

COOPERATIVE AGREEMENT

AMONG

GALE COMMUNITIES, INC.,

THE CITY OF LEE'S SUMMIT, MISSOURI,

and

**THE LEE'S SUMMIT, MISSOURI NEW LONGVIEW
TRANSPORTATION DEVELOPMENT DISTRICT**

October 27, 2003

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COOPERATIVE AGREEMENT

This Cooperative Agreement (the "Agreement") is entered into on the 27th day of October, 2003, by **GALE COMMUNITIES, INC.** (the "Developer"), a Missouri corporation, **THE CITY OF LEE'S SUMMIT, MISSOURI** (the "City"), a Missouri constitutional charter city and political subdivision, and **THE LEE'S SUMMIT, MISSOURI NEW LONGVIEW TRANSPORTATION DEVELOPMENT DISTRICT** (the "District"), a Missouri transportation development district and political subdivision, which is the last date that any of the three (3) parties hereto execute this Agreement.

RECITALS

A. By Ordinance No. 5630, adopted by the City Council on October 16, 2003, the City approved the First Amended and Ratified Longview Farm Tax Increment Financing Plan ("TIF Plan"), established a Redevelopment Area and declared the Redevelopment Area as a Conservation Area, and selected the Developer to implement the Redevelopment Plan. The purpose of the TIF Plan is to devote Economic Activity Taxes and Payments in Lieu of Taxes to the rehabilitation and preservation of certain historic structures in the Redevelopment Area.

B. By Ordinance No. 5632, adopted by the City Council on October 16, 2003, the City approved the First Amended and Restated Tax Increment Financing Contract ("TIF Contract") between the Developer and the City and authorized the City Administrator to enter into this Contract with Developer for the implementation of the Projects as described in the TIF Plan.

C. On October 28, 2003, the Developer and the City entered into the TIF Contract, agreeing to the terms and conditions pursuant to which the Developer's obligations to construct the District Projects and the Redevelopment Project would be carried out.

D. Pursuant to the TIF Plan and the TIF Contract, the City and the Developer agreed that the District would contract for the design and construction of the District Projects and issue bonds or incur other obligations to pay the cost of the design and construction of the District Projects and related expenses, all in accordance with the terms of this Cooperative Agreement.

E. The District was formed on July 31, 2003, by virtue of an order entered by the Circuit Court of Jackson County, Missouri. The stated purpose of the District is to undertake the District Projects.

F. The District shall impose a District Sales Tax at the rate of up to one percent (1%) on retail sales in accordance with the TDD Act. The District Sales Tax shall be imposed and collected within the boundaries of the District, which overlaps portions of the Redevelopment Area.

G. Following the imposition of the District Sales Tax, the District will issue revenue bonds, the proceeds of which will be made available, in accordance with this Agreement, to cause the District Projects to be constructed, including reimbursement to the Developer for funds the Developer has previously expended to pay Reimbursement Agreement Costs.

H. The District is authorized in accordance with the provisions of the TDD Act to perform all functions incident to the administration, collection, enforcement, and operation of the District Sales Tax.

I. The District is authorized in accordance with the provisions of the TDD Act to contract with the City as a political subdivision and a local transportation authority to assist in operating and financing the District Projects.

J. The Developer and the District desire to contract with the City for the City to perform the functions of administrating, collecting and enforcing the District Sales Tax.

AGREEMENT

ARTICLE I

RULES OF INTERPRETATION AND DEFINITIONS

Section 1.01 Rules of Interpretation.

A. All exhibits attached to and referenced in this Agreement are expressly incorporated into this Agreement by such reference.

B. Unless the context clearly indicates to the contrary or unless otherwise provided herein, the following rules of interpretation shall apply to this Agreement:

(1) The terms defined in this Agreement which refer to a particular agreement, instrument or document also refer to and include all renewals, extensions, modifications, amendments and restatements of such agreement, instrument or document; provided, that nothing contained in this sentence shall be construed to authorize any such renewal, extension, modification, amendment or restatement other than in accordance with Section 10.04 of this Agreement.

(2) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, section, subsection and exhibit references are to this Agreement unless otherwise specified. Whenever an item or items are listed after the word "including", such listing is not intended to be a listing that excludes items not listed.

(3) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing person shall include individuals, corporations, partnerships, joint

ventures, associations, joint stock companies, trusts, unincorporated organizations and governments and any agency or political subdivision thereof.

(4) The table of contents, captions and headings of each part, section or subsection in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 1.02 Definition of Words and Terms.

In addition to the words and terms defined elsewhere in this Agreement, the following capitalized words and terms, as used in this Agreement, shall have the meanings described below.

A. Administrative Fee. That amount of the District Sales Tax Revenue that the City shall receive as compensation for performing the duties of collecting the District Sales Tax, pursuant to Section 2.02 of this Agreement.

B. City: The City of Lee's Summit, Missouri.

C. City Council: The governing body of the City.

D. City Payment: Shall have the meaning set forth in Section 5.06.C.

E. Code: The Internal Revenue Code.

F. Cooperative Agreement or Agreement: This cooperative agreement.

G. Costs of Formation: Actual, reasonable costs and expenses approved by the City, which are incurred by the District or the Developer, to obtain circuit court approval of formation of the District and the imposition of the District Sales Tax, including but not limited to attorneys' and other professional service fees and expenses of filing and defending the petition and to call and hold the election for the District Sales Tax, including all publication and incidental costs related to any of the aforementioned activities.

H. Developer: Gale Communities, Inc., a Missouri corporation, and its successors and assigns.

I. District: The Lee's Summit, Missouri New Longview Transportation Development District, a Missouri transportation development district and political subdivision of the State of Missouri.

J. District Projects: Those projects listed in the First Amended Petition for Formation of the Lee's Summit, Missouri New Longview Transportation Development District, a copy of which is attached hereto as Exhibit A, and which are set forth as follows: (1) the construction of Longview Boulevard, including the relocation of the two Longview Arches ("Longview Boulevard Project"); (2) single lane improvements to the southern half of 3rd Street, from the planned future eastern roundabout on 3rd Street to the eastern border of the Property ("3rd Street Project"); (3) the construction of two (2) east-west arterial roads, from the Longview College entrances on Longview Road, easterly to the two (2) roundabout intersections with Longview Boulevard ("College Roads Project"); and (4) improvements to Longview Road from the intersection of View High Road and 3rd Street to the southernmost roundabout on Longview Road ("Longview Road Project").

K. District Sales Tax: The sales tax levied by the District on retail sales within its boundaries pursuant to the TDD Act in the amount of one percent (1%).

L. District Sales Tax Revenues: Monies actually collected, pursuant to this Agreement and the TDD Act, from the imposition of the District Sales Tax.

M. Economic Activity Taxes: Economic Activity Taxes, as defined by the TIF Act and captured by the TIF Plan.

N. Enforcement Funds: The funds defined in Section 2.03.B of this Agreement.

O. Event of Default: Any event specified in Section 7.01 of this Agreement.

P. Improvement Costs: All actual and reasonable costs and expenses approved by the City, which approval shall not be unreasonably withheld, which are incurred with respect to construction of the District Projects, including the actual and reasonable cost of labor and materials payable to contractors, builders, suppliers, vendors and materialmen in connection with the construction contracts awarded in connection with the District Projects, plus all actual and reasonable costs to plan, finance, develop, design and acquire the District Projects, including but not limited to the following:

- (1) actual and reasonable costs of issuance and capitalized interest, if any, for any bonds issued by the District to finance the District Projects;
- (2) actual and reasonable fees and expenses of architects, appraisers, attorneys, surveyors and engineers for estimates, surveys, soil borings and soil tests and other preliminary investigations and items necessary to the commencement of construction, financing, preparation of plans, drawings and specifications and supervision of construction, as well as for the performance of all other duties of architects, appraisers, surveyors and engineers in relation to the construction of the District Projects and all actual and reasonable costs for the oversight of the completion of the District Projects including overhead expenses of the District for administration, supervision and inspection incurred in connection with the District Projects; and
- (3) all other items of expense not elsewhere specified in this definition which may be necessary or incidental to the review, approval, acquisition, construction, improvement and financing of the District Projects and which may lawfully be paid or incurred by the District under the TDD Act.

Q. MoDOT: The Missouri Department of Transportation and/or the Missouri Highways and Transportation Commission.

R. Operating Costs: Actual, reasonable overhead expenses approved by the City, which approval shall not be unreasonably withheld, which are necessary for the administration of the District, in accordance with the District's annual budget.

S. Payments in Lieu of Taxes: Incremental taxes paid on account of real estate tax assessments as provided and defined in the TIF Act and the TIF Plan.

T. Public Works Department: The Public Works Department of the City.

U. Redevelopment Area: The Redevelopment Area established under the TIF Plan.

V. Redevelopment Projects: The redevelopment projects to be constructed by the Developer pursuant to the TIF Plan and the TIF Contract.

W. Reimbursement Agreement: That agreement between the District and the Developer, attached hereto as Exhibit C, pursuant to which the District agrees to reimburse the Developer actual and reasonable costs for expenditures made on behalf of the District, including Costs of Formation, Improvements Costs and Operating Costs.

X. Reimbursement Agreement Costs: Actual and reasonable costs for expenditures made by the Developer on behalf of the District, including Costs of Formation, Improvement Costs and Operating Costs, and which may be reimbursed pursuant to the terms of this Agreement and the Reimbursement Agreement.

Y. Special Allocation Fund: The fund created pursuant to the TIF Act for the TIF Plan into which the City deposits Economic Activity Taxes and Payments in Lieu of Taxes pursuant to the TIF Plan.

Z. TDD Act: The Missouri Transportation Development District Act, Section 238.200, *et. seq.*, of the Revised Statutes of Missouri, as amended.

AA. TDD Interest Payment: Shall have the meaning set forth in Section 5.06.C.

BB. TIF Act: The Real Property Tax Increment Allocation Redevelopment Act, Section 99.800, *et. seq.*, of the Revised Statutes of Missouri, as amended.

CC. TIF Contract: Defined above in the RECITALS, paragraph A.

DD. TIF Plan: Defined above in the RECITALS, paragraph B.

EE. TIF Revenue: Economic Activity Taxes and Payments in Lieu of Taxes.

FF. Trust Indenture: A Trust Indenture between the District and the Trustee, executed in connection with the issuance of TDD debt obligations.

GG. Trustee: The Trustee, and its successor or successors and their respective assigns, as defined in a Trust Indenture.

ARTICLE II

COLLECTION OF FUNDS

Section 2.01 Collection of District Sales Tax.

The City agrees to perform for the District, all functions incident to the administration, collection, and enforcement of the District Sales Tax, pursuant to the TDD Act and this Agreement. The Developer will cause the District to enact a resolution in substantial compliance with the resolution attached to this Agreement as Exhibit B. The District Sales Tax shall be collected and reported upon such forms and under the administrative rules and regulations prescribed by the District, attached hereto as Exhibit B. The District Sales Tax Revenues shall be deposited by the City in accordance with Exhibit B. Neither the District nor the City shall amend the forms, or the administrative rules and regulations prescribed in Exhibit B, without the other party's consent, which consent shall not be unreasonably withheld.

Section 2.02 Administrative Fee for Collection of District Sales Tax.

The City shall receive an Administrative Fee for collecting and administering the District Sales Tax in the amount of one percent (1%) of the total District Sales Tax Revenues. In the event that the one percent (1%) Administrative Fee does not fully reimburse the City for actual costs and expenses incurred in fulfilling its obligations associated with collection of the District Sales Tax Revenue pursuant to this Agreement, then the City shall receive reimbursement for such actual costs; provided, however, that the right to recover such actual costs and expenses in excess of the Administrative Fee shall be subordinate to the payment of debt service on bonds, if any, issued by the District to finance the District Projects. Prior to the City performing any of the obligations in this Agreement associated with collection of the District Sales Tax, the City shall receive from the Developer five thousand and no/100 dollars (\$5,000.00) for the purpose of initiating the accounting system associated with collecting and administering the District Sales Tax ("Account Initiation Payment"). The Account Initiation Payment may be reimbursed to the Developer as an Improvement Cost under this Agreement.

Section 2.03 Enforcement of the District Sales Tax.

