furnish Grantor with a description of any additional information Grantee will reasonably require to approve the proposed work, if possible, or (ii) schedule a meeting with Grantor and its professional advisors to discuss and refine the scope of the proposed work to render it eligible for conceptual approval.

Once the scope of the proposed work is identified and Grantee has granted conceptual approval, Grantor shall submit to Grantee a set of plans and a work schedule in sufficient reasonable detail to enable Grantee to review the proposed work. Within twenty (20) business days of receipt of such plans ("Approval Period"), Grantee shall notify Grantor in writing whether it approves such plans, approves such plans with conditions, or disapproves such plans. If Grantee disapproves the plans or approves such plans with conditions, as the case may be, Grantee will identify with specificity its objections to the proposed plans. If the proposed plans cannot be modified to make them acceptable, Grantee shall furnish Grantor with a written statement of the reasons for denying approval.

#### **F. Standards for Review**

In exercising its review authority hereunder concerning the Façade, Grantee shall look to the Baseline Data, the original designs for the Facade prepared by architect Henry Hoit and landscape architect George Kessler, Grantee's own reasonable general guidelines for review of alterations to historic resources located in Lee's Summit, Missouri, and Grantor's purpose in creating this instrument. Grantee agrees that any review of proposed changes shall take into account Grantor's budgetary constraints, code compliance, federal, state and local laws, this

Easement and the TIF Plan, while maintaining those features of the Façade that make them unique.

All authority vested in the Grantee under this Easement shall be exercised by the City Director of Planning and Development, or his/her designee. If Grantor does not receive an approval of the plans for work for which Grantor has sought Grantee's consent as required under the terms of the Easement within the time period set forth herein, then the plans shall not be deemed approved, and Grantee and Grantor shall meet and negotiate in good faith to reach agreement on changes, modifications and additions to the plans for the work necessary to allow Grantee to approve such work within ten (10) days following the expiration of the Approval Period. If Grantee and Grantor are unable to reach agreement on the changes, modifications and additions to the plans for the work to enable Grantee to approve such work, then Grantor shall have the right to request that the City Council of Lee's Summit, Missouri schedule a hearing to consider the matter and to determine in its reasonable discretion whether Grantee's determination not to approve such work is reasonable. The City Council shall use the same standards as set forth in this Section during its review of the request.

#### **G. Enforcement Rights of Grantee**

In the event of a violation of any term, condition, covenant, or restriction contained in this Easement, upon prior reasonable written notice to Grantor, Grantee may institute a suit for one or more of the following: to compel the restoration of the Façade to the condition existing prior to the violation; or to enjoin by temporary or permanent injunction such violation. Grantee's failure to act shall not be deemed to be a waiver or a forfeiture of the right to enforce any term, condition, covenant, or purpose of this Easement in the future. If any legal action is undertaken by Grantee to enforce this Easement or to enjoin a violation, the prevailing party in such action shall be entitled to recover its reasonable attorneys' fees and costs incurred in connection with such action.

#### **H. Notice**

All notices required by this Easement must be in writing. Notices may be given either by hand delivery, mail service or electronic mail. Mailed postal notice must be contained in an accurately addressed, sealed envelope, marked for delivery by first class registered or certified mail, with sufficient prepaid postage affixed and with return receipt requested.

Mailed notice to Grantor shall be addressed to Grantor as follows:

M-III Longview, LLC  
4601 College Blvd., Suite 350  
Leawood, KS 66211

With a copy to:

Greg L. Musil, Esq.  
Douthit Frets Rouse Gentile & Rhodes, LLC  
5250 W. 116<sup>th</sup> Place, Suite 400  
Leawood, KS 66211

or to such other address as Grantor may designate by notice.

Mailed notice to Grantee shall be addressed to:

City of Lee's Summit, Missouri  
Planning & Development Department  
207 S.W. Market Street  
Lee's Summit, MO 64065

With a copy to:

David W. Bushek, Esq.  
Gilmore & Bell, P.C.  
2405 Grand Blvd., Suite 1100  
Kansas City, MO 64108

or to such other address as Grantee may designate by notice.

