
MEMORANDUM



TO: Mayor and City Council

FROM: Eric Berlin, City Administrator

DATE: May 17, 2016

RE: Master Development Agreement for Armour Road Redevelopment Area – City of North Kansas City and North Kansas City Destination Developers, LLC

The North Kansas City Governing Body has long desired that the Armour Road Redevelopment Area (the "ARRA Property"), approximately 58 acres generally located at the southeast corner of U.S. Highway 35 and Armour Road, be developed as a mixed use development comprised of retail, restaurant, grocery, recreational, hotel, office, conference center, multi-family residential, or other commercial or non-single family residential uses. Before the City Council for consideration is a Master Development Agreement between the City of North Kansas City and North Kansas City Destination Developers, LLC (the "Developer") that is designed to accomplish this vision.

During the term of the Master Development Agreement (the "MDA"), the Developer will have the exclusive right to acquire and develop the Property in accordance with the MDA and the City will not negotiate with any other party regarding any potential sale, lease, or any other conveyance of any portion of, or any potential development or construction on the ARRA Property.

Phase I of the project will include the following items:

- City acquisition of all portions of the Phase 1 Property on or before eighteen (18) months after the Effective Date;
- Demolition by City of existing structures and clearing of the Phase 1 Property;
- City update of the existing traffic study (already in process) to reflect the uses in the MDA;

- Construction by Developer of the Spine Road and all required utility improvements, including adding a storm sewer branch and upgrading or replacing the existing sanitary sewer, public utilities in the public right of way, storm water detention areas, and mass grading related to the same;
- Development by of a hotel with at least 150 rooms and a conference center.
- Development of a grocery store comprised of at least 35,000 square feet.
- Development of an apartment complex with approximately 200 market rate units.

A concept plan for the project is attached as Exhibit B to the MDA.

Public financing of this project is necessarily a component of this project. The project contemplates approximately \$105,000,000 in private investment and \$52,000,000 of public incentives, for a total investment of \$157,000,000, with an approximate expenditure ratio of 2/3 private to 1/3 public. The project also contemplates provision that the ARRA Property be transferred to the Developer at no cost; with conveyance to occur in phases as the Developer brings the desired development to the site. Such property transfers are anticipated to occur shortly before the construction of each of the development components detailed above. The Developer will identify separate "Component Developers" who will be responsible for financing and developing each of the separate development components detailed above.

The exact form of the public financing is yet to be determined, but may include, but not be limited to, the formation of Tax Increment Financing (TIF) districts, Transportation Development Districts (TDD), Community Improvement Districts (CID) and Neighborhood Improvement Districts (NID). Within three months of the effective date of this agreement the Developer and the City will prepare a joint financing plan and line item budget for the project. Such financing plan will then be presented to the Council for review and approval.

The City recently closed on the sale of property to MJT Development LLC for construction of new headquarters for Meierotto Jewelers on the ARRA site. Execution of this agreement is the next step in the redevelopment of the area, a project in which the City has been engaged for many years. Staff recommends passage of ordinance approving the Master Development Agreement with North Kansas City Destination Developers, LLC.

AN ORDINANCE ADOPTING AND APPROVING A MASTER DEVELOPMENT AGREEMENT BETWEEN THE CITY OF NORTH KANSAS CITY, MISSOURI AND NORTH KANSAS CITY DESTINATION DEVELOPERS, LLC FOR A CERTAIN REDEVELOPMENT PROJECT IN THE CITY.

WHEREAS, the City of North Kansas City, Missouri (the "City") is a third class city and political subdivision duly organized and validly existing under the Constitution and laws of the State of Missouri; and

WHEREAS, the City has acquired and assembled certain real property located generally south of Armour Road (Missouri Highway Route 210) and east of Interstate 29 and Interstate 35 Highways in North Kansas City, Missouri (the "Redevelopment Area"), and desires to improve and redevelop the Redevelopment Area by remediating environmental contamination, constructing public infrastructure, eliminating substandard and unsanitary areas, fostering economic activity within the City and generally undertaking those things in the Redevelopment Area that would be in the best interests of the City by furthering the health, safety and welfare of its residents and taxpayers; and

WHEREAS, the Mayor and City Council of the City (the "Governing Body") desire that the Redevelopment Area be developed as a mixed-use development comprised of the following uses: retail, restaurant, grocery, recreational, hotel, office, conference center, multi-family residential, or other commercial, recreational, or residential uses, but excluding single family residential (the "Project"); and

WHEREAS, the City and NORTH KANSAS CITY DESTINATION DEVELOPERS, LLC desire to now enter into a certain Master Development Agreement (the "Agreement").

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTH KANSAS CITY, MISSOURI, AS FOLLOWS:

Section 1. Authorization of Master Development Agreement. The City Council does hereby find and determine that it is in the best interests of the City of North Kansas City, Missouri to enter into a Master Development Agreement with NORTH KANSAS CITY DESTINATION DEVELOPERS, LLC, for the redevelopment of certain real property within the City for the purpose, among other things, of remediating environmental contamination, constructing public infrastructure, eliminating substandard and unsanitary areas, fostering economic activity within the City and generally undertaking those things in the Redevelopment Area that would be in the best interests of the City by furthering the health, safety and welfare of its residents and taxpayers. The City Council does hereby authorize the City to enter into the Master Development Agreement with NORTH KANSAS CITY DESTINATION DEVELOPERS, LLC, for the purposes and under the terms described therein, which Agreement shall be in substantially the form of Exhibit "1", attached hereto and incorporated herein by reference.

Section 2. Approval of Provisions of Master Development Agreement. The provisions of the Master Development Agreement are hereby approved and adopted by the City Council of the City of North Kansas City, Missouri. The Mayor and the City Clerk are hereby authorized and directed to execute the Master Development Agreement on behalf of the City of North Kansas City, Missouri.

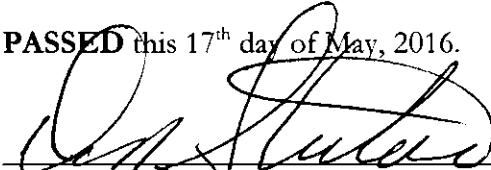
Section 3. **Further Authority.** The City shall, and the mayor, city clerk, city officials and employees of the City are hereby authorized and directed to take such further action, and execute and deliver such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 4. **Severability.** The sections, paragraphs, sentences, clauses and phrases of this Ordinance shall be severable. In the event that any such section, paragraph, sentence, clause or phrase of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining portions of this Ordinance are valid, unless the court finds the valid portions of this Ordinance are so essential to and inseparably connected with and dependent upon the void portion that it cannot be presumed that the City has enacted the valid portions without the void ones, or unless the court finds that the valid portions, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

Section 5. **Governing Law.** This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.


Section 6. **Effective Date.** This Ordinance shall be in full force and effect from and after its passage by the City Council and approval by the Mayor.

PASSED this 17th day of May, 2016.



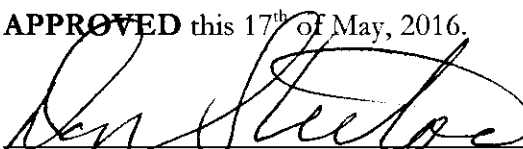
Don Stielow, Mayor

ATTEST:




Crystal Doss, City Clerk

APPROVED this 17th of May, 2016.

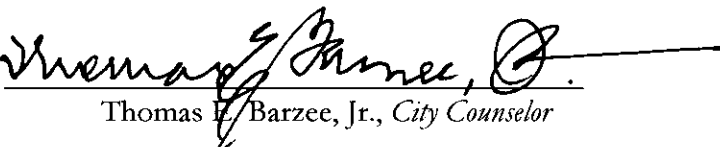


Don Stielow, Mayor

APPROVED AS TO FORM:



Anthony Bologna, City Attorney



Thomas H. Barzee, Jr., City Counselor

EXHIBIT “1”

MASTER DEVELOPMENT AGREEMENT

DATED _____, 2016

BETWEEN

CITY OF NORTH KANSAS CITY, MISSOURI

AND

NORTH KANSAS CITY DESTINATION DEVELOPERS, LLC

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION	1
1.01 Definitions of Words and Terms	1
1.02 Rules of Construction	5
ARTICLE II REPRESENTATIONS AND WARRANTIES	5
2.01 Representations of City	5
2.02 Representations, Warranties and Covenants of the Developer	6
ARTICLE III DEVELOPMENT OF THE PROJECT	7
3.01 Master Developer	7
3.02 Scope of the Project - Phase I	7
3.03 City Obligations	8
3.04 Scope of Project – Phase II	9
3.05 Spine Road	9
3.06 Project Components - Phase I	11
3.07 Project Component – Phase II	13
3.08 Property Conveyance	13
3.09 Phase II Development Schedule	15
3.10 Project Zoning, Planning, Platting, and Construction	16
3.11 Rights of Access	17
3.12 Certificates of Substantial Completion	17
ARTICLE IV INSURANCE AND INDEMNIFICATION	17
4.01 Developer Insurance	17
4.02 Spine Road Contractor Insurance	17
4.03 Component Developer Insurance	18
4.04 Indemnification	19
ARTICLE V PROJECT FINANCING	20
5.01 Sources of Funding	20
5.02 Financing Plan	20
5.03 Developer Project Budget	21
5.04 Public Financing	21
5.05 Statutory Compliance	21
5.06 Certification of Expenditures	22
5.07 Reimbursement	22
5.08 Project Fund	22
5.09 Privately Placed Bonds	22
ARTICLE VI USE OF THE PROPERTY	22
6.01 Tenants and Land Use Restrictions	22
6.02 Sales Tax Information	24
6.03 Taxes, Assessments, Encumbrances and Liens	24
ARTICLE VII DEFAULTS AND REMEDIES	25
7.01 Default by City	25
7.02 Default by Developer	25
7.03 No Special Damages	25

7.04	Legal Actions	25
7.05	Rights and Remedies Are Cumulative.....	25
7.06	Inaction Not a Waiver of Default	26
7.07	Enforced Delay; Extension of Times of Performance	26
ARTICLE VIII ASSIGNMENT; TRANSFER.....		26
8.01	Assignment and Transfer	26
8.02	Corporate Reorganization	26
ARTICLE IX GENERAL PROVISIONS		26
9.01	Amendment.....	26
9.02	Additional Agreements	27
9.03	Right to Inspect	27
9.04	No Other Agreement	27
9.05	No Partnership or Joint Venture.....	27
9.06	Severability	27
9.07	Notice	27
9.08	Time of Essence	28
9.09	Survival.....	28
9.10	Agreement Controls	28
9.11	Required Disclosures.....	28
9.12	Tax Implications.....	28
9.13	Missouri Law	29
9.14	Counterparts.....	29
9.15	Recordation of Agreement.....	29
9.16	Consent or Approval.....	29
9.17	Non-liability.....	29
9.18	Estoppel Certificates.....	29
9.19	Incorporation of Exhibits.....	30
Exhibit A	– Legal Description and Depiction of the Property	
Exhibit B	– Concept Plan	
Exhibit C	– Certificate of Substantial Completion Form	
Exhibit D	– Special Warranty Deed Form	
Exhibit E	– Certification of Expenditures Form	
Exhibit F	– Land Use Restrictions	
Exhibit G	– Memorandum of Agreement	
Exhibit H	– Pre-Approved Hotel Flags	

MASTER DEVELOPMENT AGREEMENT

THIS MASTER DEVELOPMENT AGREEMENT (this “**Agreement**”), is dated as of _____, 2016 (the “**Effective Date**”) by and between the **CITY OF NORTH KANSAS CITY, MISSOURI**, a municipal corporation duly organized under the laws of the State of Missouri (the “**City**”), and **NORTH KANSAS CITY DESTINATION DEVELOPERS, LLC**, a Missouri limited liability company (the “**Developer**”).