A. The District authorizes the City, to the extent permitted by law, to take all actions necessary for collection and enforcement of the District Sales Tax. The City may, in its own name or in the name of the District, prosecute or defend an action, lawsuit or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to secure the payment of the District Sales Tax. The District hereby agrees to cooperate fully with the City and to take all action necessary to effect the substitution of the City for the District in any such action, lawsuit or proceeding if the City shall so request. The cost and expense of such actions, shall be paid from the Enforcement Funds.

B. In addition to the cost of administering the District Sales Tax, the City shall be entitled to retain and maintain from District Sales Tax Revenues twenty five thousand and no/100 dollars (\$25,000.00) to fund litigation, prosecution or defense of enforcement and collection of the District Sales Tax, which shall be maintained by the City in an account as the Enforcement Funds, with earnings thereon deposited to the credit of the Enforcement Funds account. The City may use the Enforcement Funds to pay actual, reasonable costs and expenses associated with enforcing collection of the District Sales Tax, including but not limited to auditing services, collection agency services and attorneys fees. The City may deduct sufficient funds from the District Sales Tax Revenues each month to maintain a balance of twenty five thousand and no/100 dollars (\$25,000.00) in Enforcement Funds as provided in Section 2.04.C.

Section 2.04 Distribution of the District Sales Tax.

Beginning in the first month following the effective date of the District Sales Tax and continuing each month thereafter until the expiration or repeal of the District Sales Tax, the City shall, not later than the fifteenth (15th) day of each month, distribute the District Sales Tax Revenues received in the preceding month in the following order of priority:

A. The City shall deduct one percent (1%) of the total District Sales Tax collected each month, for its Administrative Fee.

B. Pursuant to the TIF Act and the TIF Plan, as amended, one-half (1/2) of the District Sales Tax which is generated within the Redevelopment Area will be captured as Economic Activity Taxes and deposited by the City into the Special Allocation Fund.

C. The City shall deduct sufficient funds, if any, to maintain a balance of twenty five thousand and no/100 dollars (\$25,000.00) in Enforcement Funds.

D. If any of the City Payment, as defined in Section 5.06.A, is used by the District to pay for TDD Interest Payments and/or for the relocation of the Longview Arches, as authorized by Section 5.06.C, then the City shall retain sufficient funds to repay the City for this portion of the City Payment until the City has been reimbursed in full for these items, with interest as provided in Section 5.06.C.

E. After the City has been reimbursed in full for any portion of the City Payment used by the District for TDD Interest Payments and/or relocation of the Longview Arches (with interest as provided in Section 5.06.C), as set forth in subparagraph D of this Section, the City shall transfer the remaining District Sales Tax to the Trustee for distribution in accordance with the Trust Indenture.

Section 2.05 District Sales Tax Refund.

At all times while the provisions of the TIF Act requires that one half (1/2) of the District Sales Tax Revenues be captured as Economic Activity Taxes, and while any bonds issued by the District remain outstanding, any District Sales Tax Revenues deposited into the Special Allocation Fund shall be paid by the City to the Trustee for distribution in accordance with the Trust Indenture within thirty (30) days after such District Sales Taxes Revenues have been deposited into the Special Allocation Fund or, at the option and discretion of the City, to the extent permitted by applicable law and according to the distribution of District Sales Tax Revenue in accordance with Section 2.04, the City may document the District Sales Taxes Revenues otherwise payable to the Special Allocation Fund and pay such funds directly to the Trustee for distribution in accordance with the Trust Indenture. District Sales Tax Revenues paid from the Special Allocation Fund to the Trustee, or paid directly to the Trustee, shall be

held and used pursuant to the Trust Indenture, the TIF Plan, the TIF Contract and this Agreement to undertake the District Projects.

Section 2.06 Records of the District Sales Tax.

The City shall keep accurate records of the District Sales Tax due and collected and copies of such records shall be provided to the District on a monthly basis. Any City records pertaining to the District Sales Tax shall be provided to the District upon written request of the District, as permitted by law.

Section 2.07 Repeal of the District Sales Tax.

The District shall notify the City at least thirty (30) days in advance of the satisfaction in full of all outstanding obligations of the District. Upon full satisfaction of all obligations of the District, including, but not limited to the repayment of all TDD Bonds, the District shall immediately implement the procedures in the TDD Act for repeal of the District Sales Tax and abolishment of the District; provided, however, the District shall not implement the procedures for repeal or modification of the District Sales Tax and abolishment of the District if 1) any District Sales Tax Revenue is due to the City for outstanding Administrative Fees or Enforcement Funds, or if the City is due repayment of any of the City Payment in accordance with Sections 2.04 and 5.06, 2) any of the District Projects are not yet finally complete; 3) any of the Improvement Costs have not been fully paid; or 4) if the District, with the prior written consent of the City, has approved another project pursuant to the TDD Act. The City's obligation to perform for the District all functions incident to the administration, collection, enforcement and operation of the District Sales Tax shall terminate concurrent with the repeal of the District Sales Tax. Upon repeal of the District Sales Tax, the City shall:

A. Retain the City's administrative fee and any Enforcement Funds to which it is entitled in accordance with this Agreement.

B. Retain any remaining District Sales Tax until such time as the District is abolished and the District has provided for the transfer of any funds remaining in a manner permitted by the TDD Act.

ARTICLE III
DESIGN AND CONSTRUCTION OF DISTRICT PROJECTS

Section 3.01 Selection of Engineering Firm.

The District shall select an engineering firm, which shall be reasonably approved by the Public Works Department, to design the District Projects, or portions of the District Projects which are approved by the City for separate design contracts. The scope of services to be performed by such engineering firm selected and the contract for services between the District and the engineering firm shall be reasonably approved by the Public Works Department.

Section 3.02 Timing of Design.

Once an engineering firm is selected, and the scope of services defined, in accordance with Section 3.01, the District may authorize the engineering firm to begin design of all, or a portion of, the District Projects, as approved by the Public Works Department.

Section 3.03 Approval of Preliminary Plans and Specifications.

Once completed, the District shall submit preliminary plans and specifications for the District Projects to the Public Works Department for approval. The Public Works Department shall within thirty (30) days after receiving the preliminary plans and specifications approve such preliminary plans and specifications or provide written comments concerning required changes. If the Public Works Department provides written comments concerning required changes, the District shall then cause the preliminary plans and specifications to be changed in accordance

with the Public Works Department's comments and resubmit the preliminary plans and specifications in accordance with this section or finalize the plans and specifications as approved. Review and approval of the plans and specifications for the District Projects shall not constitute acceptance of maintenance and ownership obligations of the District Projects by the City except as set forth in Sections 3.07 and 4.01 of this Agreement.

Section 3.04 Approval Prior to Construction.

Construction of all, or a portion of, the District Projects shall not commence until an appropriate construction permit is issued by the City.

Section 3.05 Construction of District Projects.

Following approval of plans and specifications for all or a portion of the District Projects, the District will solicit bids for construction of all, or the applicable portion, of the District Projects. All bids received will be submitted to the Public Works Department for review and comment. Selection of the lowest and best bid and the awarding of the contract to construct all or any portion of the District Projects by the District shall be subject to the reasonable approval of the Public Works Department.

Section 3.06 Completion of Construction.

Upon completion of all or any portion of the District Projects, the District shall deliver to the City and to the Developer a completion certificate signed by a representative of the engineering firm selected pursuant to Section 3.01, certifying that (1) the District Projects have been completed in accordance with the final plans and specifications as approved by the Public Works Department in accordance with this Agreement, and (2) all sums due to the contractor have been paid. The District shall provide, prior to construction, such payment and performance bonds as required by the City's Design and Construction Manual, and the District shall, following

completion of construction, obtain from the contractor and assign to the City (with the consent of the contractor) such warranties and guarantees as City shall normally obtain in its public improvement road projects.

Section 3.07 Acceptance of District Projects.

Following receipt of a completion certificate and prior to accepting all or any portion of the District Projects following construction, the District shall obtain the approval of the Public Works Department. The parties acknowledge that certain elements of the District Projects would not be included if the City were paying for and constructing the District Projects. Approval of the plans and specifications by the Public Works Department shall constitute acceptance of responsibility for maintenance by the City only of those elements of the District Projects that are set forth in category 1 of Exhibit E. City approval of those elements of the District Projects listed in category 2 of Exhibit E shall not constitute acceptance of responsibility for maintenance of those District Project elements. The Developer and/or the District shall cause to be formed one or more property owners' associations for perpetual ownership, maintenance and operation of those elements of the District Projects for which the City does not accept maintenance or ownership obligations under this Agreement, and the Developer and/or District shall receive City approval of such property owners' association(s) prior to acceptance of the applicable District Project by the Public Works Department pursuant to this Section.

ARTICLE IV

OWNERSHIP AND MAINTENANCE OF DISTRICT PROJECTS

Section 4.01 Title to the Project.

Title to the District Projects shall be vested in the name of the District until the Improvement Costs of the District Projects have been paid in full and any District bonds issued to fund construction of District Projects repaid and the City is repaid the City payments. The District

shall not assign, transfer, lease or otherwise dispose of its interest in the District Projects without first obtaining the prior written consent of the City, except for the assignment to the Trustee of any District bonds issued to finance construction of all or part of the District Projects. When all bonds and all other outstanding obligations, notes, liabilities or other debts of the District incurred in connection with the District Projects have been paid or retired and the City is repaid the City Payments, all right, title and interest of the District in those elements of the District Projects listed in category 1 of Exhibit E shall be transferred to the City in the manner provided in the TDD Act and this Agreement shall terminate. At such time, the District agrees to execute and deliver to the City and the City agrees to accept such deeds, assignments and other instruments as are necessary to transfer all right, title and interest of the District in those elements of the District Projects listed in category 1 of Exhibit E. The parties acknowledge that certain elements of the District Projects (those listed in category 2 of Exhibit E) would not be included if the City were paying for and constructing the District Projects, and the City shall not accept ownership of those elements of the District Projects that are set forth in category 2 of Exhibit E. Perpetual ownership and maintenance of those elements of the District Projects not owned by the City shall be in the name of the property owners' association established pursuant to Section 3.07 of this Agreement.

Section 4.02 Maintenance of District Projects.

In consideration of the administration and financing of the construction of the District Projects by the District, the City shall at all times be responsible for maintenance of those elements of the District Projects listed in category 1 of Exhibit E, as set forth in Section 3.07 of this Agreement, following approval by the Public Works of construction and assignment or confirmation of all required warranties and guarantees, and the District shall have no obligation with respect thereto.

Section 4.03 Insurance Requirements.

A. The District agrees that it will require each contractor to maintain insurance in a form and amount approved by the City, and that the City shall be named as an additional insured under each such policy so maintained. Each contractor shall, on request, be required to provide the District or its assignees a complete copy of each policy or a certificate thereof which shows that such policies are in full force and effect and that the City is named as an additional insured thereunder.

B. The District shall maintain throughout the term of this Agreement a policy of insurance to cover the exceptions for sovereign and governmental immunity set forth in Section 537.600 of the Revised Statutes of Missouri in the maximum amounts set forth in Section 537.610 of the Revised Statutes of Missouri. The District shall provide a certificate of such policy to the City, evidencing that the City is named as an additional insured party.

ARTICLE V

FINANCING DISTRICT PROJECTS

Section 5.01 District Sales Tax.

The District shall impose the District Sales Tax within the boundaries of the District, which shall be applied first in amounts to provide, together with other available funds of the District (including City Payments) for the retirement of District debt obligations, or as otherwise provided in the indenture of trust entered into by the District with respect to bonds issued by the District to fund the District Projects. Once all District debt obligations are retired, the proceeds of the District Sales Tax shall be applied first to the reimbursement of amounts payable to the City for the City Payments, and thereafter to the reimbursement of Developer and other Improvement Costs.

Section 5.02 Reimbursement of Prior Expenditures.

A. Costs of Formation. The Developer has incurred Costs of Formation. Upon issuance of bonds or the assumption of other debt obligations by the District, a portion of the proceeds shall be used in accordance with Section 5.05 of this Agreement, for the purpose of reimbursing the Developer for the Costs of Formation. This reimbursement request shall be subject to prior approval by the City in accordance with Section 5.02.F of this Agreement.

B. Construction Costs. To the extent that the Developer has incurred costs for construction of a portion of the District Projects, and such costs are approved by the City in accordance with this Agreement, then upon the issuance of bonds or the assumption of other debt obligations by the District, a portion of the proceeds of the bonds shall be used, in accordance with Section 5.05 of this Agreement, for the purpose of reimbursing to the Developer the Improvement Costs which have been approved and contracted in accordance with the terms of Article III of this Agreement. This reimbursement request shall be subject to prior approval by the City in accordance with Section 5.02.F of this Agreement. The parties acknowledge that the first annual appropriation of funds by the City in the amount of two hundred fifty one thousand and no/100 (\$251,000.00) has occurred and are available for payment in accordance with the terms of this Agreement and the trust indenture.