Notice shall be deemed given and received as of the date of its hand or express mail delivery, or three days following the date of its mailing.

#### **I. Assignment**

Grantee may not assign its interest in this Easement without the prior written consent of Grantor, which consent may be granted in Grantor's reasonable discretion. Subject to the terms and provisions of Article VIII, Paragraph B. below, Grantee may hire or contract for advice and guidance regarding the administration and enforcement ("Grantee's Consultant") of this Easement, at no cost to Grantor except as may be specifically provided herein, which shall not be deemed an assignment and shall not require prior approval of Grantee. Notwithstanding the foregoing, such other party may not enforce the terms of this Easement, such right of enforcement being personal to Grantee, except as may otherwise be provided in this Easement. Any costs incurred by Grantee in connection with any such hiring or contracting shall be at the cost of Grantee, except that if such advice is sought in connection with an alleged violation of this Easement, and a violation by Grantor is established as provided in Article IV, Paragraph G. above, then the reasonable, actual, verified costs incurred by Grantee in connection with any such hiring or contracting shall be reimbursed to Grantee by Grantor.

## Article V

### CASUALTY DAMAGE OR DESTRUCTION; INSURANCE

#### A. Insurance

##### 1. Property Insurance

Grantor shall keep the Structure insured against loss from the perils commonly insured under fire and extended coverage insurance policy in an amount equal to one hundred percent (100%) of the full replacement cost of the Structure. Such insurance shall (i) be issued by a company or companies reasonably acceptable to Grantee and include an Ordinance or Law Endorsement.

##### 2. Issuance and Renewal of Insurance; Required Terms

Upon Grantee's acceptance of this instrument, and at least ten (10) days prior to each anniversary date (or if the policy is in force for a term longer than one calendar year, within ten (10) days before expiration of the term of the policy), Grantor shall cause its insurance carrier to furnish to Grantee certificates of insurance policies required hereunder.

#### B. Casualty Damage or Destruction

If the Structure is damaged or destroyed by fire, flood, windstorm, tornado, earth movement, or other casualty, Grantor shall notify Grantee in writing within ten (10) days of the damage or destruction. Grantor's notice shall include a statement of any emergency work which has been completed or commenced. In the event of any damage or destruction, Grantor shall make no exterior repairs or reconstruction of any type to the Façade without Grantee's prior written approval, other than temporary emergency work reasonably required to stabilize the Façade to prevent further damage, or to protect public safety.

#### C. Grantee Rights Upon Determination that Reconstruction or Restoration is Impracticable

If Grantor determines that restoration or reconstruction of the Structure is impracticable within the limits of available insurance proceeds and other funds reasonably available to Grantor, including funds advanced by Grantee, if any, Grantor may demolish, raze or remove the Structure, or the damaged elements thereof.

#### D. Review after Casualty Damage or Destruction

Unless Grantor shall determine that the restoration or reconstruction of the Structure and the Façade is impracticable (in accordance with the provisions of Article V.C. above, Grantor shall establish a schedule for completing the restoration or reconstruction work for the Structure and the Façade in accordance with plans and specifications to be submitted to Grantee for review and approval as set forth in this Easement, and promptly following such approval by Grantee, Grantor shall proceed to restore or reconstruct the Structure and the Façade.

## **Article VI**

### **AMENDMENT, CONDEMNATION AND EXTINGUISHMENT**

#### **A. Amendment**

Grantor and Grantee recognize that circumstances could arise that might justify the modification of certain of the restrictions contained in this Easement. To this end, Grantee shall consider in good faith any amendments to this Easement requested by Grantor provided that they are not inconsistent with the basic purpose of this Easement to protect the Façade. This Easement may be amended in the same manner as other easements under the laws of the State of Missouri.