RECITALS

A. The City owns or intends to acquire certain real property comprised of approximately 58 acres of real property generally located in the southeast corner of U.S. Highway 35 and Armour Road in the City of North Kansas City, Clay County, Missouri, and depicted and legally described on Exhibit A (the “**Property**”).

B. The Mayor and City Council of the City (the “**Governing Body**”) desires that the Property, but excluding that portion of the Property labeled tracts A and E on the Concept Plan (as defined below), be developed as a mixed use development comprised of the following uses: retail, restaurant, grocery, recreational, hotel, office, conference center, multi-family residential, or other commercial, recreational, or residential uses, but excluding single family residential (the “**Project**”).

C. The total project contemplates a budget of approximately \$157,000,000 with private investment estimated to be approximately \$105,000,000 and public incentives estimated to finance approximately \$52,000,000, for an approximate expenditure ratio of 67% private to 33% public.

D. Developer desires to enter into long-term leases and/or sale contracts (each a “**Component Lease**”) and development agreements (each a “**Component Development Agreement**”) with third-party developers (each a “**Component Developer**”), each of whom will develop one or more Project components (each a “**Project Component**”), and to acquire from the City the portions of the Property applicable to each respective Project Component upon execution of each such Component Lease.

E. The Parties now desire to enter into this Agreement to formalize their respective rights and obligations in regard to the Project.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

1.01 Definitions of Words and Terms. Capitalized words used in this Agreement shall have the meanings set forth in the Recitals to this Agreement, the body of this Agreement, or they shall have the following meanings:

“**Agreement**” shall have the meaning set forth in the introductory paragraph.

“**Apartment**” shall have the meaning set forth in Section 3.02G.

“**Apartment Site**” shall have the meaning set forth in Section 3.02G.

“**Applicable Laws**” shall mean any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, authorization, design guidelines, directive, policies, requirement or decision of or agreement with or by the City or other governmental bodies.

“**Bonds**” shall have the meaning set forth in Section 5.04.

“**Budget**” shall have the meaning set forth in Section 5.03A.

“**Business Day**” shall mean any day other than a Saturday, Sunday, or legal holiday. As used herein, the term “legal holiday” means any state or federal holiday for which financial institutions or post offices are generally closed in the State of Missouri for observance thereof.

“**CERCLA**” shall have the meaning set forth in Section 4.04.

“**City**” means the City of North Kansas City, Missouri.

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

“**City Indemnified Parties**” shall have the meaning set forth in Section 4.04.

“**City Representative**” means the City Administrator or his or her designee as evidenced by a written certificate furnished to the Developer containing the specimen signature of such person or persons and signed by the City Administrator.

“**Component Developer**” shall have the meaning set forth in Recital D.

“**Component Development Agreement**” shall have the meaning set forth in Recital D.

“**Component Financing Documents**” shall have the meaning set forth in Section 3.06C.iii.

“**Component Lease**” shall have the meaning set forth in Recital D.

“**Component Leasehold Policy**” shall have the meaning set forth in Section 3.08F.

“**Component Owner’s Policy**” shall have the meaning set forth in Section 3.08F.

“**Component Survey**” shall have the meaning set forth in Section 3.08H.

“**Component Title Commitment**” shall have the meaning set forth in Section 3.08F.

“**Concept Plan**” shall have the meaning set forth in Section 3.02.

“**Contingent Property**” shall have the meaning set forth in Section 3.03.A.

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

“**Developer**” shall have the meaning set forth in the introductory paragraph.

“**Developer Default**” shall have the meaning set forth in Section 7.02A.

“**Due Diligence Materials**” shall have the meaning set forth in Section 3.08A.i.

“**Eligible Costs**” means any Project costs that are eligible for payment or reimbursement with Incentive Revenues.

“**Endorsements**” shall have the meaning set forth in Section 3.08G.

“**Engineer**” shall have the meaning set forth in Section 3.05A.

“**Exception Documents**” shall have the meaning set forth in Section 3.08B.

“**Financing Plan**” shall have the meaning set forth in Section 5.02.

“**Force Majeure**” means any delay, hindrance, or prevention from the performance of construction or substantial completion of the same by reason of acts of God, strikes, lockouts, riots, insurrection, environmental restrictions or remediation required by the appropriate government authorities, discovery of cultural, archeological or paleontological resources or endangered species, any lawsuit seeking to restrain, enjoin, challenge or delay construction, failure of governmental authorities of the City to timely approve plans and specifications when such plans and specifications are submitted by Developer in accordance with such governmental authorities’ written policies and procedures, war, terrorism, or other reason of a like nature not the fault of subject party, then substantial completion shall be excused for the period of the delay, and the period for the performance of any part of construction shall be extended for a period equivalent to the period of such delay.

“**GMP**” shall have the meaning set forth in Section 3.06C.iii.1.

“**Governing Body**” shall have the meaning set forth in Recital B.

“**Governmental Approvals**” means all plat approvals, re-zoning or other zoning changes, site plan approvals, conditional use permits, variances, building permits, architectural review or other subdivision, zoning or similar approvals required for the implementation of the Project and consistent with the Concept Plan and this Agreement.

“**Grocery**” shall have the meaning set forth in Section 3.02F.

“**Grocery Site**” shall have the meaning set forth in Section 3.02F.

“**Hotel**” shall have the meaning set forth in Section 3.02E.

“**Hotel Site**” shall have the meaning set forth in Section 3.02E.

“**Incentive**” shall have the meaning set forth in Section 5.01.

“**Incentive Revenues**” shall have the meaning set forth in Section 5.01.

“**Monetary Liens**” shall have the meaning set forth in Section 3.08D.

“**Objection Deadline**” shall have the meaning set forth in Section 3.08D.

“**Objection Notice**” shall have the meaning set forth in Section 3.08D.

“**Parties**” means the City and the Developer (with each referred to individually as a “**Party**”).

“**Permitted Exceptions**” shall have the meaning set forth in Section 3.08D.

“**Permitted Subsequent Approvals**” shall mean the building permits and other Governmental Approvals customarily obtained prior to construction which have not been obtained on the date that this Agreement is executed, which the City or other governmental entity has not yet determined to grant.

“**Permitted Transfer**” shall have the meaning set forth in Section 8.01.

“**Permitted Use**” shall have the meaning set forth in Section 6.01A.

“**Phase I**” shall have the meaning set forth in Section 3.02.

“**Phase II**” shall have the meaning set forth in Section 3.04.

“**Project**” shall have the meaning set forth in Recital B.

“**Project Component**” shall have the meaning set forth in Recital D.

“**Project Costs**” shall have the meaning set forth in Section 5.01.

“**Project Fund**” shall have the meaning set forth in Section 5.08.

“**Property**” shall have the meaning set forth in Recital A.

“**RCRA**” shall have the meaning set forth in Section 4.04.

“**Remediated Property**” shall have the meaning set forth in Section 3.03D.a.

“**Replacement Value**” shall have the meaning set forth in Section 4.03A.

“**Retail Component**” shall have the meaning set forth in Section 3.09.

“**Spine Road**” shall have the meaning set forth in Section 3.05C.iA.

“**Spine Road Completion Date**” shall have the meaning set forth in Section 3.05E.

“**Spine Road Contract**” shall have the meaning set forth in Section 3.05C.i.

“**Spine Road Contractor**” shall have the meaning set forth in Section 3.05C.

“**Spine Road Plans**” shall have the meaning set forth in Section 3.05A.

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

“**Survey**” shall have the meaning set forth in Section 3.08C.

“**Term**” means the term of this Agreement commencing on the Effective Date and expiring eight (8) years following the Spine Road Completion Date.

“**Title Commitment**” shall have the meaning set forth in Section 3.08B.

“**Title Company**” shall have the meaning set forth in Section 3.05C.ii.

“**Title Objections**” shall have the meaning set forth in Section 3.08D.

1.02 Rules of Construction. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Agreement:

- A. The terms defined in this Section include the plural as well as the singular.
- B. All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.
- C. All references herein to “generally accepted accounting principles” refer to such principles in effect on the date of the determination, certification, computation or other action to be taken hereunder using or involving such terms.
- D. All references in this instrument to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this instrument as originally executed.
- E. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision.
- F. The Section headings herein are for convenience only and shall not affect the construction hereof.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.01 Representations of City. The City makes the following representations and warranties, which are true and correct on the date hereof, to the best of the City’s knowledge:

- A. Due Authority. The City has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and this Agreement has been duly and validly authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal valid and binding obligation of the City, enforceable in accordance with its terms.
- B. No Defaults or Violation of Law. Assuming compliance by the parties hereto with Applicable Laws and subject to the restrictions and conditions set forth in the Permitted Exceptions, the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any agreement or instrument to which it is now a party, and do not and will not constitute a default under any of the foregoing.

C. No Litigation. There is no litigation, proceeding or investigation pending or, to the knowledge of the City, threatened against the City with respect to this Agreement. In addition, no litigation, proceeding or investigation is pending or, to the knowledge of the City, threatened against the City seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of this Agreement or which would in any manner challenge or adversely affect the existence or powers of the City to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by the City of the terms and provisions of this Agreement. As the only exceptions to the foregoing, the City states that certain eminent domain proceedings are underway or contemplated regarding all or portions of tracts labeled C, D, and G on the Concept Plan.

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

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

2.02 Representations, Warranties and Covenants of the Developer. The Developer makes the following representations and warranties, which are true and correct on the date hereof, to the best of the Developer's knowledge and covenants, as follows:

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

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

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

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

E. No Default. No default or Event of Default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default in any material respect on the part of the Developer under this Agreement, or any other material agreement or material instrument to which the Developer is a party or by which the Developer is or may be bound.