C. Reimbursement Agreement Costs. The Developer has incurred or may incur Reimbursement Agreement Costs on behalf of the District. The Developer may be reimbursed from District Sales Tax Revenues, paid to the District in accordance with the Trust Indenture, for Reimbursement Agreement Costs in accordance with the terms of this Agreement and the terms of the Reimbursement Agreement attached hereto as Exhibit C. The Reimbursement Agreement shall not be amended without the consent of the City. This reimbursement request shall be subject to prior approval by the City in accordance with Section 5.02.F of this Agreement.

D. Operating Costs. The Developer may advance funds to pay Operating Costs of the District in its first fiscal year and each subsequent fiscal year, in accordance with the District's annual budget, until there are sufficient District Sales Tax Revenues paid by the Trustee to the District, pursuant to the Trust Indenture, to fund the District's annual budget. In no event shall the District incur more than fifty thousand and no/100 dollars (\$50,000.00) in any fiscal year for Operating Costs of the District, without the prior consent of the City, which consent shall not be unreasonably withheld, if the District demonstrates that the expenditures serve a legitimate District purpose. Operating Costs, to the extent advanced by the Developer, shall be reimbursed to the Developer by the District, from District Sales Tax Revenues paid by the Trustee to the District, pursuant to the Trust Indenture. This reimbursement request shall be subject to prior approval by the City in accordance with Section 5.02.F of this Agreement.

E. Right-of-way Land Costs. The Developer has incurred certain land costs that are associated with land that will be dedicated to right-of-way for the Longview Boulevard portion of the District Projects. By prior agreement of the Developer and the City pursuant to the TIF Contract, subject to the availability of funds and upon proper documentation submitted to the City using the procedure set forth in Section 5.02.F, the District may reimburse the Developer for fifty percent (50%) of the land acquisition costs associated with three (3) acres of land, not to exceed a total cost of fifty five thousand five hundred and no/100 dollars (\$55,500.00).

F. Reimbursement Procedure. Expenditures to be reimbursed pursuant to this Section 5.02 shall be submitted in writing by the District or the Developer to the City's Finance Director for City approval prior to reimbursement. The Finance Director shall review, verify and confirm the information included in the written request for reimbursement. The Finance Director may request additional documentation of reimbursement requests, within thirty (30) days of receipt of

written request for reimbursement. If the City determines that the request accurately reflects reasonable reimbursable prior expenses, City shall approve the request. If the City has not requested additional documentation within thirty (30) days of receipt of a written request for reimbursement and the City has not approved or denied the written request for reimbursement within ninety (90) days of receipt of a written request for reimbursement, the request for reimbursement shall be deemed approved.

Section 5.03 Annual Budget and Payment of Operating Costs as Incurred.

A. Annual Budget. The budget for the District's first fiscal year shall be prepared by the District and submitted to the City Finance Director within thirty (30) days after execution of this Agreement. For each subsequent fiscal year of the District, the District shall, no earlier than one hundred eighty (180) days and no later than ninety (90) days prior to the first day of each fiscal year, submit a proposed budget for the upcoming fiscal year to the City Finance Director. Each budget for the District shall generally be prepared in accordance with all applicable state statutes including Section 67.010 RSMo, as amended. The Finance Director may review and comment to the District on its proposed budget. The District shall adopt a budget for its first fiscal year within sixty (60) days after execution of this Agreement and shall adopt an annual budget no later than thirty (30) days prior to the first day of each fiscal year.

B. Payment of Operating Costs. The proposed and actual expenditures of the District for Operating Costs shall not exceed fifty thousand dollars (\$50,000) in any fiscal year, without the City's consent, which consent shall not be unreasonably withheld, so long as the District demonstrates that the expenditures serve a legitimate District purpose. District Sales Tax Revenues, paid by the Trustee to the District, pursuant to the Trust Indenture, may be used to fund Operating Costs, in accordance with the District's annual budget, upon approval by the City

of such Operating Costs, which approval will not be unreasonably withheld. Operating Costs shall be submitted in writing by the District to the City's Finance Department for City approval prior to payment. The Finance Director shall review, verify and confirm the information included in the written request for approval. The Finance Director may request additional documentation of Operating Costs, within thirty (30) days of receipt of written request for approval. If the City determines that the request accurately reflects reasonable reimbursable expenses, City shall approve the request. If the City has not requested additional documentation within thirty (30) days of receipt of a written request for approval and the City has not approved or denied the written request for approval within ninety (90) days of receipt of a written request for approval, the request for approval shall be deemed approved. The City's approval prior to payment is not required for de minimis expenditures of \$500 or less, where there is no intent to avoid the terms of this Agreement by dividing one expenditure into several de minimis expenditures. The City may give its approval in writing at the beginning of the fiscal year to the expenditure of funds, for individual Operating Costs that are: 1) budgeted as a line item in the District's annual budget; 2) are regularly occurring Operating Costs as determined by the Finance Director; 3) are documented, to the satisfaction of the City, as reasonable expenditures based on quotes or prior, similar expenditures by the District; and 4) are within the amount budgeted for that line item. In the event that specific budget approval has been given by the City, additional written approvals by the City are not required.

C. New Projects. Upon satisfaction in full of all outstanding obligations of the District, the District may use District Sales Tax Revenue, as such revenues are available, to pay Improvement Costs for new District projects which have been determined by the City Council to be necessary and approved and contracted in accordance with the terms of Article III of this

Agreement. The District shall not undertake new District projects without the prior approval of the City Council. Payments due to the City pursuant to the priority established in Section 2.04 for Administrative Fees, Enforcement Funds and repayments to the City for any portion of the City Payment used in accordance with Section 5.06 shall take priority over any costs associated with new District projects.

Section 5.04 Issuance of Bonds – District Responsibilities.

A. Issuance of Bonds. At such time as the District is able to attract buyers for bonds issued by the District to finance the reimbursement of previously-paid Improvement Costs for District Projects and/or the construction of new District Projects in accordance with contracts approved under the provisions of Article III of this Agreement, and at such time as the Conditions Precedent set forth in subparagraph B of this Section 5.04, the District will issue revenue bonds for the purpose of funding all, or an appropriate portion of, the Improvement Costs. The bonds shall be the obligation and responsibility of the District and the City shall have no responsibility for the bonds. The bonds shall not be a debt or general obligation of the City, as that term is used and defined in the Constitution and Statutes of the State of Missouri, of either the District or the City. The terms and conditions of the bonds, including interest rate, costs of issuance and other costs, shall be subject to approval by the City, which approval shall not be unreasonably withheld.

B. Conditions Precedent. In accordance with Section 5.c(1) and 10.a of the TIF Contract, the District shall not issue any bonds until each of the events listed herein has occurred.

- (1) Binding commitments to Developer, evidenced by documentation from financial institutions or other entities reasonably satisfactory to the City, for the use of Private Funds to construct portions of the Phase 2 retail development which are reasonably

satisfactory to the City, including 15,000 square feet of new construction devoted to retail sales. Such documentation shall at all times remain the property of the Developer and shall be returned to the Developer upon completion of the City's review required by this Contract.

(2) To the extent that development Phases or TIF Projects have been commenced, satisfactory guarantees to complete the Historic Project Improvements, as defined in the TIF Contract, have been provided by the Developer and approved by the City in accordance with the TIF Contract.

(3) To the extent that development Phases or TIF Projects have been commenced, Developer shall have committed to investing all of the applicable Private Funds for the Private Project Improvements for the applicable Project, as set forth in the TIF Contract.

C. Required Collateral. Developer shall provide any required security or collateral that is necessary to market any bonds issued by the District, in addition to the agreements contained in the TIF Contract and this Agreement. No fees and costs associated with obtaining or providing such collateral or security shall be paid or reimbursed from the proceeds of any District bonds.

Section 5.05 Use of Bond Proceeds.

A. The net proceeds of the sale of any District bonds shall be paid over to the Trustee for the account of the District to pay all costs of issuance, to fund the project fund, the debt service reserve fund, and a capitalized interest fund, if any, and any other funds or accounts as authorized by the City and the District.

B. Funds deposited in the project fund shall be disbursed by the Trustee upon receipt by the Trustee of a request from the District at least two (2) business days prior to the date on which

such funds are required to pay Improvement Costs which have been approved for payment by the District and the City.

C. Until such funds are requested by the District, the Trustee shall invest and reinvest money in the project fund in permissible investments under the Trust Indenture. Any earnings on such investments shall be deposited in the project fund and may be disbursed by the Trustee to pay or reimburse Improvement Costs upon receipt of a request in accordance with this Agreement.

D. Upon the receipt of a completion certificate, if applicable, pursuant to Section 3.06 of this Agreement, for District Projects funded with the proceeds of the series of bonds issued by the District, and verification that Improvement Costs related to a series of District bonds have been paid, the District shall deliver to the Trustee a certificate in writing, stating that the applicable Improvement Costs have been paid in full. Upon receipt of such certificate by the Trustee, and written acceptance by the City of the certifications in such certificate, any money then held by the Trustee in the project fund shall be transferred by the Trustee to the debt service fund to be used for the payment of principal of and redemption premium, if any, on the bonds through the payment or redemption thereof at the earliest permissible date under the Trust Indenture.

Section 5.06 City Payment to TDD.

A. In order to facilitate repayment of the Longview Boulevard TDD Project, the City agrees to include in future years' fiscal budgets for the City, for consideration by the City Council, all such funds as are detailed on Exhibit D ("City Payment"). The City Payment does not constitute a general obligation or other indebtedness of the City. The ability of the City to make the City Payment as contemplated in this Contract is limited to those City funds which are

specifically budgeted and appropriated annually by the City Council for such purpose. The City is obligated only to pay such City Payments under this Agreement as may lawfully be made from funds budgeted and appropriated for that purpose during the City's then current Fiscal Year. The Developer and District acknowledge that the City is not legally or morally obligated to appropriate funds for repayment of the TDD Obligations.

B. The Capital Improvements Ten Year Road Plan (“Ten Year Road Plan”) establishes the City’s priorities with respect to the road projects, including the Longview Boulevard Project, that are intended to be funded by the City’s excise tax imposed pursuant to Chapter 28, Division 6 of the City Code (“Excise Tax”) and the one-half (1/2) cent Capital Improvement Sales Tax. If, at any time in establishing and revising annual budgeting priorities for the Ten Year Road Plan, there is a negative cash flow balance in excise tax and capital improvement sales tax revenues from any previous year, the City may issue certificates of participation or another form of debt instrument, or make appropriations from other sources, in its discretion, to make any City Payment, but the City shall have no obligation to do so. The City Payment will be used as provided below in paragraph C of this Section.

C. The City Payment may be used for those construction costs set forth in **Exhibit F** (“Longview Boulevard Project Construction Costs”) and the total City Payment shall not exceed \$5.9 million for the Longview Boulevard Project Construction Costs. Any portion of the City Payment used by the District to pay interest expenses for bonds issued by the District (“TDD Interest Payments”) or for relocation of the Longview Arches shall be reimbursed by the District to the City, and shall include interest at a rate equal to the lesser of the actual cost of borrowing to Developer or the District or the then current prime rate as published by the Wall Street Journal plus one percent (1%) calculated from the first date that such funds could have been returned to

the City but are instead used by the District to pay for either TDD Interest Payments or relocation of the Longview Arches. Such repayment from the District to the City shall be pledged as the first and primary use of the District Sales Tax, which shall maintain priority above all other Improvement Costs, but shall be subordinate to the payment of the debt service on the Bonds. The District shall pay interest on any funds repaid to the City at a rate equal to the lesser of the actual cost of borrowing to Developer or the then current prime rate as published by the Wall Street Journal plus one percent (1%). The District shall issue a note or other evidence of indebtedness acceptable to the City to evidence such repayment obligation provided that, at all times, such note or other evidence of indebtedness shall be subordinate to the bonds.

Section 5.07 Developer Loans to the District.