#### **B. Condemnation**

If all or any part of the Property is threatened to be taken under the power of eminent domain by public, corporate or other authority other than Grantee, or any agency, department or division thereof, or otherwise acquired by such authority through a purchase in lieu of such a condemnation, Grantor shall defend against the condemnation to recover the full value of the Property, together with all incidental and direct damages recoverable under applicable law. Grantor and Grantee shall first satisfy prior claims against the Property and any net expenses reasonably incurred by Grantor and Grantee in connection with the condemnation. Thereafter, Grantor and Grantee shall share the balance of the condemnation proceeds in accordance with their interests in the Property as may be reasonably determined by the parties, or by a court of competent jurisdiction. If Grantor fails to defend against the condemnation to recover the full value of the Property, Grantee shall have the right to institute such defense.

#### **C. Extinguishment**

Grantor and Grantee recognize that circumstances may arise which might make impossible the continued ownership or use of the Property in a manner consistent with the purposes of this Easement, in which event it might become desirable to extinguish this Easement. In the event the parties mutually determine that extinguishment is appropriate and desirable, they may mutually agree to such extinguishment by appropriate action which is in recordable form, or petition a court of competent jurisdiction to extinguish the easement by the parties.

## **Article VII**

### **MORTGAGEE SUBORDINATION AND RIGHTS OF MORTGAGE LENDERS**

#### **A. Subordination of Mortgages**

Grantor and Grantee agree that all mortgages and rights in the Property of all mortgagees are subject to and subordinate at all times to this Easement and the rights of Grantee to enforce this Easement. Grantor hereby warrants and represents that the Property is not currently subject to any mortgages or other liens or, to the extent any such mortgages or other liens exists, Grantor will deliver to Grantee, concurrently with the execution of this Easement, an instrument, acceptable in form and content to Grantee, pursuant to which the holder of any such mortgage or

lien has agreed that all of its rights, titles and interests in the Property are subordinate to this Easement.

**B. Rights of Mortgagees**

**(1) Proceeds on Condemnation or Casualty Loss**

Notwithstanding any mortgage lender's relative priority in relation to this Easement, if a mortgage grants to a mortgagee the right to receive the proceeds of condemnation proceedings arising from any exercise of the power of eminent domain or the right to receive insurance proceeds as a result of any insured casualty occurring on the Property, the mortgagee shall have a prior claim to any such proceeds and shall be entitled to receive same in preference to Grantee until the mortgage has been paid off or discharged. This partial subordination of Grantee's relative priority in favor of a mortgage lender's competing claims to direct the application of condemnation or insurance proceeds shall only apply if the mortgage creating such mortgagee's right is recorded before the first discussion of the possibility of condemnation or eminent domain is published in the local news media, in the case of a condemnation, or before occurrence of the insured occurrence in the case of an insured loss.

**(2) Mortgagee Obligations Under Easement**

Until a mortgagee or purchaser at foreclosure obtains ownership of the Property following foreclosure of its mortgage or deed in lieu of foreclosure, the mortgagee or purchaser shall have no obligation, debt or liability under this Easement; provided, however, that if at any time such mortgagee or purchaser shall operate the Property during the period of its ownership, it shall be obligated to maintain the Property, including without limitation the Façade, in accordance with the terms of this Easement.

**(3) Extinguishment**

Nothing contained herein shall give any mortgagee the right to extinguish this instrument, whether by foreclosure, deed in lieu of foreclosure, or otherwise.

**Article VIII**

**THIRD PARTY RIGHTS NEGATED**

**A. Public Access Prohibited**

This Easement shall not be construed to include a grant to the public of any right to enter the Property for any purpose.

**B. No Third Party Enforcement Rights**

Grantor and Grantee understand that strangers to this Easement may, by virtue of the grant, claim standing to influence Grantee's administration of its rights hereunder. Grantor and Grantee agree, to the maximum extent permissible by law, to deny standing to any persons, nonprofit institutions, or governmental entities to intervene, whether by action at law or equity,



in Grantee's interpretation, administration, and enforcement of its rights, burdens and benefits under this Easement. Nothing contained herein is intended to create any beneficial interest in any party that is not a signatory to this Easement. Under no circumstances does Grantor intend to create, nor does it create, any rights in third parties to intervene in Grantee's exercise of the discretionary powers entrusted to Grantee hereunder.

