

EXHIBIT "B"

Penalty Payments Upon Non-Performance.

1. Definitions:

"Business License" a license issued by the City of Lee's Summit that allows an individual or company to conduct business within the City of Lee's Summit.

"Company" shall mean SF003 LLC or subsequent owner or operator.

"Project Site" means all of the real estate located at 210 SW Market Street, Lee's Summit, Missouri.

"Required Number of Business Licenses" means the cumulative number of business licenses that are directly related to this project and shall mean 15 new business licenses as identified within Test Dates over the term of the abatement.

"Test Date" means the first day of the first month subsequent to 365 days after the issuance of a Temporary or Full Certificate of Occupancy and reoccurring annually each year thereafter during the term of the abatement.

2. Penalty Payment Required – when.

In the event the Company fails to create the Required Number of Business Licenses from the Project Area within the ten year abatement period as specified within the Test Dates provided, the Company shall pay to the City a Penalty Payment in an amount as specified by the Penalty Payment Formula:

Test Date Schedule

Year 1 Test Date – 1 Business License
Year 2 Test Date – 2 Business Licenses (total)
Year 3 Test Date – 4 Business Licenses (total)
Year 4 Test Date – 6 Business Licenses (total)
Year 5 Test Date – 7 Business Licenses (total)
Year 6 Test Date – 9 Business Licenses (total)
Year 7 Test Date – 10 Business Licenses (total)
Year 8 Test Date – 12 Business Licenses (total)
Year 9 Test Date - 13 Business Licenses (total)
Year 10 Test Date – 15 Business Licenses (total)

Penalty Payment Formula:

Penalty payment = [(Total abatement x 33%) / 15] x number of business licenses not created in accordance with test date.

(c) In the event Penalty Payments are required herein, the Company covenants and agrees to make the Penalty Payments to the City on or before 90 days after the applicable test date for which the Company fails to maintain the Required Number of Business Licenses. All such Penalty Payments shall be made to the City which shall transfer and allocate the same pursuant to Section 100.050 of the Revised Statutes of Missouri, as amended.

Example (illustration purposes only):

Company is required to have created 12 business licenses on or before the 8 year Test Date but has only generated 9 business licenses. Assuming an actual calculated abatement amount of \$21,092 for illustration purposes for year 8, the calculation is:

$$[(20,192 \times 33\%) / 15] \times 3 = \$1,332.67 \text{ penalty payment}$$