In the event that there are insufficient funds available to the District at any given point to fund the District Projects, Developer may loan funds to the District. Any such funds loaned to the District by the Developer shall be reimbursed by the District to the Developer upon terms mutually agreeable to Developer and District. The District shall issue a note or other evidence of indebtedness acceptable to the Developer to evidence such repayment obligation. The District shall pay interest on any funds loaned by the Developer at a rate equal to the actual cost of borrowing to Developer. Any such repayment from the District to the Developer shall be secondary and subordinate to any repayments to the City as required in Section 5.06.C above. In lieu of loaning funds directly to the District, Developer may provide some form of credit enhancement to the future District revenues sufficient to allow the District to issue additional District bonds to be paid from future District revenues.

ARTICLE VI
SPECIAL COVENANTS

Section 6.01 Records of the District.

The District shall keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to its business affairs in accordance with generally accepted accounting principles consistently applied, and will furnish to the City, the original purchasers of any bonds, the Trustee, the trustee of any subsequently issued bonds, and to any requesting owner or owners of ten percent (10%) or more in aggregate principal amount of the bonds then outstanding, such information as they may reasonably request concerning the District, including such statistical and other operating information requested on a periodic basis, in order to enable such parties to determine whether the covenants, terms and provisions of this Agreement have been met. In addition, the District shall furnish annual audited financial statements to the City for each fiscal year no later than June 30th following the end of such fiscal year. For that purpose, all pertinent books, documents and vouchers relating to its business, affairs and properties shall at all times during regular business hours be open to the inspection of such accountant or other agent (who may make copies of all or any part thereof provided that the confidentiality of all records shall be maintained pursuant to such confidentiality agreements as reasonably required) as shall from time to time be designated and compensated by the inspecting party.

Section 6.02 Records of the City.

The City shall keep and maintain adequate records pertaining to disbursements for reimbursement or payment of the costs of public improvements and/or debt service on bonds. Such records shall be available for inspection by the District and the Trustee of any outstanding bonds upon reasonable notice.

Section 6.03 Tax Covenants.

A. The parties covenant and agree that they will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on any District bonds under Section 103 of the Code. The parties covenant and agree that they will use or cause to be used the proceeds of any bonds as soon as practicable and with all reasonable dispatch for the purpose for which the bonds are issued, and that they will not directly or indirectly use or permit the use of any proceeds of any bonds, or take or omit to take any action, that would cause the bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code. To that end, the parties will comply with all requirements of Section 148 of the Code to the extent applicable to any bonds. In the event that at any time the District is of the opinion that for purposes of this section it is necessary to restrict or limit the yield on the investment of any money held by any bond Trustee under any Trust Indenture, the District will take such action as may be necessary to limit such yield. The parties further covenant to adopt such resolutions and to take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions in order to preserve the exclusion from federal gross income of the interest on any bonds to the extent any such actions can be taken by the parties to this Agreement.

B. Without limiting the generality of the foregoing, the District shall pay from time to time all amounts, if any, required to be rebated to the United States pursuant to Section 148(f) of the Code. This covenant shall survive payment in full or defeasance of the bonds.

C. The District covenants that it will: (i) not permit its income to inure to the benefit of any private person; (ii) use the original and investment proceeds of any District bonds solely to pay Improvement Costs, fund reserve funds and to pay costs related to the issuance of such

bonds; and (iii) after all the bonds have been paid, convey all of its right, title and interest in and to the District Projects to the City.

ARTICLE VII
EVENTS OF DEFAULT

Section 7.01 Events of Default.

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

A. Failure by the City to make a payment, and the continuance of such failure for ten (10) days following written notice to City from the District of such failure, or failure by the District to make a payment, in a timely manner as required by this Agreement; or

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

Section 7.02 Remedies on Default.

Subject to any restrictions contained in the Indenture for any outstanding District bonds against acceleration of the maturity of any such bonds, if any Event of Default has occurred and is continuing, then any non-defaulting party may, upon its election or at any time after its election while such default continues, by mandamus or other suit, action or proceedings at law or in equity, enforce its rights against the defaulting party and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of this Agreement.

Section 7.03 Rights and Remedies Cumulative.

The rights and remedies reserved by either party under this Agreement and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted

by the exercise thereof on one or more occasions. The District, the Developer and the City shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Agreement, notwithstanding availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity.

Section 7.04 Waiver of Breach.

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

ARTICLE VIII
ASSIGNMENTS

Section 8.01 Assignment of District's Rights.

Under the Trust Indenture governing the issuance of any District bonds, the District will, as security for the bonds, pledge, assign, transfer and grant a security interest in certain of its rights under this Agreement to the Trustee or the trustee of any subsequently issued bonds. The City agrees that this Agreement and all of the rights, interests, powers, privileges and benefits accruing to or vested in the District under this Agreement may be assigned by the District to any bond Trustee or Trustees as security for bonds and may be exercised, protected and enforced for or on behalf of the owners of the bonds in conformity with this Agreement or the applicable indenture, except that the City Payment, as set forth in Section 5.06 and Exhibit D does not

constitute a general obligation or other indebtedness of the City, and the ability of the City to make any of the City Payment is limited to those funds which are specifically budgeted and appropriated annually by the City Council for such purpose. Any bond Trustee on behalf of bondholders is hereby given the right to enforce, as assignee of the District, the performance of the obligations of the City and the City hereby consents to the same and agrees that any bond Trustee may enforce the rights of the District as provided in this Agreement. This Agreement recognizes that any such Trustee will be a third-party beneficiary of this Agreement.

ARTICLE IX
REPRESENTATIONS

Section 9.01 Representations by the District.

The District represents that:

A. The District is a transportation development district and political subdivision, duly organized and existing under the laws of the State of Missouri, including particularly the TDD Act.

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

C. The District has taken all necessary action to approve the District Projects. No further action or approvals by the District are necessary in connection with the construction or financing of the District Projects, except with respect to the approval of certain matters relating to the issuance of any bonds and approvals to be granted by the City pursuant to this Agreement and relevant provisions of the City Code and the City's Design & Construction Manual that shall be applied by the City to development in the Redevelopment Area and the District Projects.

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

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

Section 9.02 Representations by the City.

The City represents that:

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

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

C. The City has taken all necessary action for the approval of the TIF Plan and the TIF Contract.

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

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

Section 9.03 Representations by the Developer.

The Developer represents that:

A. The Developer is duly organized and existing under the laws of the State of Missouri, as a corporation.

B. The Developer has authority to enter into this Agreement and to carry out its obligations under this Agreement, and its authorized representative has been duly authorized to execute and deliver this Agreement.

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

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

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

ARTICLE X
MISCELLANEOUS PROVISIONS

Section 10.01 Notices.

All notices and other communications required or desired to be given under this Agreement shall be in writing and shall be deemed duly given when mailed by first class, registered or certified mail, postage prepaid, addressed as follows:

To the City: City of Lee's Summit, Missouri
 Attn: City Administrator
 207 SW Market
 P. O. Box 1600
 Lee's Summit, Missouri 64063

With a copy to: City of Lee's Summit, Missouri
 Attn: City Attorney
 207 SW Market
 P. O. Box 1600
 Lee's Summit, Missouri 64063

To the Developer: G. David Gale, President
 Gale Communities
 3620 S.W. Ward Road

Lee's Summit, MO 64082

With a copy to: Spencer Thomson, Esq.
Blackwell Sanders Peper Martin, LLP
2300 Main Street, Suite 1000
Kansas City, MO 64108

To the District: The Lee's Summit, Missouri New Longview Transportation
Development District
c/o Joseph Perry, Executive Director
Gale Communities
3620 S.W. Ward Road
Lee's Summit, MO 64082

With a copy to: John Crossley, Esq.
Blackwell Sanders Peper Martin, LLP
2300 Main Street, Suite 1000
Kansas City, MO 64108

All notices given by first class, certified or registered mail shall be deemed duly given as of the date they are mailed. A duplicate copy of each notice or other communication given by any party to this Agreement shall also be given to the other parties and to any bond Trustee or Trustees. The City, the District and the Developer may from time to time designate, by notice given to the other parties, another address to which subsequent notices or other communications shall be sent.

Section 10.02 Recording of Agreement.

This Agreement shall be recorded in the Office of the Recorder of Deeds of Jackson County, Missouri, at Independence by the District. Upon termination of this Agreement, a notice of termination shall be recorded in the Office of the Recorder of Deeds for Jackson County, Missouri, at Independence by the District.

Section 10.03 Immunity of Officers, Employees and Members of City and District.

No recourse shall be had for the payment of the principal of or premium or interest on any bonds or for any claim based thereon or upon any representation, obligation, covenant or agreement in

this Agreement contained against any past, present or future officer, member, employee, director or agent of the City or the District, or, respectively, of any successor public or private corporation thereto, as such, either directly or through the City or the District, or respectively, any successor public or private corporation thereto, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, employees, directors or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement.

Section 10.04 Amendments.

A. Prior to the issuance of any bonds by the District, this Agreement may be amended from time to time by the mutual agreement of the City, the Developer and the District.

B. After the issuance of any bonds by the District, this Agreement may be amended by the parties hereto without notice to or the consent of the owners of the Bonds, for the purpose of curing any ambiguity or formal defect or omission in this Agreement or in connection with any other change which, in the judgment of the Trustee, does not materially and adversely affect the security for the owners of the Bonds. No other amendments, changes or modifications of this Agreement shall be made without the giving of notice to and the obtaining of the written approval or consent of the owners of the bonds or bond Trustee as required by any indenture.

Section 10.05 Survival.

In the event any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Agreement.

Section 10.06 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

Section 10.07 Effective Date.

This Agreement shall be in effect from and after its execution by all of the parties and shall remain in effect until the District Projects which are approved pursuant to Article III of the Agreement are completed and any District bonds are paid, or their payment has been provided for under the indenture, and the District is terminated pursuant to the TDD Act.

Section 10.08 Execution in Counterparts.

This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 10.09 Approved by City.

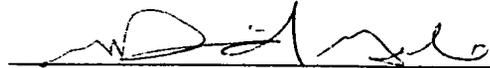
Unless specifically provided to the contrary herein, all approvals of City hereunder may be given by the City Administrator or his designee without the necessity of any action by the City Council of the City.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers or officials.

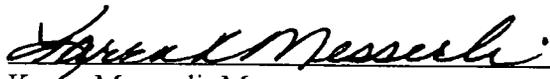
Executed by the Developer the 22nd day of October, 2003.

GALE COMMUNITIES, INC.

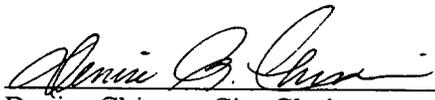

G. David Gale, President

Executed by the City the 27th day of October, 2003.

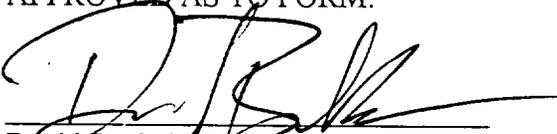
CITY OF LEE'S SUMMIT, MISSOURI


Karen Messerli, Mayor

ATTESTED:

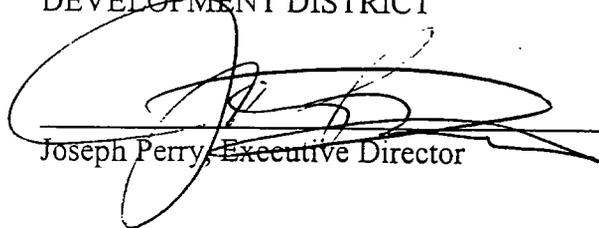

Denise Chisum, City Clerk

APPROVED AS TO FORM:


David Bushek, Deputy City Attorney

Executed by the District the 22nd day of October, 2003.

THE LEE'S SUMMIT, MISSOURI NEW
LONGVIEW TRANSPORTATION
DEVELOPMENT DISTRICT


Joseph Perry, Executive Director

Notary for Gale Communities, Inc.

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On this 22nd day of October, 2003 before me, the undersigned, a notary public in and for the county and state aforesaid, came G. David Gale, who is the President of Gale Communities, Inc., a Missouri corporation, and who is personally known to me to be the same person who executed this Cooperative Agreement and he duly acknowledged the execution of this Cooperative Agreement for and on behalf of said corporation, and acknowledged this Cooperative Agreement to be the free act and deed of said corporation.