Grantor and Grantee understand that Grantee has the right to appoint a neutral, unrelated person or entity as a "third party enforcer" to insure that Grantor complies with the terms of this Easement.

## **Article IX**

### **DEFINITIONS AND MISCELLANEOUS**

#### **A. Use of Pronouns**

The terms "Grantor" and "Grantee", wherever used herein, and any pronouns used in place thereof, shall mean and include the above-named Grantor and its successors and assigns and the above-named Grantee and its successors and assigns approved by Grantor.

#### **B. Severability**

If any provision of this Easement, or the applicability thereof to any person or circumstance, are found to be invalid, the remainder of the provisions of this Easement and the application of such provisions shall remain in full force and effect.

#### **C. Binding Effect**

The restrictions and covenants contained herein shall be deemed to run with the land in perpetuity as covenants at law and equitable servitudes, and extend to and be binding on Grantor and Grantee and their respective heirs, administrators, devisees, successors, and assigns in perpetuity.

#### **D. Non-Waiver**

The failure of Grantee to exercise any right or remedy granted under this instrument with respect to any particular violation shall not have the effect of waiving or limiting the exercise of such right or remedy with respect to the identical (or similar) type of violation at any subsequent time or the effect of waiving or limiting the exercise of any other right or remedy.

#### **E. Governing Law**

This Easement and the rights and obligations of the parties hereunder shall be governed by the laws of the State of Missouri.

**F. Recording and Effective Date**

Grantee shall do and perform at Grantor's expense all acts necessary to the prompt recording of this Easement in the land records of Jackson County, Missouri. Grantor and Grantee intend that the "Effective Date" of this Easement shall be the date this instrument is accepted by Grantee, even though such date is before the date this instrument is recorded among the land records of Jackson County, Missouri.

**G. Entire Agreement**

This Easement reflects the entire agreement of Grantor and Grantee. Any prior or contemporaneous correspondence, understandings, agreements and representations are null and void upon execution of this Easement unless the same are identified and incorporated herein by reference.

TO HAVE AND TO HOLD the said Easement, together with the rights, privileges, appurtenances and advantages thereto belonging or appertaining, unto and to the proper use and benefit of the said City of Lee's Summit, Missouri its successors and assigns, in fee simple.

IN WITNESS WHEREOF, Grantor and Grantee (who joins in this deed to evidence its acceptance of the burdens and undertakings imposed hereunder) have executed this Easement as of the day and year first above written.

GRANTOR:

M-III LONGVIEW, LLC

Witness:

\_\_\_\_\_

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

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

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

COUNTY OF JACKSON )  
STATE OF MISSOURI ), ss:

I hereby certify that on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned officer, a notary Public in and for the County and State aforesaid, personally appeared \_\_\_\_\_, as \_\_\_\_\_ of **M-III Longview, LLC**, known to me or satisfactorily proven to be the person whose name is subscribed to the within deed and acknowledged that he executed the same on behalf of said limited liability company for the purposes therein contained, and further acknowledged that said Easement is its free act and deed or said limited liability company.

In Witness Whereof, I have set my hand and official seal this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_.

GRANTEE:

CITY OF LEE'S SUMMIT, MISSOURI

(Corporate Seal)

Attest:

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

\_\_\_\_\_  
Randy Rhoads, Mayor

Approved As To Form:

\_\_\_\_\_  
Brian Head, City Attorney

COUNTY OF JACKSON     )  
STATE OF MISSOURI     ), ss:

BE IT REMEMBERED, that on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, the undersigned, a Notary Public in and for the County and Sate aforesaid, came Randy Rhoads, the 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 act and deed of said City.

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

\_\_\_\_\_  
Notary Public

My commission expires:\_\_\_\_\_.