F. Financial Capability, Experience and Expertise. Members of the Developer have the financial capability, expertise, and experience in the development industry, including in mixed-use projects similar to the Project, to perform its obligations under this Agreement. Within one-hundred twenty (120) days after the Effective Date, Developer shall obtain and provide to the City Representative evidence that Developer has obtained from a financial institution a line of credit in the amount of Four Million and 00/100 Dollars (\$4,000,000.00) that Developer may utilize to pay Project costs and Developer will continuously maintain a line of credit in the amount of \$4,000,000, subject to the reduction schedule in this section, that Developer may utilize to pay Project costs. Developer further agrees to provide written confirmation that such line of credit is fully intact and available from the source of its line of credit to the City on the 1st day of every calendar quarter. Provided the Spine Road is substantially complete, the execution of each respective Certificate of Substantial Completion for the Hotel, Grocery, and Apartment Components shall reduce the required line of credit amount by \$1,000,000. Developer will further advise the City as to the identity of the Members of the Developer and any transfers of interests among or by Members of the Developer.

ARTICLE III

DEVELOPMENT OF THE PROJECT

3.01 Master Developer. During the Term of this Agreement, the Developer shall be deemed “Master Developer” for the Project and the Property. With this designation, Developer shall have the exclusive right to acquire and develop the Property in accordance with this Agreement, and the City may not negotiate with any other party regarding any potential sale, lease, or any other conveyance of any portion of, or any potential development or construction on, the Property. The City Representative shall use best efforts to notify Developer if any third party inquires with the City Representative about any potential sale, lease, or any other conveyance of any portion of, or any potential development or construction on, the Property, and refer such third party to Developer. The City shall (i) reasonably cooperate with the Developer to facilitate construction of any improvements to be undertaken by the Developer within the Project, including expeditiously considering and approving any rezoning, plans, plats or other items required to facilitate the Project (subject to the discretion of any agency or body of the City that maintains legal authority over any such action); (ii) reasonably consult with the Developer in regard to any proposals for development to be undertaken by third-parties within the Project; and (iii) consult with the Developer regarding any proposals to amend the Project, the Incentives (as defined below), or the use of the Incentive Revenues (as defined below).

3.02 Scope of the Project - Phase I. The work to be undertaken in the first phase of the Project (“**Phase I**”) shall include the following:

- A. Demolition by City of existing structures and clearing of the Property;
- B. City update of the existing traffic study based on the Concept Plan attached as Exhibit B;

C. Construction by Developer of the Spine Road and all required utility improvements, including adding a storm sewer branch and upgrading or replacing the existing sanitary sewer, public utilities in the public right of way, detention areas, and mass grading related to the same;

D. Development by Developer of a hotel with at least 150 rooms and a conference center (the “**Hotel**”) on a portion of the Property (the “**Hotel Site**”);

E. Development by Developer of a grocery store comprised of at least 35,000 square feet (the “**Grocery**”) on a portion of the Property (the “**Grocery Site**”); and

F. Development by Developer of an apartment complex with at least 200 market rate units (the “**Apartment**”) on a portion of the Property (the “**Apartment Site**”).

A concept plan (the “**Concept Plan**”) depicting the proposed development to occur for the Project with respect to Phase I, Phase II, and any other subsequent development work in the Project, is attached as Exhibit B. Developer will not develop any part of the Project on the portion of the Property labeled tract A or E on the Concept Plan. The Parties acknowledge that the nature and size of the improvements constructed as part of the Phase I development may deviate from those depicted on Exhibit B, provided such improvements remain reasonably consistent with the nature of the uses contemplated for the Project. The Concept Plan may be updated, amended, and revised upon mutual written agreement of the Parties. Subject to all Applicable Laws, the City shall diligently review and approve all planning, zoning, and platting approvals necessary to facilitate the Project, and the Project shall be constructed in a manner consistent with any such approvals.

3.03 City Obligations.

A. Property Acquisition.

i. Beginning on the Effective Date, subject to Section 3.03.A.ii., the City shall diligently pursue acquisition of fee simple title to any portion of the Property that the City does not already possess, and the City shall endeavor to complete such acquisition with all reasonable dispatch.

ii. All or portions of tracts labeled C, D, G, and N on the Concept Plan (the “**Contingent Property**”) are either not owned by the City in fee or owned in fee by the City but encumbered by a lease or an easement. The City shall diligently pursue acquisition of the unencumbered fee simple title to the Contingent Property. However, notwithstanding anything in this Agreement to the contrary, the Parties acknowledge and agree that the City may not be able to acquire such unencumbered fee simple title. The City shall not be in default under this Agreement if the City (i) fails to acquire the unencumbered fee simple title to any portion of the Contingent Property or (ii) fails to satisfy any obligation related to any respective portion of the Contingent Property due to the fact that the City has not acquired the unencumbered fee simple title thereto.

B. Traffic Study. On or before six (6) months after the Effective Date, the City shall complete the update of the existing traffic study for the Property being performed by Olsson and Associates based on the Concept Plan attached as Exhibit B. Any future updates of the existing traffic study shall be the responsibility of Developer at its cost.

C. Existing Improvements. No less than thirty (30) days prior to the date that Developer identifies to the City as the date for commencement of the Spine Road construction, the City shall demolish all existing structures on, and clear all materials and construction debris from, the portions of the Property identified by Developer. The City shall have no obligation to demolish any existing structures on the tracts labeled C, D, and G on the Concept Plan until after the City acquires unencumbered fee title to the same. Developer and the City shall cooperate to determine what materials and construction debris may remain on the Property to be used in connection with the Spine Road construction.

D. Environmental Remediation.

i. Provided City has acquired the unencumbered fee simple title to tracts labeled D, E, and G on the Concept Plan (the “**Remediated Property**”), within one (1) year after the respective acquisition of each portion of the Remediated Property, the City or other responsible party shall cause remediation of the arsenic contamination affecting the same. The City shall obtain from the Missouri Department of Natural Resources or the Environmental Protection Agency, as the case may be, a no further action letter indicating that such arsenic environmental conditions on the Remediated Property have been remediated to the satisfaction of the Missouri Department of Natural Resources with respect to the entirety of the Property, and City shall fully cooperate with Developer and the Missouri Department of Natural Resources or the Environmental Protection Agency, as the case may be, with respect to any requirement related to the same.

ii. Other than a restriction against single family residential use, no use restrictions or engineered controls shall be applied to the Property in conjunction with any no further action letter issued by the Missouri Department of Natural Resources or the Environmental Protection Agency, as the case may be, or otherwise be imposed by deed notice or other covenant running with the Remediated Property, without prior written consent of Developer.

The City may not use any Incentive Revenues (as defined below) to pay any costs or expenses for work performed pursuant to this subsection.

3.04 Scope of Project – Phase II. The work to be undertaken in the second phase of the Project (“**Phase II**”) shall include the following: retail, restaurant, recreational, office, hospitality, multifamily or other commercial, recreational or residential uses, excluding single family residential.

3.05 Spine Road.

A. Within one (1) month after the Effective Date, Developer shall engage a civil engineer (the “**Engineer**”) to design construction plans and drawings for the grading and construction of the spine road depicted on the Concept Plan (the “**Spine Road**”) and all required utility and public improvements, including adding a storm sewer branch and upgrading or replacing the existing sanitary sewer, necessary detention areas, relocating or constructing public utilities in the public right of way, constructing all sidewalks, curbs, utility improvements and gutters, installing public lighting, and performing all associated mass grading (the “**Spine Road Plans**”), which, along with the Engineer’s Contract, shall be subject to City approval. The City shall review and approve the Engineer’s contract for all work related to the Spine Road. The Developer shall remit to the City all invoices from the Engineer related to the Spine Road Plans,

and the City shall pay the same when due. Promptly upon receipt of draft Spine Road Plans, Developer shall submit the same to the City for review and approval. The City shall have thirty (30) days after receipt of the Spine Road Plans in which to review and give Developer written notice of the City's approval of the Spine Road Plans or its requested changes thereto. Developer shall within thirty (30) days modify the Spine Road Plans as requested by the City or respond to the City in writing as to those requested changes that Developer rejects. If Developer rejects one or more requested changes, upon reasonable advanced notice, Developer, the Engineer, and the City Representative shall meet during normal business hours to cooperatively determine the final version of the Spine Road Plans. Provided all the City's requested changes are incorporated into the Spine Road Plans, or Developer and the City Representative otherwise determine the final version of the same, the City Representative shall approve the Spine Road Plans.

B. Upon City approval of the Spine Road Plans, Developer shall obtain written bids from not less than three (3) contractors to complete the Spine Road. The bid documents for the Spine Road will be prepared per City requirements and will be bid on the basis of unit costs for specific items of work.

C. Developer and City staff will review the bids, and Developer and City staff shall cooperate to select a contractor to construct the Spine Road (the "**Spine Road Contractor**"). Within thirty (30) days after the Parties agree in writing to selection of the Spine Road Contractor, the Parties shall perform as follows:

i. Developer and the Spine Road Contractor shall prepare a standard form AIA contract for construction of the Spine Road (the "**Spine Road Contract**") for approval by the Governing Body. The Spine Road Contract will require payment of prevailing wage as established under RSMo. § 290.210 through §290.340, inclusive, and provide: (1) for a retention in a percentage determined by Developer and reasonably approved by the City; (2) that any change orders be signed by Developer and the City Representative; (3) that the Contractor will work with Developer and the City to assess the various options available to reduce the costs throughout the construction of the Spine Road; and (4) that the Spine Road Contractor will indemnify, protect and defend the Developer and the City, and its officials, Governing Body, officers, members, agents and employees against any and all claims, demands, liabilities and costs, including reasonable attorneys' fees, costs and expenses, arising from damage or injury, actual or claimed, of whatever kind or character (including consequential and punitive damages) occurring or allegedly occurring as a result of such contractor's or subcontractor's failure to comply with this section.

ii. The City shall deposit into an escrow account with Thomson Affinity Title or such other title company licensed in the State of Missouri as designated by Developer and agreed to by the City (the "**Title Company**"), funds equal to the sum of (1) the cost of the Spine Road Contract, (2) the cost to prepare the Spine Road Plans, and (3) fees for any necessary third party general supervision of construction of the Spine Road. The Parties shall enter into a commercially reasonable escrow agreement with the Title Company so that such funds are only able to be used to pay costs described in this subsection.

D. Within thirty (30) days of approval of the Spine Road Contract by the Developer, the Spine Road Contractor, and the Governing Body, the City and Developer shall issue to the Spine Road Contractor a notice to proceed pursuant to the Spine Road Contract.

E. Upon substantial completion of the Spine Road, the Engineer shall certify to the City and Developer in writing that the same is substantially complete. The date of the Engineer's certification shall be the "**Spine Road Completion Date.**" The Parties shall cooperate with all reasonable diligence and dispatch so that the Spine Road Completion Date is on or before expiration of the sixteen (16) full calendar months after the Effective Date.