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

My Commission Expires:

My Commission Expires Feb. 28, 2004

Lourdes Weise
Notary Public

Lourdes Weise
(Printed Name)

Notary for City of Lee's Summit

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On the 27th day of October, 2003; before me, the undersigned Notary Public in and for the county and state aforesaid, personally appeared Karen R. Messerli, to me personally known, who being by me duly sworn did say that they are the Mayor and City Clerk, respectively, of the City of Lee's Summit, Missouri, a Missouri constitutional charter city and political subdivision existing under and by virtue of the laws of the State of Missouri, and that the seal affixed to this Cooperative Agreement is the seal of said Cty and that said Cooperative Agreement was signed and sealed on behalf of the said City by authority of its City Council, and said Karen Messerli and Denise Chisum acknowledged said Cooperative Agreement to be the free act and deed of said City.

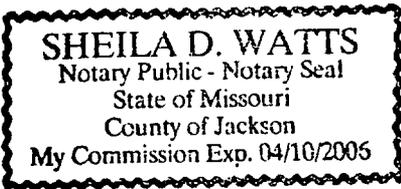
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office the day and year first above written.

My Commission Expires:

4-10-2006

Sheila D. Watts
Notary Public

Sheila D. Watts
Printed Name



Notary for the Lee's Summit, Missouri New Longview Transportation Development District

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On this 23rd day of October, 2003, before me, the undersigned, a notary public in and for the county and state aforesaid, came Joseph Perry, President of the Board of Directors of the Lee's Summit, Missouri New Longview Transportation Development District, a Missouri transportation development district and political subdivision, and who is personally known to me to be the same person who executed this Cooperative Agreement, and he duly acknowledged that he, as such Executive Director being authorized so to do, executed this Cooperative Agreement for and on behalf of said transportation development district for the purposes therein contained, and acknowledged this Cooperative Agreement to be the free act and deed of said transportation development district.

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

My Commission Expires:

My Commission Expires Feb. 28, 2004

Louros Weise
Notary Public

LOUROS WEISE
(Printed Name)

END OF DOCUMENT

EXHIBIT A

First Amended Petition for Formation of the Transportation Development District

Supreme Court Rule 55.33(a), Petitioner files this First Amended Petition as a matter of course as, upon information and belief, no responsive pleading has been served by any named Respondents. Petitioner states as follows:

1. Petitioner Gale Communities, Inc., is a Missouri corporation with its principal place of business located at 3620 S.W. Ward Road, Lee's Summit, Missouri 64082.

2. Gale Communities, Inc. is the owner of record of all of the real property in the proposed District, and there are no persons eligible to vote who reside within the District, therefore, Gale Communities, Inc. is the only "qualified voter" in the District, as that term is defined in the Act.

3. Respondent Missouri Highways and Transportation Commission ("Commission") is the constitutional authority responsible for constructing and maintaining the Missouri highway system and is a necessary party under Section 238.207.4(2) of the Act.

4. Respondent City of Lee's Summit, Missouri, is the Missouri constitutional charter city in which the proposed District will be located, and is a necessary party under Section 238.207.4(2) of the Act.

5. Respondent Jackson County, Missouri, is the county in which the proposed District will be located, and is a necessary party under Section 238.207.4(2) of the Act.

6. Respondent City of Kansas City, Missouri, is the Missouri constitutional charter city in which the proposed district will be located, and is a necessary party under Section 238.207.4(2) of the Act.

7. The property to be included in the proposed District (the "Property") is described on Exhibit A and shown on the map at Exhibit B, copies of which are attached hereto and incorporated herein by reference.

8. Petitioners propose projects be undertaken by the District that consist of: (1) the construction of Longview Boulevard; (2) single lane improvements to the southern half of 3rd Street, from the eastern roundabout on 3rd Street to the eastern border of the Property; (3) the construction of two (2) east-west arterial roads, from the Longview College entrances on Longview Road, easterly to the two (2) roundabout intersections with Longview Boulevard; and (4) improvements to Longview Road from the intersection of View High Road and 3rd Street to the southernmost roundabout on Longview Road. To the extent funding is available hereunder, an additional project may be undertaken that shall consist of the planning and construction of a multi-level parking facility that shall serve retailers doing business within the District.

9. The Projects, as well as any additional projects which may be undertaken within the District subject to available funding, will benefit all of the retailers that will be doing business within the District and all of the real property located within the District by providing for necessary road infrastructure to service all such businesses and allow access and parking to serve said real property.

10. The name of the proposed District will be The Lee's Summit, Missouri New Longview Transportation Development District.

11. The board of directors of the District will be composed of five (5) members.

12. The terms of office of the initial board members of the District will be staggered, the two members receiving the highest number of votes will have an initial three-year term, the two members receiving the next highest number of votes will have an initial two-year term, and the member receiving the fewest votes will have an initial one-year term. After the initial terms, all board members will be elected for three-year terms.

13. The proposed project will be funded with bonds issued by the District and sales tax pursuant to Sections 238.240 and 238.242, RSMo.

14. The bonds issued by the District to fund the project will be paid using the following sources of revenue: (i) sales taxes collected at the rate of one percent (1%) on all transactions subject to a sales tax imposed in the District pursuant to Section 238.235, RSMo., for a period not to exceed 20 years; and (ii) funds to be appropriated in the future by the City of Lee's Summit, Missouri specifically for use in repayment of the bonds issued by the District.

15. The proposed District shall not be an undue burden on any owner of property within the District and is not unjust or unreasonable.

WHEREFORE, Petitioners request that the Court enter a judgment and decree:

- (a) finding and certifying that the Petition is not legally defective and that the Respondents have been duly served with process in this action;
- (b) finding and certifying the proposed District and method of funding are neither illegal nor unconstitutional;
- (c) finding and certifying The Lee's Summit, Missouri New Longview Transportation Development District is properly, duly and lawfully organized;
- (d) finding and certifying the proposed funding method and mechanism is neither illegal nor unconstitutional and is certified pursuant to Section 238.210.2, RSMo.;
- (e) finding and certifying that the proposed District is not an undue burden on any owner of real property within the District and is not unjust or unreasonable;
- (f) ordering the Circuit Clerk of Jackson County to call a meeting of owners of real property within the District, pursuant to Section 238.220.2, RSMo., to elect the initial directors of the District and a chairman and secretary of the meeting to conduct the election;

(g) ordering the Circuit Clerk of Jackson County to give notice of the first meeting of the directors of The Lee's Summit, Missouri New Longview Transportation Development District, pursuant to Section 238.222.2, RSMo.;

(h) ordering the Jackson County Board of Election Commissioners, upon the request of the Board of Directors of the District as approved by a majority of such Board, to cause the question of whether a one percent (1%) sales tax may be imposed by the District, for a period of up to 20 years, to appear on the ballot at a mail-in election for the qualified voters within the District;

(i) finding that there are no registered voters residing within the District and the owners of real property located within the District are the "qualified voters" pursuant to the Act;

(j) finding that the proposed Project is a proper project under the Act; and,

(k) making any additional findings and orders which the Court deems necessary and proper.

Respectfully submitted,

BLACKWELL SANDERS PEPER MARTIN LLP



Steven Martin Aaron	MO#41653
Spencer R. Thomson	MO#41957
John C. Crossley	MO#48652

2300 Main, Suite 1000
Kansas City, Missouri 64108
Telephone: (816) 983-8000
Telecopier: (816) 983-8080
ATTORNEY FOR GALE COMMUNITIES, INC.

EXHIBIT A

Boundary Description

Tract "A"

All that part of the Northwest Quarter of Section 10, Township 47 North, Range 32 West, in Jackson County, Missouri, described as follows:

Commencing at the Southeast Corner of the Northwest Quarter of said Section 10; thence North $03^{\circ} 20' 54''$ East, along the East line of the Northwest Quarter of said Section 10, a distance of 30.00 feet to the Point of Beginning; thence continuing North $03^{\circ} 20' 54''$ East, along the East line of the Northwest Quarter of said Section 10, a distance of 60.00 feet; thence North $87^{\circ} 11' 08''$ West, along a line that is 90.00 feet North of and parallel with the South line of the Northwest Quarter of said Section 10, a distance of 1,198.38 feet; thence North $02^{\circ} 48' 52''$ East a distance of 10.00 feet; thence North $87^{\circ} 11' 08''$ West, along a line that is 100.00 feet North of and parallel with the South line of the Northwest Quarter of said Section 10, a distance of 160.00 feet; thence North $42^{\circ} 11' 08''$ West a distance of 63.64 feet; thence North $02^{\circ} 48' 52''$ East a distance of 325.71 feet; thence North $87^{\circ} 11' 08''$ West, parallel with the South line of the Northwest Quarter of said Section 10, a distance of 10.00 feet; thence North $02^{\circ} 48' 52''$ East a distance of 356.87 feet; thence Northwesterly, along a curve to the left that is tangent to the last described course, having a central angle of $34^{\circ} 02' 19''$, a radius of 380.00 feet, an arc distance of 225.75 feet; thence North $31^{\circ} 13' 27''$ West a distance of 120.04 feet; thence North $13^{\circ} 46' 33''$ East a distance of 77.78 feet; thence North $30^{\circ} 50' 11''$ West a distance of 30.00 feet; thence North $58^{\circ} 46' 33''$ East a distance of 62.63 feet; thence North $02^{\circ} 43' 41''$ East a distance of 317.76 feet; thence South $37^{\circ} 13' 07''$ East a distance of 111.00 feet; thence North $02^{\circ} 47' 45''$ East a distance of 278.03 feet; thence North $87^{\circ} 12' 15''$ West a distance of 50.00 feet; thence North $31^{\circ} 13' 27''$ West a distance of 407.80 feet; thence North $58^{\circ} 46' 33''$ East a distance of 185.87 feet; thence North $02^{\circ} 47' 45''$ East a distance of 125.96 feet; thence South $87^{\circ} 12' 15''$ East a distance of 641.17 feet; thence North $02^{\circ} 49' 30''$ East a distance of 156.15 feet; thence North $87^{\circ} 11' 23''$ West, along a line that is 50.00 feet South of and parallel with the North line of the Northwest Quarter of said Section 10, a distance of 1,736.98 feet to a point that is 30.00 feet East of the West line of the Northwest Quarter of said Section 10; thence South $03^{\circ} 15' 08''$ West, along a line that is 30.00 feet East of and parallel with the West line of the Northwest Quarter of said Section 10, a distance of 805.04 feet; thence South $86^{\circ} 44' 52''$ East, perpendicular to the West line of the Northwest Quarter of said Section 10, a distance of 15.29 feet; thence Northeasterly, along a curve to the left that is tangent with the last described course, having a central angle of $34^{\circ} 28' 35''$, a radius of 440.00 feet, an arc distance of 264.76 feet; thence North $58^{\circ} 46' 33''$ East a distance of 28.85 feet; thence South $31^{\circ} 13' 27''$ East a distance of 465.06 feet; thence North $58^{\circ} 46' 33''$ East a distance of 75.00 feet; thence South $31^{\circ} 13' 27''$ East a distance of 425.31 feet; thence South $13^{\circ} 46' 33''$ West a distance of 56.57 feet; thence South $58^{\circ} 46' 33''$ West a distance of 28.75 feet; thence Southwesterly, along a curve to the right that is tangent to the last described course, having a central angle of $34^{\circ} 01' 52''$, a radius of 265.00 feet, an arc distance of 157.40 feet; thence North $87^{\circ} 11' 35''$ West a distance of 180.45 feet; thence Northwesterly, along a curve to the right that is tangent to the last described course, having a central angle of $27^{\circ} 10' 18''$, a radius of 286.00 feet, an arc distance of 135.63 feet;