**Exhibit A**

**LEGAL DESCRIPTION OF THE PROPERTY**

**Exhibit B**  
**SITE PLAN**

**Exhibit C**

**BASELINE DATA**

**Exhibit C**  
**BASELINE DATA**



**EXHIBIT H**  
**[INTENTIONALLY DELETED]**

**EXHIBIT I**

**CERTIFICATE OF SUBSTANTIAL COMPLETION**

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

1. That as of \_\_\_\_\_, 20\_\_\_\_, the Historic Preservation Improvement described in the Contract as \_\_\_\_\_ (the “**Completed Historic Preservation Improvement**”) has been substantially completed in accordance with the Contract.

2. The Completed Historic Preservation Improvement has been completed in a good and workmanlike manner in accordance with the Preservation Plans and all other applicable terms and conditions of the Contract.

3. Lien waivers for the Completed Historic Preservation Improvement has 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 the Completed Historic Preservation Improvement has been substantially completed in accordance with the Contract.

5. This Certificate of Substantial Completion is being issued by the Developer to the City in accordance with the Contract to evidence the Developer’s satisfaction of all obligations and covenants with respect to the Completed Historic Preservation Improvement in order to receive reimbursement as provided in the Contract.

6. This Certificate is accompanied by an Historic Preservation Easement for the Completed Historic Preservation Improvement that is in compliance with the requirements of the Contract, has been executed and is in recordable form.

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, and the recordation of this Certificate of Substantial Completion with the Jackson County Recorder of Deeds, shall evidence the satisfaction of the Developer’s agreements and covenants to construct the Completed Historic Preservation Improvement.

This Certificate of Substantial Completion shall be recorded in the office of the Jackson 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 Contract.

[Remainder of page intentionally blank.]

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

\_\_\_\_\_

a \_\_\_\_\_

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

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

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

**ACCEPTED:**

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

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

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

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

[Insert Notary Form(s) and Legal Description]

## EXHIBIT J

### APPLICATION FOR REIMBURSABLE PROJECT COSTS

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

Re: New Longview Tax Increment Financing Plan and the Second Amended and Restated Longview Farm Tax Increment Financing Plan

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

1. Each item listed on *Schedule 1* attached hereto is a Reimbursable Project Cost and was incurred in connection with the construction of an Historic Preservation Improvement as allowed by the Contract. The attached *Schedule 1* sets forth the Plan under which each Reimbursable Project Cost may be reimbursed and whether each cost is requested to be reimbursed from proceeds of the City Loan or from TIF Revenues held in the Special Allocation Fund of the New Longview Plan.
2. These Reimbursable Project Costs have been paid by the Developer and are reimbursable under the Plans and the Contract.
3. Each item listed on *Schedule 1* has not previously been paid or reimbursed from money derived from the Special Allocation Fund of either Plan or from the proceeds of the City Loan 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.
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 Contract.
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 Contract, 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 Contract, and no event has occurred and no condition exists which constitutes a Developer Event of Default under the Contract.
9. All of the undersigned Developer's representations set forth in the Contract remain true and correct as of the date hereof.

10. Construction of the Historic Preservation Improvements is in substantial compliance with the Project Schedule of the Contract.

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

\_\_\_\_\_

a \_\_\_\_\_

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

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

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

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

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

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

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

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

## EXHIBIT K

### ASSIGNMENT AGREEMENT

(Name of Assignee)

This ASSIGNMENT AGREEMENT (“**Assignment Agreement**”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between M-III LONGVIEW, LLC (“**Assignor**” or “**Developer**”), \_\_\_\_\_, a \_\_\_\_\_ (“**Assignee**”), and the CITY OF LEE’S SUMMIT, MISSOURI (the “**City**”).

#### RECITALS

A. The property to be purchased by Assignee from Assignor as legally described in **Exhibit A** attached hereto (the “**Property**”) is part of the Redevelopment Area of the New Longview Tax Increment Financing Plan (the “**Redevelopment Plan**”) approved by the City pursuant to Ordinance No. \_\_\_\_ adopted by the City Council on \_\_\_\_, 2016 (the “**Redevelopment Plan Ordinance**”).