3.06 Project Components - Phase I.

A. On or before the first (1st) anniversary of the effective date of the Spine Road Contract, Developer shall enter into a Component Development Agreement with a Component Developer for each of the Hotel, Grocery, and Apartment Project Components. Simultaneously upon execution of each Component Development Agreement, the City shall convey to the Developer marketable fee title to the real property on which the respective Project Component will be situated; provided however, at least thirty (30) days prior to such conveyance, Developer shall provide to the City copies of Component Financing Documents which demonstrate to the City's satisfaction, in its sole discretion, the Component Developer has debt and equity adequate to complete the Project Component. Upon receipt of all Component Financing Documents, the City shall notify Developer within thirty (30) days whether the City is satisfied with the Component Financing Documents.

B. The Parties acknowledge that dates stated herein are tentative and may require modification based on market conditions, ability to secure tenants, or other causes beyond the control of the Developer. In such instances, the City Representative may in his sole discretion, upon written request of the Developer, approve modifications to the schedule for development of the Phase I Project Components.

C. The Developer shall include in each Component Development Agreement at a minimum each of the following:

i. That the Component Developer shall submit to the City Construction Plans for its Project Component for review and approval pursuant to the City building codes. Construction Plans may be submitted in phases or stages. All Construction Plans shall be in sufficient completeness and detail to show that construction will be in conformance with the Project and this Agreement and as required by Applicable Law;

ii. That before closing of any land transfers to Component Developer, commencement of construction of any portion of the Project Component, the Component Developer and City shall, at Developer's expense, secure or cause to be secured any and all permits and approvals which may be required by the City and any other governmental agency having jurisdiction as to such construction, development or work. Such permits and approvals may be obtained by the Component Developer in phases corresponding to particular stages of construction. The City shall cooperate with and provide all usual assistance to Component Developer in securing these permits and approvals, and shall diligently process, review, and consider all such permits and approvals as may be required by law;

iii. That before commencement of construction of any portion of the Project Component, the Component Developer shall provide to Developer evidence of the following (the “**Component Financing Documents**”):

1. A guaranteed maximum price construction contract (the “**GMP**”) for the Project Component;

2. A construction loan that has closed and is immediately available to fund, Component Developer equity, and all other applicable sources of financing the provider of which is obligated to provide, each in amounts that in the aggregate meet or exceed the GMP;

3. A payment and performance bond in an amount equal to the GMP;

4. Liability, casualty, workers compensation, and other insurance in types and amounts obtained on similar projects in the North Kansas City metropolitan area;

5. Component Developer will further advise the City as to the identity of the members, partners, officers and principal executives or other key personnel or investors of such Component Developer and any transfers of interests among such parties;

6. Component Developer will cooperate with the City and its advisors on any requested financial due diligence contemplated under this Section 3.06(c)(iii) and the City shall have the right to have its outside financial consultant confidentially conduct full due diligence relating to Component Developer for the purpose of reviewing the Component Financing Documents; provided such outside financial consultant executes a confidentiality agreement in form and substance reasonably acceptable to Component Developer;

7. Complete sources and uses allocation; and

8. Detailed construction and development schedule.

iv. That on or before the sixth (6th) month anniversary of the date the Component Developer acquires a fee or leasehold interest in the real property to be the site of its Project Component, the Component Developer shall commence construction of the Project Component in a good and workmanlike manner in accordance with the terms of this Agreement. If construction has not commenced by such date, the Component Developer shall pay to the City, as a third party beneficiary of the Component Development Agreement, \$1,000 per day, payable monthly, until commencement of construction; and

v. That the Component Developer shall substantially complete construction of its Project Component on or before the third (3rd) year anniversary of the Spine Road Completion Date, subject to Force Majeure.

3.07 Project Component – Phase II.

A. Developer shall enter into a Component Development Agreement with each Component Developer that will develop any portion of Phase II. Simultaneously upon execution of each Component Development Agreement, the City shall convey to the Developer marketable fee title to the real property on which the respective Project Component will be situated and for which the City has acquired fee title; provided however, at least fifteen (15) days prior to such conveyance, Developer shall provide to the City copies of Component Financing Documents which demonstrate Component Developer has debt and equity adequate to complete the Project Component.

B. The provisions of Section 3.06.C. (with the exception of Section 3.06C(v)), shall also apply to each Component Development Agreement related to Phase II.

3.08 Property Conveyance.

A. Due Diligence and Title Matters.

i. City Deliverables. On the Effective Date, the City shall provide to Developer copies of any agreements and/or contracts, plats, covenants, plans, surveys, engineering drawings and estimates, soil and/or other property condition reports, appraisals, environmental reports and assessments, studies, notices, correspondence from governmental or regulatory agencies or bodies, title abstracts, title commitments and policies, surveys, and all other documents in the City's possession or control which pertain to the Property (collectively "**Due Diligence Materials**"), to the extent the same have not already been provided to Developer. During the Term of this Agreement, if the City obtains any new Due Diligence Materials for any portion of the Property that the City has not already provided to Developer, the City also shall provide to Developer such new Due Diligence Materials promptly after receipt of the same. The City makes no representation or warranty as to the accuracy of the Due Diligence materials. Except for warranties contained in each Special Warranty Deed (as defined below), if Developer takes title to one or more portions of the Property, it shall do so "AS IS" "WHERE IS" based on its own independent evaluation of the Property, and each portion thereof acquired, in all respects.

ii. Developer Due Diligence. Developer may enter the Property and perform all appraisals, inspections, surveys, soil tests, environmental inspections and assessments (including an ASTM E1527-13 Phase I Environmental Site Assessment), engineering studies and other inspections relating to the Property or any portion thereof, as determined by Developer in its sole and absolute discretion.

B. Global Title Commitment. Within ten (10) Business Days after the Effective Date, the Developer shall order from the Title Company a current commitment for an owner's policy of title insurance with respect to the Property (the "**Title Commitment**") and complete copies of all exception documents listed therein (the "**Exception Documents**"). The Title Commitment shall (a) describe the Property, (b) name Developer as the fee owner to be insured thereunder, (c) commit to insure marketable, fee simple title to the applicable portion of the Property in Developer on an ALTA owners form (6/17/06) policy.

C. Global Survey. Within sixty (60) days after the Effective Date, the Developer will obtain at its cost a survey of the Property (the "**Survey**"), prepared in accordance with the

current Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, including the surveyor's certificate as necessary for the issuance of the Title Commitment and otherwise sufficient to allow the Title Company to provide survey coverage.

D. Title Objections. Within sixty (60) days after the receipt by Developer of the Title Commitment and Survey (the "**Objection Deadline**"), Developer may give written notice to the City and the Title Company ("**Objection Notice**") of any matters contained in the Title Commitment or the Survey to which it objects ("**Title Objections**"). Any matters in the Title Commitment or Survey to which Developer does not timely object shall constitute "**Permitted Exceptions**" to title. Any matters affecting marketability of the title to the Property which first arise after the effective date of the Title Commitment and before the closing of the affected portion of the Property shall be deemed a Title Objection, unless Developer otherwise waives the same in writing or proceeds without written objection (which action shall constitute a waiver of any such objection). The City agrees to notify Developer promptly upon the City obtaining actual knowledge of any Title Objection coming into existence after the effective date of the Title Commitment. Notwithstanding the foregoing, any delinquent real property taxes, mortgages, deeds of trust, judgments and mechanics liens (collectively, the "**Monetary Liens**") disclosed on the Title Commitment shall be automatically deemed Title Objections by Developer without any further notice thereof to the City, and the City shall cause all each such Monetary Liens to be satisfied and removed from the Title Commitment, or provide for affirmative coverage over such Monetary Lien, within thirty (30) days after the effective date of the Title Commitment. With regard to each such Title Objection, within ten (10) days after the date of the City's receipt of the Objection Notice, the City shall (a) cure such objection to Developer's reasonable satisfaction and provide evidence of such cure to Developer or undertake to cure such objection within thirty (30) days, or (b) notify Developer that the City will not undertake to cure such objection. If the City notifies Developer that the City will undertake to cure such objection, but then fails to cure the same, or if the City fails to notify Developer that the City will not cure the Title Objections, Developer may specifically enforce the City's obligation to cure the Title Objections. If Developer waives any of the Title Objections by proceeding to close on the applicable portion of the Property, the City shall have no liability to Developer for the existence of any such waived Title Objections or for the City's election to not cure or failure to cure any such waived Title Objections.

E. No Action. Except as expressly set forth herein, on and after the Effective Date the City shall not do or permit to be done anything which will materially modify the present condition or any characteristic of the Property, including entering into any agreement or instrument or taking any action or omitting to take any action which would create or constitute a lien or other encumbrance on or of the Property, or which would be outside the normal scope of maintaining and operating the Property, or which would create any obligations which would be binding on Developer after Developer acquires any of the Property, without the prior written consent of the Developer, in the Developer's sole and absolute discretion. Developer shall have the right to approve any changes to any Commitment, Survey, and all characteristics of the Property which arose prior to the Effective Date but were not disclosed to Developer by City until after the Effective Date.

F. Project Component Title Commitment. Prior to Developer executing any Component Development Agreement, Developer may order a current commitment for an owner's policy of title insurance and a leasehold policy of title insurance, with respect to that portion of the Property identified in such Component Development Agreement (the "**Component Title Commitment**") issued by the Title Company and complete copies of all Exception Documents. The Component Title Commitment shall (a) describe the applicable portion of the Property,

(b) name Developer as the fee owner to be insured thereunder, (c) commit to insure marketable, fee simple title to the applicable portion of the Property in Developer on an ALTA owner's form (6/17/06) policy (the "**Component Owner's Policy**"), in an amount to be determined by Developer upon recording of a Special Warranty Deed, (d) name Component Developer as the leasehold owner to be insured thereunder, and (e) commit to insure marketable, fee simple title to the applicable portion of the Property in Component Developer on an ALTA leasehold form (6/17/06) policy (the "**Component Leasehold Policy**"), in the amount of the Component GMP upon recording of a Special Warranty Deed.

G. Endorsements. Developer shall have the right, at any time prior to closing on the applicable portion of the Property, to cause the Title Company to issue such endorsements (the "**Endorsements**") to the Component Owner's Policy or the Component Leasehold Policy as the Developer deems necessary (including, without limitation, comprehensive, survey accuracy (if applicable), zoning, access and contiguity (if applicable)), without obligation on the part of the City to obtain such Endorsements; provided, however, that the City shall make good faith efforts to cooperate with Developer in obtaining such Endorsements.

H. Project Component Survey. Within thirty (30) days after Developer's notice that it is negotiating a Component Development Agreement and anticipates execution of the same, the Developer may obtain a survey of the applicable portion of the Property (the "**Component Survey**"), prepared in accordance with the current Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, including the surveyor's certificate as necessary to allow the Title Company to provide survey coverage.

I. Closing. Simultaneously upon execution of each Component Development Agreement:

i. The City shall sell and convey to Developer that portion of the Property identified in such Component Development Agreement, by special warranty deed in the form attached as Exhibit D subject only to the Permitted Exceptions that affect such portion, and the City shall deliver to Developer exclusive possession of such portion.

ii. Developer shall pay to the City the purchase price of One and 00/100 Dollars (\$1.00).

iii. The cost for each Component Commitment, Component Survey, and Component Owner's Policy, and all related closing and escrow costs, shall be paid by Developer.

iv. All ad valorem taxes and assessments for the year of closing shall be paid by Developer.

v. All such costs set forth in this subsection shall be deemed Eligible Costs, to the extent permitted by the applicable Incentive.