thence North $60^{\circ} 01' 17''$ West a distance of 0.20 feet; thence Northwesterly, along a curve to the left that is tangent to the last described course, having a central angle of $26^{\circ} 43' 35''$, a radius of 314.00 feet, an arc distance of 146.47 feet; thence North $86^{\circ} 44' 52''$ West a distance of 204.31 feet; thence North $41^{\circ} 44' 52''$ West a distance of 21.21 feet; thence South $03^{\circ} 15' 08''$ West, along a line that is 30.00 feet East of and parallel with the West line of the Northwest Quarter of said Section 10, a distance of 100.00 feet; thence North $48^{\circ} 15' 08''$ East a distance of 21.21 feet; thence South $86^{\circ} 44' 52''$ East a distance of 204.31 feet; thence Southeasterly, along a curve to the right that is tangent to the last described course, having a central angle of $26^{\circ} 43' 35''$, a radius of 244.00 feet, an arc distance of 113.82 feet; thence South $60^{\circ} 01' 17''$ East a distance of 0.20 feet; thence Southeasterly, along a curve to the left that is tangent to the last described course, having a central angle of $27^{\circ} 10' 18''$, a radius of 356.00 feet, an arc distance of 168.83 feet; thence South $87^{\circ} 11' 35''$ East a distance of 39.57 feet; thence Southwesterly, along a curve to the left that is non-tangent to the last described course, having a initial tangent bearing of South $16^{\circ} 49' 09''$ West, a central angle of $14^{\circ} 01' 58''$, a radius of 268.32 feet, an arc distance of 65.72; thence South $02^{\circ} 47' 11''$ West a distance of 427.40 feet; thence South $87^{\circ} 11' 08''$ East a distance of 123.41 feet; thence South $02^{\circ} 47' 11''$ West a distance of 96.20 feet; thence South $87^{\circ} 12' 49''$ East a distance of 113.56 feet; thence Southeasterly, along a curve to the right that is tangent to the last described course, having a central angle of $33^{\circ} 03' 12''$, a radius of 135.00 feet, an arc distance of 77.88 feet; thence Southeasterly, Easterly, and Northeasterly, along a curve to the left that is tangent to the exit of the last described curve, having a central angle of $71^{\circ} 17' 06''$, a radius of 75.00 feet, an arc distance of 93.31 feet; thence Northeasterly, along a curve to the right that is tangent to the exit of the last described curve, having a central angle of $38^{\circ} 13' 54''$, a radius of 135.00 feet, an arc distance of 90.08 feet; thence South $87^{\circ} 11' 08''$ East a distance of 48.66 feet; thence South $02^{\circ} 48' 52''$ West a distance of 322.22 feet; thence South $47^{\circ} 48' 51''$ West a distance of 70.71 feet; thence North $87^{\circ} 11' 08''$ West, parallel with the South line of the Northwest Quarter of said Section 10, a distance of 165.00 feet; thence South $02^{\circ} 48' 15''$ West a distance of 20.00 feet; thence South $87^{\circ} 11' 08''$ East, along a line that is 30.00 feet North of and parallel with the South line of the Northwest Quarter of said Section 10, a distance of 1,777.82 feet to the Point of Beginning. Containing 44.67 acres, more or less.

Tract "B"

All that part of the Northwest Quarter of Section 10, Township 47 North, Range 32 West, in Jackson County, Missouri, described as follows:

Commencing at the Southwest Corner of the Northwest Quarter of said Section 10; thence South $87^{\circ} 11' 08''$ East, along the South line of the Northwest Quarter of said Section 10, a distance of 30.00 feet; thence North $03^{\circ} 15' 08''$ East, along a line that is 30.00 feet East of and parallel with the West line of the Northwest Quarter of said Section 10, a distance of 30.00 feet to the Point of Beginning; thence continuing North $03^{\circ} 15' 08''$ East a distance of 15.00 feet; thence South $41^{\circ} 58' 00''$ East a distance of 21.13 feet to a point that is 30.00 feet North of the South line and 45.00 feet East of the West line of the Northwest Quarter of said Section 10; thence North $87^{\circ} 11' 08''$ West, along a line that is 30.00 feet North of and parallel with the South line of the Northwest Quarter of said Section 10, a distance of 15.00 feet to the Point of Beginning. Containing 113 square feet, more or less.

Tract "C"

All of that part of the Southwest Quarter of Section 10, Township 47 North, Range 32 West, in Jackson County, Missouri, described as follows:

Commencing at the Northwest Corner of the Southwest Quarter of said Section 10; thence South $87^{\circ} 11' 08''$ East, along the North line of said Southwest Quarter section, a distance of 876.73 feet; thence South $02^{\circ} 48' 52''$ West, perpendicular to the North line of said Southwest Quarter section, a distance of 30.00 feet to the Point of Beginning; thence continuing South $02^{\circ} 48' 52''$ West a distance of 15.00 feet; thence South $87^{\circ} 11' 08''$ East, along a line that is 45.00 feet South of and parallel with the North line of said Southwest Quarter section, a distance of 580.00 feet; thence North $02^{\circ} 48' 52''$ East, perpendicular to the North line of said Southwest Quarter section, a distance of 15.00 feet; thence North $87^{\circ} 11' 08''$ West, along a line that is 30.00 feet South of and parallel with the North line of said Southwest Quarter section, a distance of 580.00 feet to the Point of Beginning. Containing 8,700 square feet or 0.20 acres, more or less.

Tract "D"

All of that part of the Southwest Quarter of Section 10, Township 47 North, Range 32 West, in Jackson County, Missouri, described as follows:

Commencing at the Northwest Corner of the Southwest Quarter of said Section 10; thence South $03^{\circ} 14' 52''$ West, along the West line of the Southwest Quarter of said Section 10, a distance of 30.00 feet to the Point of Beginning; thence continuing South $03^{\circ} 14' 52''$ West, along the West line of the Southwest Quarter of said Section 10, a distance of 1,105.32 feet; thence Northeasterly and Northerly along a curve to the left that is non-tangent to the last described course, having a initial tangent bearing of North $35^{\circ} 26' 13''$ East, a central angle of $32^{\circ} 12' 01''$, a radius of 235.00 feet, an arc distance of 132.07 feet; thence North $03^{\circ} 14' 12''$ East a distance of 980.35 feet; thence North $87^{\circ} 11' 08''$ West, along a line that is 30.00 feet South of and parallel with the North line of the Southwest Quarter of said Section 10, a distance of 35.93 feet to the Point of Beginning. Containing 38,377 square feet or 0.88 acres, more or less.

Tract "E"

All that part of the Southeast Quarter of Section 9, Township 47 North, Range 32 West, in Jackson County, Missouri, described as follows:

Commencing at the Northeast Corner of the Southeast Quarter of said Section 9; thence South $03^{\circ} 14' 52''$ West, along the East line of the Southeast Quarter of said Section 9, a distance of 30.00 feet to the Point of Beginning; thence continuing South $03^{\circ} 14' 52''$ West, along the East line of the Southeast Quarter of said Section 9, a distance of 1,105.32 feet; thence Southwesterly along a curve to the right that is non-tangent to the last described course, having a initial tangent bearing of South $35^{\circ} 26' 13''$ West, a central angle of $00^{\circ} 35' 36''$, a radius of 235.00 feet, an arc distance of 2.43 feet; thence South $36^{\circ} 01' 49''$ West a distance of 178.86 feet; thence South $38^{\circ} 58' 13''$ West a distance of 40.25 feet; thence South $62^{\circ} 38' 30''$ East a distance of 133.27 feet to a point on the East line of the Southeast Quarter of said Section 9; thence South $03^{\circ} 14' 52''$ West,

along the East line of the Southeast Quarter of said Section 9, a distance of 899.96 feet; thence South $14^{\circ} 25' 29''$ West a distance of 118.49 feet; thence South $87^{\circ} 56' 50''$ West a distance of 229.27 feet; thence North $04^{\circ} 00' 43''$ West a distance of 449.80 feet; thence North $86^{\circ} 45' 08''$ West a distance of 343.94 feet to a point on the East line of a tract of land condemned by the United States of America; thence North $17^{\circ} 13' 45''$ East, along the East line of said government land, a distance of 209.97 feet; thence South $86^{\circ} 45' 08''$ East, departing from the East line of said government land, a distance of 250.61 feet; thence North-Northeasterly along a curve to the right that is non-tangent to the last described course, having a initial tangent bearing of North $06^{\circ} 41' 50''$ East, a central angle of $01^{\circ} 43' 47''$, a radius of 6,299.00 feet, an arc distance of 190.17 feet; thence Northeasterly along a curve to the right that is tangent with the exit of the last described curve, having a central angle of $29^{\circ} 13' 35''$, a radius of 310.05 feet, an arc distance of 158.15 feet; thence North $37^{\circ} 39' 12''$ East a distance of 395.13 feet; thence Northeasterly and Northerly along a curve to the left that is tangent to the last described course, having a central angle of $32^{\circ} 47' 37''$, a radius of 165.00 feet, an arc distance of 94.44 feet; thence North $03^{\circ} 14' 12''$ East a distance of 979.52 feet to a point on the East line of said government land; thence South $87^{\circ} 43' 11''$ East, along the East line of said government land, a distance 34.08 feet to the Point of Beginning. Containing 10.07 acres, more or less.

Exhibit "B"

Transportation Development District (TDD) Right-of-Way

SE 1/4 SEC 4,
T 47 N, R 32 W

SW 1/4 SEC 3,
T 47 N, R 32 W

View High Drive

Longview Road

3rd Street

TDD Tract "A" Description
See Page 1 & 2, Exhibit "A"

Proposed Boulevard

NE 1/4 SEC 9, T 47 N, R 32 W

Longview Road

SW 1/4 SEC 10, T 47 N, R 32 W

TDD Tract "A" Description

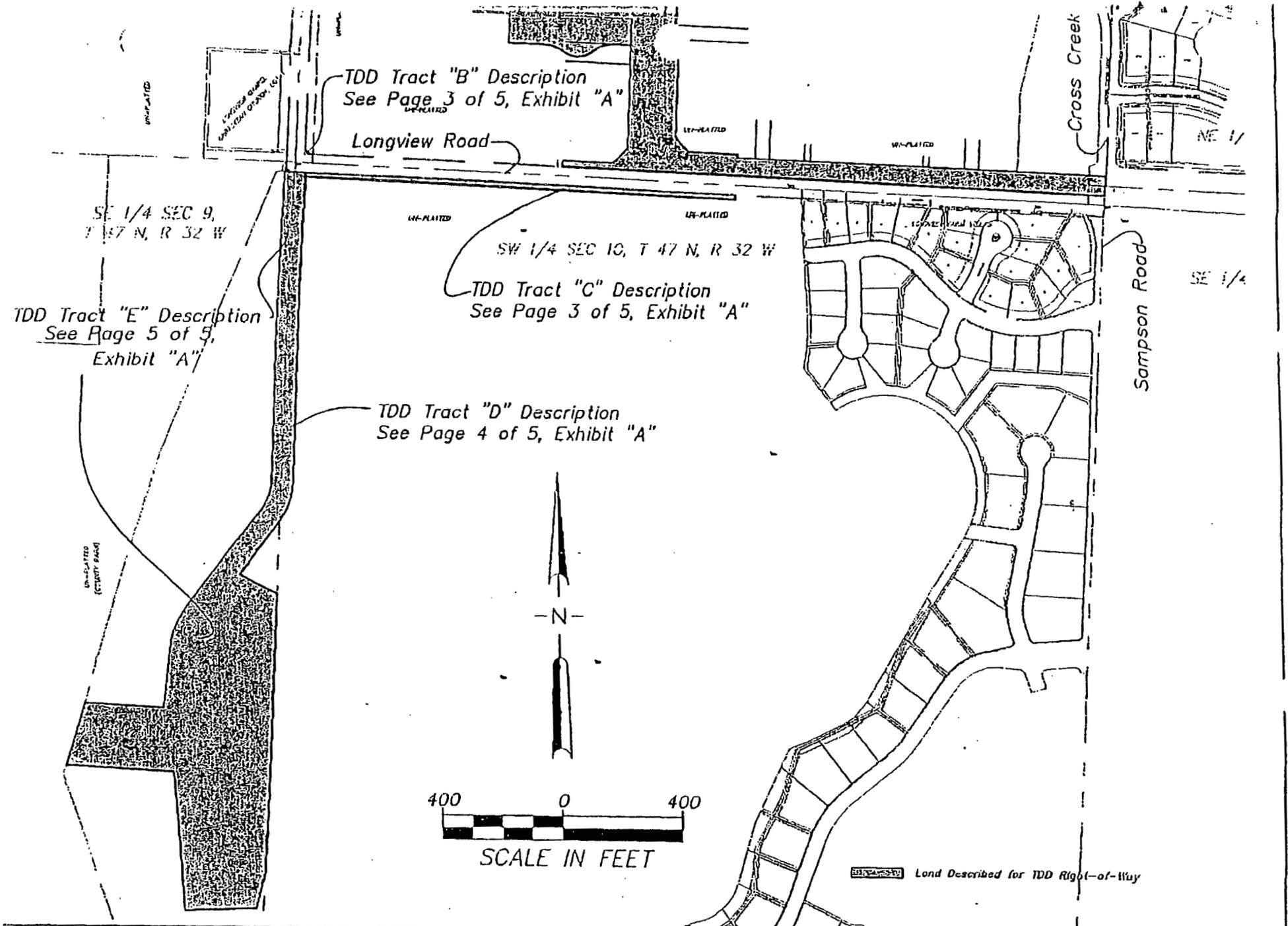
SUBJECT PROPERTY

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1 OF 7

MAY 13 2007 7:33 PM
MJC

MAY 13 2007 7:17



Cole Communities
 New Longview Development
 TDD Right-of-Way
 Exhibit "B"