B. The Property is subject to that certain Tax Increment Financing Redevelopment Contract between the City and Developer dated March 28, 2016, a memorandum of which was recorded in the Office of the Recorder of Deeds of Jackson County, Missouri on \_\_\_\_, 2016, as Document No. \_\_\_\_ (the “**Agreement**”).

C. \_\_\_\_\_, a \_\_\_\_\_ corporation, is the successor in interest to Developer with respect to the Property.

*Except as otherwise provided herein, the capitalized terms herein shall have the meanings as provided in the Contract.*

NOW, THEREFORE, for and in consideration of the promises and the covenants entered herein, City and Assignee agree as follows:

1. Assignee has entered into a purchase contract with Developer, pursuant to which Assignee will acquire the Property.
2. Assignee acknowledges that it has been provided with and/or has reviewed true and accurate copies of the Plans, the ordinances that approved the Plans, the Contract and all other documents associated with the Plans that may be necessary for Assignee to make an informed decision regarding purchase of the Property with respect to the matters set forth in those documents and this Assignment Agreement.
3. Assignor hereby assigns and Assignee hereby assumes all of Assignor’s obligations under the Agreement with respect to the Property, and Assignee also acknowledges and agrees that its acquisition of the Property and the transfer of the Property to Assignee is subject in all respects to the Agreement, the requirements of the Plans, and the rights of the City pursuant to the Contract and the TIF Act.
4. Assignee acknowledges and agrees that the Property is or will be included in the Redevelopment Area created by the City pursuant to the Redevelopment Plan and that certain taxes generated by Assignee’s economic activities, including sales taxes, will be applied toward Reimbursable Project Costs after the Redevelopment Project is activated by the City. Assignee shall forward to the City copies of Assignee’s State of Missouri sales tax returns for the Property located in the Redevelopment

Area when and as they are filed with the Missouri Department of Revenue, and, upon request, shall provide such other reports and returns regarding other local taxes generated by Assignee's economic activities in the Redevelopment Area and/or as the City shall require, all in the format prescribed by the City. Assignee will set forth the obligation contained in this subparagraph in any further lease or sale contract affecting the Property.

5. Assignee acknowledges that the Property will be subject to assessment for annual Payments in Lieu of Taxes ("PILOTs") when redevelopment projects in the Redevelopment Area are 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 Assignee and its successors and assigns in ownership of the Property.

6. Assignee 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. Assignee assumes the duty to notify any purchaser, tenant, transferee or other possessor of the property its rights, duties and obligations under the Agreement.

7. Assignee acknowledges that, for any subsequent conveyance, the City must be notified in writing of the proposed sale of the Property prior to the proposed effective date of the sale, which notification shall include a copy of the instrument affecting such sale. Assignee acknowledges that its purchase and any subsequent sale of the Property will be subject to any and all rights of the City or Developer, as are set forth in the Contract, the Plans and the TIF Act with respect to such purchaser or transferee of the Property, whether or not specifically enumerated herein.

8. The Plans and the Contract shall inure to and be binding upon the successors and assigns of Developer, as to the Property, including Assignee, as if they were in every case specifically named and shall be construed as a covenant running with the land and shall be enforceable against purchasers or other transferees as if such purchaser or transferee were originally a party to and bound by this Assignment Agreement.

9. Assignee and the City acknowledge that, upon the full execution of this Assignment Agreement, Developer is hereby released from all its obligations under the Contract relating to the Property.

10. This Assignment Agreement shall be governed by the laws of the State of Missouri.

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

**[ASSIGNOR]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**[ASSIGNEE]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

ATTEST:

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
City Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney



**EXHIBIT L**

**PERMITTED ASSIGNS**

1. Sunflower Development Group, LLC
2. Lee's Summit Memory Care, LLC (owner of the memory care development in activated Project Area A and affiliate of The LaSalle Group, Inc., a Texas corporation, the original purchaser)
3. Padline III, LLC (owner of the child care and education facility in activated Project Area N and affiliate of Primax Properties, LLC, a North Carolina limited liability company, the original purchaser)

*[Remainder of page intentionally left blank.]*