3.09 Phase II Development Schedule. Within three (3) years of the Spine Road Completion Date, if Developer has constructed, caused to be constructed, or entered into Component Development Agreements with Component Developers regarding, the Hotel, Grocery, Apartment, and Retail Components, then Developer shall have the option to acquire any portion of the Property not acquired as part of Phase I, provided the City has acquired unencumbered fee simple title to the same, in order to

develop and complete any other Project Component within eight (8) years following the Spine Road Completion Date.

3.10 Project Zoning, Planning, Platting, and Construction.

A. Conformance with Agreement. The Project shall be developed, and the Project constructed, in accordance with this Agreement.

B. Zoning, Planning and Platting. The City and Developer agree to collaborate on any zoning, planning, and platting applications submitted in accordance with Applicable Laws by the Developer or any Component Developer in due course and good faith. Matters to be considered will be design and construction standards set forth in the CCRs of record, provided such CCRs are of record as of the Effective Date, regarding the Property. The City shall cooperate with Developer so that all such applications as to a specific portion of the Property may be considered, approved, and implemented prior to Developer acquiring title to such portion.

C. Construction Plans. Developer shall submit Construction Plans for any portion of the Project it elects to construct for review and approval pursuant to the City's building code. Construction Plans may be submitted in phases or stages. All Construction Plans shall be in sufficient completeness and detail to show that construction will be in conformance with the Project and this Agreement.

D. Construction Permits and Approvals. Before commencement of construction or development of any buildings, structures or other work or improvements by Developer, Developer, shall, at its own expense, secure or cause to be secured any and all permits and approvals which may be required by the City and any other governmental agency having jurisdiction as to such construction, development or work. Such permits and approvals may be obtained by Developer in phases corresponding to particular stages of construction. The City shall cooperate with and provide all usual assistance to Developer in securing these permits and approvals, and shall diligently process, review, and consider all such permits and approvals as may be required by law; except provided that the City shall not be required to issue any such permits or approval for any portion of the Project not in conformance with the Project or this Agreement as Applicable Law.

E. No Waiver. Nothing in this Agreement shall constitute a waiver of the City's right to consider and approve or deny Governmental Approvals pursuant to the City's regulatory authority as provided by City's unified building code and applicable state law. The Developer acknowledges that satisfaction of certain conditions contained in this Agreement may require the reasonable exercise of the City's discretionary zoning authority by the City's Governing Body in accordance with the City's zoning ordinance and Applicable Laws.

F. Periodic Review. The City and the City's engineer shall have the right to review in a monthly project team meeting the design and construction of the Project to determine that it is being designed, constructed and completed in accordance with this Development Agreement, the Concept Plan, the Construction Plans, and all Applicable Laws. If the Project is not being designed or constructed in accordance with this Development Agreement, the Concept Plan, the Construction Plans, or all Applicable Laws, after consulting with the Developer, the City's engineer shall promptly deliver written notice to the Developer and the Developer shall promptly correct such deficiencies.

3.11 Rights of Access. Representatives of the City shall have the right to access the Project, without charges or fees, at normal construction hours during the period of construction, for the purpose of ensuring compliance with this Agreement, including, but not limited to, the inspection of the work being performed in constructing, renovating, improving, equipping, repairing and installing the project, and the right to order a work stoppage for any violation of this Agreement or Applicable Law, so long as it complies with all safety rules; provided however, such right shall not extend to any areas subject to a Component Development Agreement that the respective tenant identifies as housing confidential, proprietary, or other private matters or information. Except in case of emergency, prior to any such access, such representatives of the City will check in with the on-site manager. Such representatives of the City shall carry proper identification, shall insure their own safety, assuming the risk of injury, and shall not interfere with the construction activity, except pursuant to Applicable Law.

3.12 Certificates of Substantial Completion. Promptly after completion of the Project or any Project Component in accordance with the provisions of this Agreement, the Developer may submit a Certificate of Substantial Completion to the City. Substantial Completion shall mean that the Developer or its successor, assigns, or tenant shall have been granted a certificate of occupancy by the City building official and shall have completed all work as required by this Agreement with respect to the Project or respective Project Component. The Certificate of Substantial Completion shall be in substantially the form attached as Exhibit C. The City shall, within ten (10) days following delivery of the Certificate of Substantial Completion, carry out such inspections as it deems necessary to verify to its reasonable satisfaction the accuracy of the certifications contained in the Certificate of Substantial Completion. The City's execution of the Certificate of Substantial Completion shall constitute evidence of the satisfaction of the Developer's agreements and covenants to construct the Project or applicable Component. If, within ten (10) days after the Developer or its successor, assigns, or tenant obtains a certificate of occupancy for the Project or any Project Component, the City fails to carry out such inspections as it deems necessary to verify to its reasonable satisfaction the accuracy of the certifications set forth on Exhibit C and to notify Developer of any objections to such certifications, the Project or applicable Project Component shall be deemed to satisfy Developer's agreements and covenants to construct the Project or applicable Project Component.

ARTICLE IV

INSURANCE AND INDEMNIFICATION

4.01 Developer Insurance. Developer, at the Developer's sole expense, shall carry and maintain or cause to be carried and maintained, and pay or cause to be paid in a timely manner the premiums for (unless the requirement therefore shall be waived by the trustee for the Bonds, if any, and the City in writing), with respect to the Project, commercial general liability insurance providing coverage for those liabilities which is equal or broader than that currently covered by a CGL policy (a standard ISO CGL form), naming City as an additional insured and including at least the following hazards: (a) premises and operations; (b) products and completed operations; (c) independent contractors; and (d) blanket contractual liability for all legal contracts; such insurance (x) to be on an "occurrence" form with a combined limit of not less than \$5,000,000 in the aggregate and \$2,000,000 per occurrence. Developer shall deliver to City a true and correct certificate of insurance evidencing such coverage prior to the commencement of any work on the Project.

4.02 Spine Road Contractor Insurance. Developer shall require the Spine Road Contractor to obtain and maintain insurance in types and amounts as the City would require in a City contract for a public construction project.

4.03 Component Developer Insurance. Developer shall require each Component Developer to obtain and maintain the following:

A. As used in this Section, “**Replacement Value**” means an amount sufficient to prevent the application of any co-insurance contribution on any loss but in no event less than 100% of the actual replacement cost of the respective Project Component, including additional administrative or managerial costs that may be incurred to effect the repairs or reconstruction, but excluding costs of excavation, foundation and footings.

B. The Component Developer shall comply with the insurance requirements set forth in this Section unless the Component Developer requests approval of substitute insurance requirements, based on insurance required by one or more lenders to the Component Developer, and the City approves such request in writing. The Component Developer shall keep its Project Component continuously insured against such risks and in such amounts, with such deductible provisions as are customary in connection with the operation of facilities of the type and size comparable to its Project Component. The Component Developer, at the Component Developer’s sole expense, shall carry and maintain or cause to be carried and maintained, and pay or cause to be paid in a timely manner the premiums for at least the following insurance with respect to the Project Component (unless the requirement therefore shall be waived by the trustee for the Bonds, if any, and the City in writing):

i. Builder’s completed value risk insurance and, on and after the completion date of the Project Component, property insurance, in each case (a) providing coverage during the construction of the Project Component for financial losses of the Component Developer relating to continuing expenses, caused by property damage during the construction of the Project Component, (b) providing coverage (including increased costs from changes in building laws, demolition costs and replacement cost coverage) for those risks which is equal or broader than that currently covered by an all-risk policy covering all improvements, fixtures and equipment in the Project, (c) containing an agreed amount endorsement with a waiver of all co-insurance provisions, (d) providing for no deductible in excess of \$100,000 (as increased each year by the increase in the CPI, if any, for the preceding calendar year) for all such insurance coverage, and (e) covering, without limitation, loss, including, but not limited to, the following:

1. fire,
2. extended coverage perils,
3. vandalism and malicious mischief,
4. water damage,
5. debris removal,
6. collapse, and
7. comprehensive boiler and machinery insurance,

in each case on a replacement cost basis in an amount equal to the Project Component’s Replacement Value;

ii. Commercial general liability insurance providing coverage for those liabilities which is equal or broader than that currently covered by a CGL policy (a standard ISO CGL form), including at least the following hazards: (a) premises and operations; (b) products and completed operations; (c) independent contractors; and (d) blanket contractual liability for all legal contracts; such insurance (x) to be on an

“occurrence” form with a combined limit of not less than \$5,000,000 in the aggregate and \$2,000,000 per occurrence, and (y) with excess coverage of not less than Replacement Value; and

iii. Developer shall deliver to City a true and correct certificate of insurance evidencing such coverage prior to the commencement of any work on the Project.

4.04 Indemnification.

A. Developer shall require each Component Developer to indemnify and hold the City, its employees, agents, independent contractors, and consultants (collectively, the “**City Indemnified Parties**”) harmless from and against any and all suits, claims, costs of defense, damages, injuries, liabilities, judgments, costs and/or expenses, including court costs and reasonable attorneys’ fees, resulting from, arising out of, or in any way connected with, but excluding any actions brought by the City against Develop and/or a Component Developer:

i. The Component Developer’s actions and undertaking in constructing and operating its Project Component;

ii. The negligence or willful misconduct of the Component Developer, its employees, agents or independent contractors and consultants in connection with the management, design, development, redevelopment and construction of the Project Component; and

iii. Any delay or expense resulting from any litigation filed against the Component Developer by any member or shareholder of the Component Developer, any prospective investor, prospective partner or joint venture partner, lender, co-proposer, architect, contractor, consultant or other vendor.

This section shall not apply to willful misconduct or negligence of the City or its officers, employees or agents. This section includes, but is not limited to, any repair, cleanup, remediation, detoxification, or preparation and implementation of any removal, remediation, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any hazardous substance or hazardous wastes including petroleum and its fractions as defined in (i) the Comprehensive Environmental Response, Compensation and Liability Act (“**CERCLA**”; 42 U.S.C. Section 9601, et seq.), (ii) the Resource Conservation and Recovery Act (“**RCRA**”; 42 U.S.C. Section 6901 et seq.) and (iii) Article 34, Chapter 65, K.S.A. and all amendments thereto, at any place where Developer owns or has control of real property pursuant to any of Developer’s activities under this Agreement. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107 (e) of CERCLA to assure, protect, hold harmless and indemnify City from liability.

B. The City shall indemnify and hold the Developer, its members, employees, agents, independent contractors, and consultants (collectively, the “**Developer Indemnified Parties**”) harmless from and against any and all suits, claims, costs of defense, damages, injuries, liabilities, judgments, costs and/or expenses, including court costs and reasonable attorneys’ fees, resulting from, arising out of, or in any way connected with, but excluding any actions brought by the Developer against the City, the negligence or willful misconduct of the City, its employees, agents or independent contractors and consultants in connection with the Project.