701 West 126th Street, Suite 110
 Overland Park, Kansas 66213
 Phone: 913-239-1100
 Fax: 913-239-1111
 www.affinis.com

Toll Free: 877-521-3468
 Fax: 913-239-1111
 www.affinis.com

Date	Notes	Drawn	Checked	Approved
10/21/2003	Revised Tracts E, F, and G	AKU	AKA	AKI
11/23/2003	Revised All Units	AKU	AKA	AKI
11/22/2003	Revised Tract C	AKU	AKA	AKI
1/27/2004	Revised Tracts C, H, and G	AKU	AKA	AKI
1/28/2004	Revised Tract C	AKU	AKI	AKI
1/28/2004	Correct Unit C	AKU	AKI	AKI
1/27/2004	Final Plan	AKU	AKI	AKI

EXHIBIT B

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LEE'S SUMMIT, MISSOURI NEW LONGVIEW TRANSPORTATION DEVELOPMENT DISTRICT IMPOSING A ONE-CENT SALES TAX WITHIN THE DISTRICT AND AUTHORIZING THE CITY OF LEE'S SUMMIT TO PERFORM ALL FUNCTIONS INCIDENT TO THE ADMINISTRATION, COLLECTION, ENFORCEMENT, AND OPERATION OF THE DISTRICT SALES TAX AND PRESCRIBING THE FORMS AND ADMINISTRATIVE RULES AND REGULATIONS FOR REPORTING AND COLLECTING THE DISTRICT SALES TAX.

WHEREAS, the Lee's Summit, Missouri New Longview Transportation Development District (the "District") was formed on July 31, 2003, by virtue of an order entered by the Circuit Court of Jackson County, Missouri (the "Order"); and

WHEREAS, in accordance with the provisions of Chapter 238, RSMo, (the "TDD Act"), the District has imposed or will impose a one cent sales tax (the "District Sales Tax"); and

WHEREAS, the District desires to prescribe the forms and administrative rules and regulations for reporting and collecting the District Sales Tax; and

WHEREAS, the District desires to appoint the City of Lee's Summit, Missouri, a Missouri constitutional charter city and political subdivision (the "City"), as its authorized representative to perform all functions incident to the administration, collection, enforcement, and operation of the District Sales Tax.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LEE'S SUMMIT, MISSOURI NEW LONGVIEW TRANSPORTATION DEVELOPMENT DISTRICT, AS FOLLOWS:

1. There is imposed, effective _____, 2003, on all sellers a tax for the privilege of engaging in the business of selling tangible personal property or rendering taxable services at retail, to the extent and in the manner provided in section 144.010 to 144.525, RSMo, and the rules and regulations of the director of revenue issued pursuant thereto, a District Sales Tax in the Lee's Summit, Missouri New Longview Transportation Development District area, except that the tax shall be reported and returned to the Lee's Summit, Missouri New Longview Transportation Development District or its authorized representative.

2. The District Sales Tax is imposed on all retail sales made in the District which are subject to taxation pursuant to the provisions of sections 144.010 to 144.525, RSMo, except the District Sales Tax shall not apply to the sale or use of motor vehicles, trailers, boats or outboard motors nor to all sales of electricity or electrical current, water and gas, natural or artificial, nor to sales of service to telephone subscribers, either local or long distance.
3. Every retailer within the District shall add the District Sales Tax imposed to the retailer's sale price, and when so added such tax shall constitute a part of the price, shall be a debt of the purchaser to the retailer until paid, and shall be recoverable at law in the same manner as the purchase price.
4. All applicable provisions contained in sections 144.010 to 144.525, RSMo, governing the state sales tax, sections 32.085 and 32.087, RSMo, the uniform confidentiality provisions, shall apply to the collection of the District Sales Tax, except as modified, to the extent permitted by law, by this Resolution.
5. All exemptions granted to agencies of government, organizations, persons and to the sale of certain articles and items of tangible personal property and taxable services pursuant to the provisions of section 144.010 to 144.525, RSMo, are hereby made applicable to the imposition and collection of the District Sales Tax.
6. All discounts allowed to the retailer pursuant to the provisions of the state sales tax laws for the collection of and for payment of taxes pursuant to such laws are hereby allowed and made applicable to any District Sales Tax collection pursuant to the provisions of this Resolution.
7. The penalties provided in section 32.057, RSMo, and sections 144.010 to 144.525, RSMo, for violation of those sections are hereby made applicable to violations of this Resolution.
8. For the purpose of the District Sales Tax imposed by this resolution, all retail sales, except retail sales of motor vehicles, shall be deemed to be consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or the retailer's agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. In the event a retailer has more than one place of business in this state which participates in the sale, the sale shall be deemed to be consummated at the place of business of the retailer where the initial order for the tangible personal property is taken, even though the order must be forwarded elsewhere for acceptance, approval of credit, shipment or billing. A sale by a retailer's employee shall be deemed to be consummated at the place of business from which the employee works.
9. All District Sales Tax collected by the District, or its authorized representative, shall be deposited in a special fund to be expended for the purposes authorized in Chapter 238, RSMo and the Order. The District, or its authorized representative, shall keep accurate records of the amount of money which was collected pursuant to this section, and the records shall be open to the inspection of officers of the District and the general public.

10. Every retailer within the District shall, within ten (10) days of being subject to the District Sales Tax, complete a "Business Registration Form," attached to this Resolution as Exhibit 1. No bond shall be required of the retailer, so long as the retailer possesses a valid Missouri Sales Tax License.
11. Every retailer within the District shall file with the District or its authorized representative, a "District Sales Tax Return," attached to this Resolution as Exhibit 2, on or before the date that state sales tax is due for the retailer.
12. The District Sales Tax shall be paid to the District or its authorized representative, on or before the date that state sales tax is due for the retailer.
13. The District, or its authorized representative shall, at all reasonable times during business hours, have the authority to make an examination and inspection of the books and records of the retailer as may be necessary to determine the correctness of the reports required by this Resolution.
14. The City is hereby designated as the District's authorized representative to perform all functions incident to the administration, collection, and enforcement of the District Sales Tax, pursuant to the terms of the Cooperative Agreement among the District, the City and Gale Communities, Inc.
15. These provisions of this resolution shall be the minimum requirements for administration, collection, enforcement and operation of the District Sales Tax, unless by amendment to the Revised Statutes of Missouri, subsequent to the passage of this resolution, a higher standard is required.

PASSED by the Board of Directors of the Lee's Summit, Missouri New Longview Transportation Development District on _____, 2003.

Joseph Perry, Executive Director

EXHIBIT 1

**BUSINESS REGISTRATION FORM
LEE'S SUMMIT, MISSOURI NEW LONGVIEW TRANSPORTATION DEVELOPMENT
DISTRICT**

This form must be filed with the Lee's Summit, Missouri New Longview Transportation Development District, or its authorized representative, within ten (10) days of a retailer being subject to the Lee's Summit, Missouri New Longview Transportation District Sales Tax. No bond is required so long as the retailer possesses a valid Missouri Sales Tax License.

Missouri Integrated Tax System Account Number: _____

Business Name: _____

Business Address: _____

Mailing Address: _____

Contact Person: _____

Contact Telephone Number: _____

Type of Business Entity: _____

Name of Owner: _____

Address of Owner: _____

Type of Business: (Circle one or specify.)

1) Retail 2) Food Service 3) Entertainment 4) Other: _____

When will the business pay state sales tax? (Circle one.)

1) Quarter monthly 2) Quarterly 3) Monthly 4) Annually

If you have any questions regarding business registration in the Lee's Summit, Missouri New Longview Transportation Development District, please call the City of Lee's Summit Finance Department at 816-969-7327.

EXHIBIT 2

LEE'S SUMMIT, MISSOURI NEW LONGVIEW
 TRANSPORTATION DEVELOPMENT DISTRICT
 207 SW MARKET, P.O. BOX 1600
 LEE'S SUMMIT, MO 64063

**FORM
 NLTDD-1**

(REV. 11-2002)

MISSOURI TAX ACCOUNT NUMBER:

DO NOT WRITE IN SHADED AREAS

SALES TAX RETURN



OWNER'S NAME		REPORTING PERIOD	ADDRESS CORRECTION MAILING ADDRESS BUSINESS LOCATION	
BUSINESS NAME		FEDERAL EIN	BUSINESS PHONE NUMBER:	
MAILING ADDRESS		TELEPHONE NUMBER ()	DUE DATE:	
CITY	STATE	ZIP		

IMPORTANT: THIS RETURN MUST BE FILED FOR THE REPORTING PERIOD INDICATED EVEN THOUGH YOU HAVE NO GROSS RECEIPTS/TAX TO REPORT.

BUSINESS LOCATION	CODE	GROSS RECEIPTS	ADJUSTMENTS (INDICATE + OR -)	TAXABLE SALES	RATE (1%)	AMOUNT OF TAX
					1%	
					1%	
					1%	
PAGE 1 TOTALS						
PAGE _ TOTALS						
TOTALS (ALL PAGES)						1.

Detailed instructions for completing the Sales Tax Return are identical to those of the State of Missouri. A copy of your Missouri State Sales Tax Return for the same period must be attached to this form.

FINAL RETURN: If this is your final return, enter the close date below and check the reason for closing your account. The Sales Tax law requires any person selling or discontinuing business to make a final sales tax return within fifteen (15) days of the sale or closing

Date Business Closed: _____

Out of Business Sold Business Leased Business

SIGN AND DATE RETURN: This form must be signed and dated by the taxpayer or by the taxpayer's authorized agent. Mail to: NEW LONGVIEW TDD, c/o City of Lee's Summit, Finance Department, 207 SW Market, Lee's Summit, MO 64063

I have direct control, supervision or responsibility for filing this return and payment of the tax due. Under penalties of perjury, I declare that this is a true, accurate and complete return.

I ATTEST THAT I HAVE NO GROSS RECEIPTS TO REPORT FOR LOCATIONS LEFT BLANK.

SUBTRACT: 2% TIMELY PAYMENT ALLOWANCE (if Applicable)	2.	-
TOTAL SALES TAX DUE	3.	=
ADD: INTEREST FOR LATE PAYMENT (See Line 4 of Instructions)	4.	+
ADD: ADDITIONS TO TAX	5.	+
SUBTRACT: APPROVED CREDIT	6.	-
PAY THIS AMOUNT	7.	=
(U.S. Funds Only)		▶

SIGNATURE OF TAXPAYER OR AGENT	TITLE
DATED SIGNED	TAX PERIOD (MMDDYY) THRU (MMDDYY)

INSTRUCTIONS FOR COMPLETING THE SALES TAX RETURN

Taxpayers who have questions or problems which are not covered in these instructions may obtain assistance by writing to:

City of Lee's Summit
Conrad E. Lamb,
207 SW Market, P.O. Box 1600
Lee's Summit, MO 64063
Conrad.lamb@lees-summit.mo.us
Phone voice 816-969-7331 fax 816-969-7771

IMPORTANT: A return must be filed for each reporting period even though you have no tax to report. If typing your return information, please use a **minimum** of 10 point type.

BUSINESS IDENTIFICATION: Please enter your MISSOURI TAX ID NUMBER, ownership name, mailing address, reporting period and telephone number at the top of the return. Preprinted forms, or forms in electronic format on diskette, are available. If this information is not preprinted, it should be entered in the spaces provided.

ADDRESS CORRECTION: Check the appropriate box if the business address has changed since your prior return. If mailing address is checked, enter the correct information in the BUSINESS I.D. area. If business location is checked, enter the correct address for the location(s) being corrected under the BUSINESS LOCATION column.

BUSINESS LOCATION: Enter each business location in the District for which you are registered to report sales tax in this column.

CODE: District use only.

GROSS RECEIPTS: Enter gross receipts from all sales of tangible personal property and taxable services made during the reporting period for each business location. If none, enter "zero" (0).

ADJUSTMENTS: Make any qualifying adjustments for each location for which you are reporting. Indicate "plus" or "minus" for each adjustment. Refer to detailed instructions for adjustments authorized under the Missouri Sales Tax Law.

TAXABLE SALES: Enter the amount of taxable sales for each business location.

GROSS RECEIPTS (+) OR (-) ADJUSTMENTS = TAXABLE SALES.

RATE: The rate percentage is one percent (1%) in all cases.

AMOUNT OF TAX: Multiply your taxable sales for each location by the applicable tax rate percent for that location and enter **AMOUNT OF TAX.**

TOTALS FROM ADDITIONAL PAGES: If applicable, compute totals from additional pages indicated and enter in appropriate column.

TOTALS: Compute the total for each column.

Line 1 – TOTAL ALL PAGES: Enter the totals for all pages here.

Line 2 – TIMELY PAYMENT ALLOWANCE: If you file your return and payment on time, enter two percent (2%) of the amount shown on Line 1. If not paid by the due date or Line 1 is not greater than "zero", enter "0" or leave blank.

Example: Line 1 is \$480
 $\$480 \times 2\% = \9.60
\$9.60 is the timely payment allowance

Line 3 – TOTAL SALES TAX DUE: Enter total sales tax due. (Line 1 "minus" Line 2.)

Line 4 – INTEREST FOR LATE PAYMENT: If tax is not paid by the due date, (A) multiply Line 3 by the daily interest rate. Then (B) multiply this amount by number of days late. See example and chart below.

Note: Number of days late is counted from due date to postmark date. For example, if the due date is March 20 and the post mark date is April 9, the payment is 20 days late.

Example: line 2 is \$480
(A) $\$480 \times .0002740 = .13152$
(B) $.13152 \times 20 \text{ days late} = 2.63$
\$2.63 is the interest for late payment

Year	Annual Percentage Rate	Number of Days	Daily Interest Rate
2001	10%	365	.0002740

Line 5 – ADDITIONS TO TAX: For *failure to pay* sales tax on or before the due date, 5% of Line 3. For *failure to file* a sales tax return on or before the date, 5% of Line 3 for each month late up to a maximum of 25% (5 months late in filing = 25%)

Note: If additions to tax for *failure to file* applies, do not pay additions to tax for *failure to pay*.

For example, if a return due March 20 is filed any time between March 21 – April 20, the rate would be 5%; if filed any time between April 21 – May 20, the rate would be 10%; and so on, up to a maximum of 25%.

Example: Return is due March 20, but is filed (postmarked) April 10
Line 3 is \$480
 $\$480 \times 5\% = \24
\$24 is the addition to tax

Example: Return is due March 20, but is filed (postmarked) April 21
Line 3 is \$480
 $\$480 \times 10\% = \48
\$48 is the addition to tax

Line 6 – APPROVED CREDIT: Enter on Line 6, any sales tax credit for which the District issued you an approved credit. You must attach a copy of your approved credit to your return.

Line 7 – PAY THIS AMOUNT: Enter the total amount due and payable. (Line 3 "plus" Line 4 "plus" Line 5 "minus" Line 6.) Send a check for the total amount. Make check, draft, or money order payable to City of Lee's Summit NEW LONGVIEW TDD (U.S. funds only). Do not send cash or stamps.

EXHIBIT C

REIMBURSEMENT AGREEMENT

This Reimbursement Agreement ("Agreement") is made and entered into effective as of the ___ day of _____, 2003, by and between the LEE'S SUMMIT, MISSOURI NEW LONGVIEW TRANSPORTATION DEVELOPMENT DISTRICT (the "District"), a political subdivision of the State of Missouri, and Gale Communities, Inc., a Missouri corporation ("Developer").

RECITALS

- A. By Ordinance No. _____, adopted by the Lee's Summit City Council ("City Council") on October 16, 2003, the City of Lee's Summit ("City") approved the First Amended and Ratified Longview Farm Tax Increment Financing Plan ("TIF Plan"), established a Redevelopment Area and declared the Redevelopment Area as a Conservation Area, and selected the Developer to implement the Redevelopment Plan. The purpose of the TIF Plan is to devote Economic Activity Taxes and Payments in Lieu of Taxes to the rehabilitation and preservation of certain historic structures in the Redevelopment Area.
- B. By Ordinance No. _____, adopted by the City Council on October 16, 2003, the City approved the First Amended and Restated Tax Increment Financing Contract ("TIF Contract") between the Developer and the City and authorized the City Administrator to enter into this Contract with Developer for the implementation of the Projects as described in the TIF Plan.
- C. On _____, 2003, the Developer and the City entered into the TIF Contract, agreeing to the terms and conditions pursuant to which the Developer's obligations to construct the District Projects and the Redevelopment Project would be carried out. Pursuant to the TIF Contract, the City and Developer agreed that the District would be created for the purpose of providing tax revenues to fund the construction and implementation of the TDD Projects, as that term is defined in the TIF Contract, through the issuance of bonds and assumption of other debt obligations and the imposition of a transportation development district sales tax at a rate of one percent (1%) (the "TDD Sales Tax").
- D. Pursuant to the TIF Contract, Developer has advanced funds for the establishment, maintenance and operation of the District, and will continue to advance such funds until such time as revenues available to the District are sufficient to provide funding for such costs.
- E. Pursuant to a Cooperative Agreement among the District, the City and Developer ("Cooperative Agreement"), the City has agreed to act as collector of the TDD Sales Tax on behalf of the District.
- F. The District and Developer desire to provide for reimbursement to Developer of costs and expenses actually paid and incurred by Developer which were not otherwise

reimbursed to the Developer from the proceeds of the District's Series 2003 Revenue Bonds for "Costs of Formation", as defined in the Cooperative Agreement, other costs incurred in connection with the establishment, maintenance and operation of the District and "Operating Costs" as defined in the Cooperative Agreement (collectively the "Reimbursement Agreement Costs").

AGREEMENT

THEREFORE, in consideration of mutual promises and covenants, and for good and valuable consideration, receipt of which is hereby acknowledged, the District and Developer agree as follows:

1. Developer agrees to submit to the District a true, complete and accurate statement of the Reimbursement Agreement Costs.

2. The District shall review all statements of the Reimbursement Agreement Costs. Based upon such reasonable review, the District shall determine and approve for reimbursement all reasonable and necessary Reimbursement Agreement Costs actually paid or incurred by Developer which were not otherwise reimbursed to the Developer from the proceeds of the District's Series 2003 Revenue Bonds. This Reimbursement Agreement is subject to all applicable provisions of the TIF Contract and the Cooperative Agreement, and prior to the District's approval of the Reimbursement Agreement Costs, the City shall have approved such costs pursuant to the terms of the TIF Contract and the Cooperative Agreement.

3. All Reimbursement Agreement Costs approved for payment by the District shall accrue compounded interest at a rate equal to the lesser of the actual cost of borrowing to Developer or the then current prime rate as published by the Wall Street Journal plus one percent (1%) per year from the date of payment by Developer, until reimbursed pursuant to this Agreement.

4. Subject to quarterly appropriation, the District shall pay to Developer, from funds distributed to the District under the terms of the Cooperative Agreement and under the terms of the Indenture (as defined in the Cooperative Agreement), such amounts as are available to the District for reimbursement of the Reimbursement Agreement Costs.

5. Payments by the District to the Developer as authorized by this Reimbursement Agreement shall be secondary and subordinate to any repayments to the City as required by the TIF Contract and the Cooperative Agreement.

6. This Agreement shall be and remain in effect until the earlier of (a) payment in full of all approved Reimbursement Agreement Costs, plus accrued interest, or (b) termination of the TDD Sales Tax.

7. This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

8. This Agreement shall be binding upon, and shall inure to the benefit of, the District and Developer, and their respective successors and assigns.

9. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which together shall constitute by one and the same instrument.

In witness whereof, the parties have set their hands as of the date first above written.

LEE'S SUMMIT, MISSOURI NEW
LONGVIEW TRANSPORTATION
DEVELOPMENT DISTRICT

Joseph Perry, Executive Director

(SEAL)

GALE COMMUNITIES, INC.

G. David Gale, President

EXHIBIT D
Schedule of City Annual Payments to District

Fiscal Year 2004 -- funds available July 1, 2003	\$251,000
Fiscal Year 2005 -- funds available July 1, 2004	\$983,000
Fiscal Year 2006 -- funds available July 1, 2005	\$2,346,000
Fiscal Year 2007 -- funds available July 1, 2006	\$1,920,000
Fiscal Year 2008 -- funds available July 1, 2007	<u>\$400,000</u>
Total:	\$5,900,000

Exhibit E
City Ownership and Maintenance Responsibilities
Lee's Summit, Missouri New Longview Transportation Development District

1. City Maintenance and Ownership

City will accept maintenance and ownership responsibility pursuant to Article IV of this Agreement for the following elements of the District Projects:

- Street pavement
- Curbs
- Gutters and storm sewers
- Directional and other signs required by City ordinances, Missouri state law or other governmental authority governing directional signage on public right-of-ways
- Leases associated with light poles that meet applicable City standards and policies (including wood poles, mercury vapor lights, lighting only at arterial intersections), with prior approval of the Public Works Department
- Additional project elements that are specifically approved for maintenance and ownership by the Public Works Department

2. District Maintenance and Property Owner Association Ownership

The City will not accept maintenance or ownership responsibility at any time for the following elements of the District Projects. The District and/or property owners associations shall at all times own these elements of the District Projects:

- Light poles and associated costs, including electricity
- Landscaping and irrigation systems
- Fountains, statues, art and other similar decorative or ornamental structures or items
- Fences
- Decorative, ornamental or other types of walls that are not required for road drainage or any construction aspect of the road system
- Decorative, ornamental or other types of signs that are not required by City ordinances, Missouri state law or other governmental authority governing directional signage on public right-of-ways
- All other elements of the District Projects that are not listed in category #1 above

EXHIBIT F

Construction Costs included in City Payment to District for Longview Boulevard Project

Intersection of 3rd & View High

- Signalized intersection with slip-lanes onto and off of Longview Road.
- Relocate North Longview Farm arch pursuant to the methods in the Longview Farm Arches Relocation Study, December 1999.¹

3rd Street, from signalized intersection at View High east to planned future roundabout

- Six (6) lane divided arterial at the intersection with View High, transitioning to three (3) lanes approximately 900 feet east, where 3rd Street intersects with the north/south road (point of future proposed roundabout on 3rd Street).
- City Payment does not include any portion of 3rd Street east of the proposed future roundabout on 3rd Street.

Longview Boulevard, View High to Longview Road

- 4-lane divided arterial with two (2) 2-lane roundabouts at intersections with designated east-west roads.²
- Left-turn lanes on Longview Boulevard at all full-access intersections.
- Sidewalks on both sides of the arterial.

Intersection of Longview Blvd & Longview Road

- 2-lane roundabout.

Longview Road, Longview Blvd to Sampson Road

- 4-lane divided arterial with sidewalks on both sides.²
- Left-turn lanes on Longview Road at all full-access intersections.
- Relocate East Longview Farm arch pursuant to the methods in the Longview Farm Arches Relocation Study, December 1999.¹

Improvements described above include the following general Construction Costs:

- Engineering and planning costs attributable to Longview Boulevard construction, not to exceed twelve percent (12%) of the total road construction budget for Longview Boulevard.³
- Curb and gutter pursuant to City standards.
- Pavement marking and traffic signs that serve the arterial boulevard system.
- Utility relocation from private utility easements; but utility relocations from existing public right-of-way are excluded.
- Landscaping pursuant to City standards.
- Other construction costs as approved by the City.

General Standards applicable to Improvements:

- Vertical and horizontal alignments will be in accordance with AASHTO criteria for selected design speeds.
- All thru and turn lanes will be 12-ft wide, unless a different width is approved by the City.
- Roundabout lane widths will be as approved by City based on standard roundabout practices.
- At intersections of proposed streets, improvements extend only to curb returns of side streets.

¹ Special contractual provisions apply to these costs. The City will be reimbursed by the TDD for these costs with TDD sales tax or other revenue, as set forth in the text of the Agreement.

² Side-lanes for Longview Boulevard and associated costs (including curb and gutter and traffic control signs and devices serving side-lanes) are not included in City Payment to TDD.

³ The parties agree that engineering and planning costs already incurred by Developer as of September 2003, which are reimbursable through the City Payment, total \$257,962.