This section shall not apply to willful misconduct or negligence of Developer or its officers, employees or agents. This section includes, but is not limited to, any repair, cleanup, remediation, detoxification, or preparation and implementation of any removal, remediation, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any hazardous substance or hazardous wastes including petroleum and its fractions as defined in (i) CERCLA, (ii) RCRA, and (iii) Article 34, Chapter 65, K.S.A. and all amendments thereto, at any place where the City owns or has control of real property pursuant to any of the City's activities under this Agreement. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107 (e) of CERCLA to assure, protect, hold harmless and indemnify Developer from liability.

ARTICLE V

PROJECT FINANCING

5.01 Sources of Funding. The Parties contemplate that a portion of the costs of the Project (the "**Project Costs**"), including the Eligible Costs, may be financed by certain revenues (collectively, the "**Incentive Revenues**") from one or more economic development incentive programs (each an "**Incentive**") including, but not limited to, the following:

- A. The Real Property Tax Increment Allocation Redevelopment Act, RSMo §§ 99-800 – 99-865;
- B. The Community Improvement District Act, RSMo §§ 67.1401 – 67.1571;
- C. The Transportation Development District Act, RSMo §§ 238.200 – 238.280;
- D. The Neighborhood Improvement District, RSMo §§ 67.453 – 67.347;
- E. The Land Clearance for Redevelopment Authority Law, RSMo §§ 99.300 – 99.660;
- F. The Urban Redevelopment Corporations Law, RSMo §§ 353.010 – 353.190; and
- G. Industrial Development Projects, RSMo §§ 100.010 – 100.200.

5.02 Financing Plan. Within one hundred twenty (120) days after the Effective Date, Developer, City staff, and Ameritas Investment Corp. or another financial consultant selected by the City will prepare a joint financing plan for the Project (the "**Financing Plan**"). The Financing Plan shall apply to potential Incentives generated by all of the Property, including that portion labeled tract E on the Concept Plan, but excluding that portion labeled tract A. City staff shall cooperate with Developer to prepare each Incentive requested by Developer and upon completion of the Financing Plan, work with the Developer, the Governing Body, and, if applicable, a third party, to implement the Financing Plan. City staff shall support the Incentives requested in the Financing Plan when presented to the applicable approving party. The Financing Plan is estimated to require a net present value of approximately Fifty-Two Million and 00/100 Dollars (\$52,000,000.00) for Developer to fully execute the Concept Plan. Upon completion of the Financing Plan, Developer and City staff shall cooperate to apply for each Incentive in the Financing Plan and, if and upon approval of the Governing Body or applicable third party, the Financing Plan shall be binding upon the City to provide to the Developer the Incentive Revenues set forth in the Financing Plan. The Financing Plan will require an expenditure ratio of approximately 67% private capital and 33% public financing. Such ratio will apply to the aggregate of all Project costs, as

opposed to the application to each individual Project Component or portion of the Project. In the event a Financing Plan is not agreed to and approved in writing within six (6) months after the Effective Date, either Developer or City may terminate this Agreement and neither party shall have any further obligations hereunder.

5.03 Developer Project Budget.

A. Within three (3) months after the Effective Date, Developer shall prepare a line item budget (the "**Budget**") of the estimated Project Costs and Eligible Costs, and identify under which Incentive reimbursement of each Eligible Cost would be requested. The Budget shall also set forth the estimated sources of public and private financing and the uses of each. Developer shall submit the Budget to the City for review and approval and the City shall have thirty (30) days after receipt of the Budget in which to review and give Developer written notice of the City's approval of the Budget or its requested changes thereto. Developer shall within thirty (30) days modify the Budget as requested by the City or respond to the City in writing as to those requested changes that Developer rejects. If Developer rejects one or more requested changes, upon reasonable advanced notice, Developer and the City Representative shall meet during normal business hours to cooperatively determine the final version of the Budget. Provided all the City's requested changes are incorporated into the Budget, or Developer and the City Representative otherwise determine the final version of the same, staff will recommend to the Governing Body for it to approve the Budget at its next regularly scheduled meeting.

B. The City acknowledges that the items included in the Budget will be estimates only and Incentive Revenues or proceeds of the Bonds may be used by the Developer to finance any Eligible Cost. No third-party, other than the Developer, City, or a Component Developer (with the written consent of the Developer and the City), shall be entitled to use or direct the use of the Incentive Revenues or the proceeds of the Bonds.

5.04 Public Financing. Upon completion of the Financing Plan the Governing Body shall cooperate with Developer to monetize the revenue streams of the Incentives. The City shall contract with Ameritas Investment Corp. or another financial advisor to investigate capital markets and determine the feasibility of obtaining public financing, including specifically limited special obligation bonds (the "**Bonds**") issued by the City or an industrial development authority of the City, secured by future Incentive Revenues. The staff will recommend that the Governing Body favorably consider all commercially reasonable public finance options provided by such financial advisor, and if an option involves bonds issued by an industrial development authority of the City, recommend that such authority favorably consider such option. The Parties agree that none of the Bonds shall be general obligation or special obligation bonds backed by the full faith and credit of the City or special obligation bonds backed by the City's general funds, the City's general revenues or the credit of the City. Irrespective of the issuer of the Bonds, the Parties agree that none of the Bonds shall be sold to investors in denominations less than \$100,000 (unless such Bonds are rated "A" or "A2" or better).

5.05 Statutory Compliance. Developer and the City hereby agree that they will comply with all reasonable requirements including any statutory requirements, associated with the issuance, sale, purchase and delivery of the Bonds and shall cooperate with one another to fully effectuate the terms, distributions, and repayments of the same.

5.06 Certification of Expenditures. Prior to the disbursement of any proceeds of the Bonds, the Developer shall certify any costs for which it seeks reimbursement in accordance with the following:

A. The Developer shall submit to the City a Certification of Expenditures in the form attached hereto as Exhibit E setting forth the amount for which reimbursement is sought and an itemized listing of the related costs.

B. Each Certification of Expenditures shall be accompanied by such bills, contracts, invoices, and other evidence as the City shall reasonably request to evidence costs actually incurred.

5.07 Reimbursement. The City shall have thirty (30) days after receipt of any Certification of Expenditures to review and respond by written notice to the Developer. If the submitted documentation demonstrates that: (i) the Certification of Expenditures shows payment or pending payment by the Developer of the Eligible Costs; (ii) the expense was incurred or will immediately be incurred upon the disbursement of Bond proceeds; and (iii) the Developer is not in material default under this Agreement, then the City shall approve the Certification of Expenditures and the Developer shall be reimbursed from the Bond proceeds in accordance with the Bond documents for the Eligible Costs pursuant to the terms of this Agreement. If the City reasonably disapproves of the Certification of Expenditures, the City shall notify the Developer in writing of the reason for such disapproval within such thirty (30) day period. Developer in writing may assign to one or more Component Developer the right to receive reimbursement under this subsection. If any Eligible Costs will be incurred by a Component Developer, and Developer in writing authorizes such Component Developer to submit one or more Certification of Expenditures, the City shall consider such Certification of Expenditures in accordance with Sections 5.06 and 5.07.

5.08 Project Fund. Upon the issuance of any Bonds, a project fund (the “**Project Fund**”) shall be created and administered by the City or its designee. The Project Fund will be utilized solely to disburse the Bond proceeds for Eligible Costs. The specifics of the issuance and repayment of the Bonds shall be in accordance with the Bond issuance documents, to be approved by City ordinance, and in accordance with this Agreement. Upon issuance of the Bonds, the Bond proceeds shall be disbursed in accordance with this Agreement and the Bond issuance documents in order to pay the Eligible Costs.

5.09 Privately Placed Bonds. The City shall, at the Developer’s request, permit that the Bonds be privately placed and sold to one or more of the following (with the precise number to be determined in the Developer’s sole discretion): (i) Qualified Institutional Buyers, and/or (ii) the Developer and/or entities related to or affiliated with the Developer. The restrictions on transfer of such privately placed Bonds shall be reasonably acceptable to the City and the Developer. Any purchaser of privately placed Bonds shall sign a standard investor letter acknowledging the risks associated with the Bonds, and the Bonds and such letters shall state that any future transfer of the Bonds shall be made only to other Qualified Institutional Buyers who also sign such a letter.

ARTICLE VI

USE OF THE PROPERTY

6.01 Tenants and Land Use Restrictions. At all times while this Agreement is in effect:

A. Land Use Restrictions. The types of land uses and retailers set forth in Exhibit F hereto and those prohibited by zoning are prohibited on the Property. All uses not expressly stated on Exhibit F or prohibited by zoning shall each be a “**Permitted Use.**”

B. Tenant Qualifications and Pre-Approved Tenants.

i. Category of Tenant. Developer will reasonably consult with the City to lease or sell any portion of the Property to a third party that intends to operate on such portion a Permitted Use, if such third party will be a single user that will occupy at least 2,500 square feet of finished space on such portion. Developer will not be required to consult with the City regarding any lease or sale of any portion of the Property to a third party if such third party will occupy less than 2,500 square feet of finished space on such portion. If Developer intends to construct a multi-tenant building on a portion of the Property, or to lease or sell any portion of the Property to a third party that intends to do the same, Developer will reasonably consult with the City regarding the third party lessee or purchaser that will construct such building, but Developer will not be required to consult with the City thereafter regarding each third party that will operate therein.

ii. Hotel Flag. The Hotel flag for the Hotel Component must be approved in writing by the City, which approval shall not be unreasonably withheld, conditioned or delayed. The Hotel flags set forth on Exhibit H are pre-approved.

iii. City Consultation. The Developer shall present a written description of such third party and the potential Permitted Use to the City within thirty (30) days prior to the date when Developer expects to enter into any legal obligation for the lease or sale of a portion of the Property. The City Representative shall respond to the Developer within thirty (30) days of the receipt of any such communication regarding any objections to such third party or Permitted Use. If the City Representative does not respond to Developer within such thirty (30) day period, such non-response shall constitute a waiver of any objection to Developer's proposed lease. Developer shall promptly notify the City Representative upon the execution of any such legal obligation for the lease or sale of the respective portion of the Property. The City Representative or its designee shall have authority to act on behalf of the City for purposes of making all determinations required of the City in this subsection. The rights and obligations of this subsection shall only be effective during the term of this Agreement, shall not constitute a perpetual encumbrance on any portion of the Property, and shall only apply to the initial lease or sale of the respective portion of the Property by Developer.

iv. Relocation Within The City.

1. Developer agrees, with respect to the Project, not to relocate, engage nor solicit tenants or businesses within the City of North Kansas City without the City's written permission. For purposes of this Section, "relocate" shall mean the relocation of any tenants or businesses that are: (a) located within the City's city limits, or (b) any organization or business that is an affiliate of the City, including but not limited to the City of North Kansas City Hospital, or (c) the location of a business within the boundaries of the Project and the closing of the same store or the same chain or name-brand of store (either corporate or franchise) within the City within three hundred sixty five (365) days after such store is opened in the Project. The sole pre-approved exception to this Agreement not to relocate, engage, or solicit shall be when a tenant leasing office space in the City relocates to the Project and at least doubles the total leasable square footage of its leased premises, as compared to the total leasable square footage of its previous location in the City.

Example of (c): Three Brand Name pharmacy stores exist in the City, outside the Project. A Brand Name pharmacy store opens in the Project. Within 365 days after the opening of such Brand Name store in the Project, one of the three pre-existing Brand Name stores closes in the City. This will be treated as a “relocation” pursuant to this section.

2. In the event that Developer violates the requirements of this subsection and fails to receive prior written City approval, for each such violation the Developer shall pay to the City an amount equal to three (3) times the amount of all retail sales or other taxes generated by such business at its prior location during the preceding calendar year (“**Relocation Penalty Payment**”). Any Relocation Penalty Payment shall be due and payable within five (5) business days after receipt of written notice from the City for such payment. Failure to make any Relocation Penalty Payment when due shall be a Developer Default and shall be subject to the remedies set forth hereinbelow.

6.02 Sales Tax Information.

A. Developer agrees to make commercially reasonable efforts to cause all assignees, tenants, subtenants or any other entity acquiring property or occupancy rights in Property to be obligated by written contract (lease agreement or other enforceable document) to provide to the City Representative simultaneously with submission to the Missouri Department of Revenue the monthly sales tax returns for their facilities on the Property. The Developer hereby agrees that each Component Development Agreement shall provide that the City is an intended third party beneficiary of such provisions and has a separate and independent right to enforce such provisions directly against such tenant; provided that the failure by the Developer to secure any such obligation in any written contract entered into by the Developer shall not be deemed an Event of Default.

B. To the extent it may legally do so, information obtained pursuant to this Section shall be kept confidential by the City to the fullest extent permitted by law.

6.03 Taxes, Assessments, Encumbrances and Liens.

A. So long as the Developer owns any portion of the Property, the Developer shall pay when due all real estate taxes and assessments related to such property owned by the Developer. Nothing herein shall be deemed to prohibit the Developer from contesting the validity or amounts of any tax, assessment, encumbrance or lien, nor to limit the remedies available to the Developer in respect thereto. The Developer shall promptly notify the City in writing of a protest of real estate taxes or valuation of the Developer’s portion of the Property.

B. Developer agrees that no mechanics’ or other liens shall be established or remain against the Spine Road for labor or materials furnished in connection with any acquisition, construction, additions, modifications, improvements, repairs, renewals or replacements so made, provided the City pays all required amounts when due. However, the Developer shall not be in default if mechanics’ or other liens are filed or established and the Developer contests in good faith said mechanics’ liens and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom. The Developer hereby agrees and covenants to indemnify and hold harmless the City in the event any liens are filed against the Spine Road as a result of acts of the Developer, its agents or independent contractors.

ARTICLE VII

DEFAULTS AND REMEDIES

7.01 Default by City.

A. City Default Defined. Subject to extensions of time due to Force Majeure, if the City fails to perform any of its obligations within the time frames set forth herein or otherwise is in default of this Agreement and does not cure such default within thirty (30) days after written notice from Developer specifying the default (or if the default is not susceptible of cure within thirty (30) days, does not commence and diligently proceed to cure such default during such 30-day period and thereafter prosecute such cure to completion), then the City shall be in default (a “**City Default**”).

B. Developer Remedies upon City Default. Whenever any City Default shall have occurred and be continuing, subject to applicable cure periods, the Developer may pursue any remedy at law and in equity, including specific performance.

7.02 Default by Developer.

A. Developer Default Defined. Subject to extensions of time due to Force Majeure, if the Developer fails to perform any of its obligations within the time frames set forth herein or otherwise is in default of this Agreement and does not cure such default within thirty (30) days after written notice from the City specifying the default (or if the default is not susceptible of cure within thirty (30) days, does not commence and diligently proceed to cure such default during such 30-day period and thereafter prosecute such cure to completion), then the Developer shall be in default (a “**Developer Default**”).

B. City Remedies upon Developer Default. Whenever any Developer Default shall have occurred and be continuing, subject to applicable cure periods, the City may (1) pursue any remedy at law and in equity including termination, except as provided below, and/or (2) refuse to consider any further Certificates of Expenditures and make any disbursements until such Developer Default is cured. Specific performance shall not be available to the City to require that Developer construct any improvements on the Property or any portion of the Project.

7.03 No Special Damages. Notwithstanding any other provision of this Agreement to the contrary, in no event shall the Developer or the City ever be liable for any punitive, special, incidental, or consequential damages in connection with this Agreement, or otherwise. For the purposes of this Section, consequential damages shall include, but not be limited to, lost profits, lost tax revenue, or other similar losses which are not direct out-of-pocket costs incurred by the non-defaulting Party.

7.04 Legal Actions. Any legal actions related to or arising out of this Agreement must be instituted in the Circuit Court of Clay County, Missouri or, if federal jurisdiction exists, in the Federal District Court for the Western District of Missouri.

7.05 Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by a Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

7.06 Inaction Not a Waiver of Default. Any failures or delays by a Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive such Party of its right to institute and maintain any action or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

7.07 Enforced Delay; Extension of Times of Performance.

A. In addition to specific provisions of this Agreement, performance by a Party hereunder shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended, where the Party seeking the extension has acted diligently and delays or defaults are due to delay or default of the other Party or Force Majeure.

B. Times of performance under this Agreement may also be extended in writing by the mutual agreement of the City and the Developer.

ARTICLE VIII

ASSIGNMENT; TRANSFER

8.01 Assignment and Transfer. The Developer shall not assign or transfer all of its rights or duties under this Agreement without the prior written approval of the City which City may withhold or deny in its sole discretion except for (i) assignments, transfers and conveyances of all or substantially all of Developer's rights and duties under this Agreement to a subsidiary or affiliate which is owned or controlled by the Developer or a majority of its principals or any entity owned or controlled, directly or indirectly, by the Developer or a majority of its principals, or (ii) a collateral assignment of all of its rights under this Agreement to a financial institution as security for Project financing (each a "**Permitted Transfer**"). The Parties hereby acknowledge that portions of the Property may be transferred to one or more third parties that intend to develop the transferred property in a manner generally consistent with the Project, and such transfer shall also be deemed a Permitted Transfer. In the event of a Permitted Transfer, the Developer shall nonetheless promptly provide advance written notice of the same to the City. Notwithstanding the foregoing, no tenant or owner of a portion of the Property shall be bound by any obligation of Developer or any other obligation hereunder solely by virtue of being a tenant or owner of a portion of the Property; provided, however, that no transferee or owner of Property except Developer shall be entitled to any rights whatsoever or claim upon the proceeds of the Bond proceeds, except as specifically authorized in writing by the Developer and consented to in writing in advance by the City, which consent by the City shall not be unreasonably withheld, conditioned, or delayed.

8.02 Corporate Reorganization. Nothing herein shall prohibit (or require City approval to allow) the Developer from forming additional development or ownership entities to replace or joint venture with the Developer for the purpose of business and/or income tax planning; provided that such entity is a subsidiary or affiliate which is owned or controlled by the Developer or a majority of its principals or any entity owned or controlled, directly or indirectly, by the Developer or a majority of its principals.

ARTICLE IX

GENERAL PROVISIONS

9.01 Amendment. This Agreement, and any exhibits attached hereto, may be amended only by the mutual written consent of the Parties, upon official action of the City's governing body approving said amendment, and by the execution of said amendment by the Parties or their successors in interest. If

any provision, covenant, agreement or portion of this Agreement, or its application to any person, entity or property, is held invalid, the Parties shall take such reasonable measures including, but not limited to, reasonable amendment of this Agreement to cure such invalidity where the invalidity contradicts the clear intent of the Parties in entering into this Agreement.

9.02 Additional Agreements. City and Developer agree to negotiate in good faith and execute such further agreements as are reasonably necessary to effectuate the intent and covenants of this Agreement, including but not limited to easements (permanent, temporary, and construction), agreements, license agreements, recording memoranda, covenants and restrictions, joint usage agreements, and agreements between Developer and the City.

9.03 Right to Inspect. The Developer agrees that the City, with reasonable advance notice and during normal business hours, shall have the right and authority to review, inspect, audit, and copy, from time to time, all of the Developer's books and records relating to reimbursement of Eligible Costs from Incentive Revenues.

9.04 No Other Agreement. Except as otherwise expressly provided herein, this Agreement and all documents incorporated herein by reference supersede all prior agreements, negotiations and discussions, both written and oral, relative to the Project and is a full integration of the agreement of the Parties.

9.05 No Partnership or Joint Venture. The Parties are independent contracting parties and nothing in this Agreement is intended to make either Party a joint venturer or partner of the other Party. Without limiting the generality of the foregoing, no Party shall be liable for the obligations of the other Party except as expressly set forth herein.

9.06 Severability. If any provision, covenant, agreement or portion of this Agreement, or its application to any person, entity or property, is held invalid or unenforceable in whole or in part, this Agreement shall be deemed amended to delete or modify, in whole or in part, if necessary, the invalid or unenforceable provision or provisions, or portions thereof, and to alter the balance of this Agreement in order to render the same valid and enforceable. In no such event shall the validity or enforceability of the remaining valid portions hereof be affected.

9.07 Notice. All notices shall be in writing and sent either by certified mail, return receipt requested, personal messenger, or overnight delivery via a national overnight service. Any notice sent by (a) certified mail, return receipt requested shall be deemed delivered three (3) days after being deposited in the United States mail; (b) personal messenger shall be deemed delivered when actually received; and (c) an overnight delivery service shall be deemed delivered on the business day following the date the notice is deposited with the overnight delivery service addressed as specified below:

To the Developer:

North Kansas City Destination Developers, LLC
Attn: Rick Worner
7007 Apache Drive
Shawnee, KS 66226
Phone: (913) 481-3420
Email: rick.worner@gmail.com

With a copy to:

Korb W. Maxwell
Polsinelli PC
900 West 48th Place, Suite 900
Kansas City, MO 64112
Phone: (816) 360-4327
Email: KMaxwell@Polsinelli.com

To the City:

City of North Kansas City, Missouri
Attn: City Administrator
2010 Howell Street
North Kansas City, MO 64116
Phone: 816-274-6000
Email: EBerlin@nkc.org

With a copy to:

Bryan Cave LLP
Attn: Stephen S. Sparks
1200 Main Street, Suite 3800
Kansas City, MO 64105
Phone: 816-292-7882
Email: sssparks@bryancave.com

or at such other addresses as the Parties may indicate in writing to the other.

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

9.09 Survival. The terms and covenants contained in this Agreement shall not be deemed to have merged at any closing upon the delivery of any Special Warranty Deed, but will be deemed to survive any closing until this Agreement is properly terminated in accordance with its terms.

9.10 Agreement Controls. This Agreement specifies the rights, duties and obligations of the City and Developer with respect to constructing the Project, the payment of Eligible Costs and all other methods of implementing the Project. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the Parties.

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

9.12 Tax Implications. The Developer acknowledges and represent that (1) neither the City nor any of its officials, employees, consultants, attorneys or other agents has provided to the Developer

any advice regarding the federal or state income tax implications or consequences of this Agreement and the transactions contemplated hereby, and (2) the Developer is relying solely upon its own tax advisors in this regard.

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

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

9.15 Recordation of Agreement. A memorandum of this Agreement in substantially the same form as attached as Exhibit G shall be recorded in the real property records of Clay County, Missouri. The Parties shall each pay half of such recording costs.

9.16 Consent or Approval. Except as otherwise provided in this Agreement, whenever consent or approval of either Party is required, such consent or approval shall not be unreasonably withheld, conditioned, or delayed.

9.17 Non-liability.

A. City. No recourse shall be had for the reimbursement of the Eligible Costs or for any claim based thereon or upon any representation, obligation, covenant or agreement contained in this Agreement against any past, present or future official, officer, employee or agent of the City, 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 officials, officers, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement.

B. Developer. No recourse shall be had for any claim based upon any representation, obligation, covenant or agreement contained in this Agreement against any director, officer, employee, or member of Developer 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 directors, officers, employees, or members as such is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement.

9.18 Estoppel Certificates. The City and Developer, at any time and from time to time, upon not less than thirty (30) days prior written notice from a party hereto, or to a person designated by such party, such as a tenant, shall execute, acknowledge, and deliver to the party requesting such statement, a statement in reasonably acceptable form to the requesting party certifying, among other matters, (a) that this Agreement is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), (b) stating whether or not, to the best knowledge of the signer of such certificate, the City or Developer is in breach and/or default in performance of any covenant, agreement, or condition contained in this Agreement and, if so, specifying each such breach and/or default of which the signer may have knowledge, and (c) any other factual matters reasonably requested in such estoppel certificate, it being intended that any such statement delivered hereunder may be relied upon by the party requesting such statement and/or any person not a party to this Agreement (if such other person is identified at the time such certificate was requested). At any time after completion of the Project or any portion thereof the City shall, at the request of Developer, promptly execute, acknowledge and deliver to Developer a statement to that effect and to the effect, to the extent true, that all of Developer's obligations under this Agreement have been fulfilled as to the Project,

any portion thereof, or any Project Component. The City Representative is hereby authorized to execute, acknowledge, and deliver such certificates on behalf of the City.

9.19 Incorporation of Exhibits. The Exhibits attached hereto and incorporated herein by reference are a part of this Agreement to the same extent as if fully set forth herein.

[Signatures on Following Pages]

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

CITY OF NORTH KANSAS CITY, MISSOURI,
a municipal corporation duly organized under the laws
of the State of Missouri

_____, Mayor

[SEAL]

ATTEST:

_____, City Clerk

APPROVED AS TO FORM:

_____, City Counselor

DEVELOPER:

**NORTH KANSAS CITY DESTINATION
DEVELOPERS, LLC,**

a Missouri limited liability company

By: _____

Name: Rick Worner

Title: Manager

EXHIBIT A

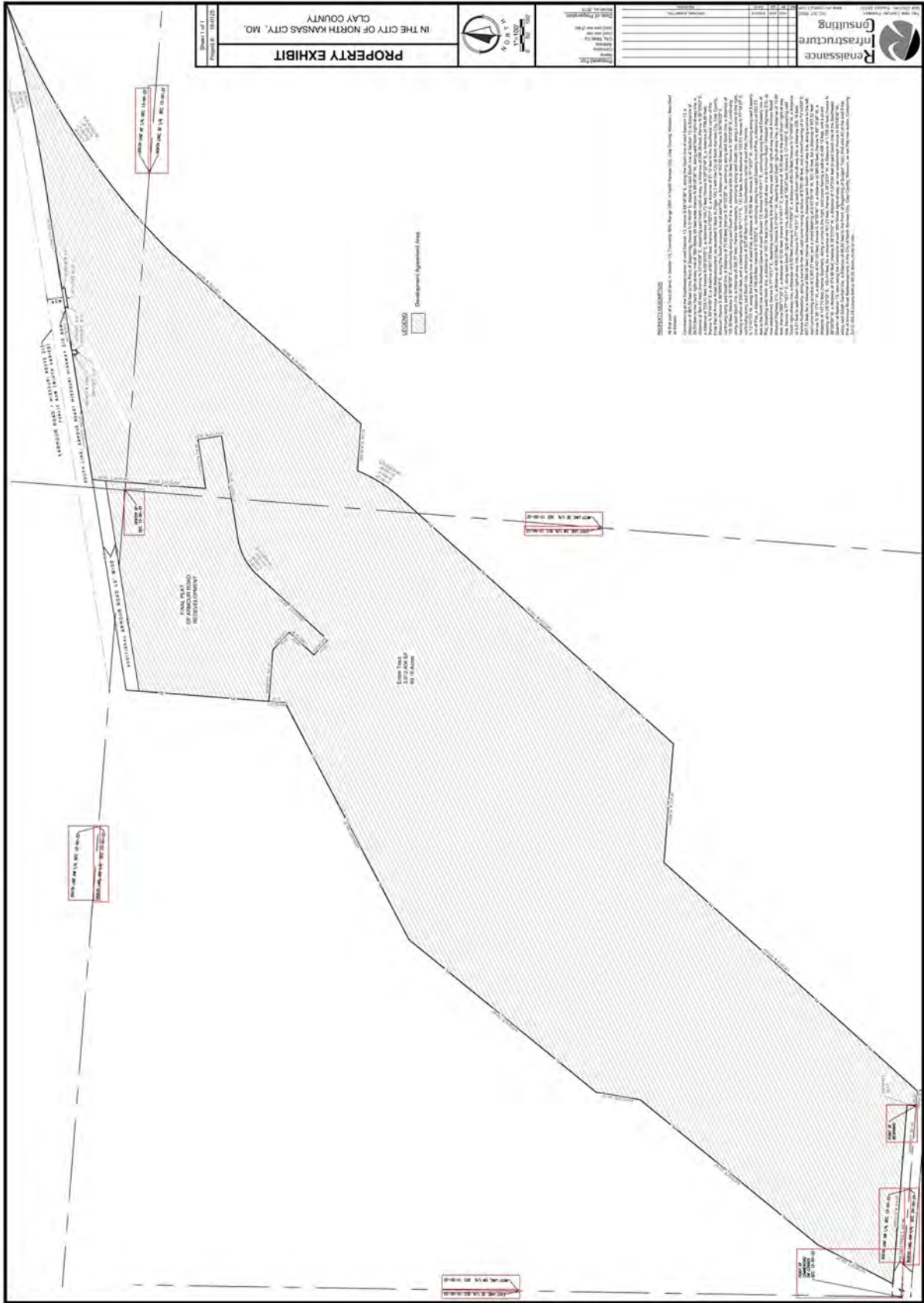
Legal Description and Depiction of the Property

All that part of a Tract of land, in Section 13, Township 50N, Range 33W, in North Kansas City, Clay County, Missouri, described as follows:

Commencing at the Southwest corner of said Section 13; thence S 89°06'36" E, along the South line of said Section 13, a distance of 881.59 feet to the Point of Beginning; thence N 0°49'49" E, departing said South line of Section 13, a distance of 28.53 feet to the North right-of-way line of 16th Street, 60 feet wide; thence N 89°06'36" W, along said North right-of-way line, a distance of 564.65 feet; thence N 23°48'08" E, departing said North right-of-way, a distance of 266.28 feet; thence N 35°35'02" E, a distance of 723.10 feet; thence N 06°05'03" E, a distance of 140.72 feet; thence N 35°32'49" E, a distance of 759.66 feet; thence N 58°44'48" E, a distance of 841.85 feet; thence N 0°52'31" E, a distance of 51.10 feet to the Southwest corner of the Final Plat of Armour Road Redevelopment, as recorded in Book H, Page 143.3 with the City of North Kansas City, Clay County, Missouri; thence S 89°08'55" E, along the South property line of said Plat, a distance of 162.35 feet; thence S 50°56'25" E, continuing along said South line, a distance of 75.98 feet; thence S 39°03'35" W, continuing along said South line, a distance of 105.50 feet; thence S 50°56'25" E, continuing along said South line, a distance of 64.00 feet; thence N 39°03'35" E, continuing along said South line, a distance of 300.57 feet; thence Northeasterly, continuing along said South line, along a curve to the right, having a radius of 200.00 feet, and a chord bearing of N 58°11'11" E, 131.04 feet, for a distance of 133.51; thence N 77°18'27" E, continuing along said South line, a distance of 327.80 feet to the most Southeasterly corner of said Plat; thence N 12°41'33" W, along the Easterly line of said Plat, a distance of 75.00 feet; thence S 77°18'27" W, continuing along said Easterly line of Plat, a distance of 156.68 feet; thence N 0°53'52" E, continuing along the said Easterly line of Plat, a distance of 252.72 feet to the North line of the Southeast Quarter of said Section 13; thence N 0°45'41" E, continuing along the said Easterly line of Plat, departing said North line, a distance of 105.18 feet to the South right-of-way line of Armour Road / Missouri Highway 210, as now established; thence N 77°16'31" E, departing said Easterly line of Plat, along said South right-of-way line of Armour Road/ Missouri Highway 210, a distance of 400.03 feet; thence S 0°45'41" W, departing said South right-of-way line, a distance of 13.69 feet; thence S 89°17'32" E, a distance of 12.00 feet; thence N 0°45'41" E, a distance of 16.55 feet to the said South right-of-way line; thence N 77°16'31" E, along said South right-of-way line, a distance of 136.97 feet; thence S 12°44'06" E, departing said South right-of-way line, a distance of 9.52 feet; thence N 77°15'54" E, a distance of 60.00 feet; thence N 12°44'06" W, a distance of 9.51 feet to said South right-of-way line; thence N 77°16'31" E, along said South right-of-way line, a distance 250.16 feet; thence Northeasterly, along a curve to the left, said curve having a radius of 5,781.86 feet, and a chord bearing of N 74°44'00" E, 657.73 feet, for a distance of 658.09 feet; thence Southwesterly, departing said South right-of-way line, along a curve to the left, said curve having a radius of 2,365.57 feet, and a chord bearing of S 52°54'19" W, 931.40 feet, for a distance of 937.52 feet; thence S 38°17'41" W, a distance of 421.05 feet; thence S 38°25'40" W, a distance of 386.80 feet; thence N 89°18'36" W, a distance of 147.74 feet; thence Southerly, along a curve to the right, said curve having a radius of 469.15 feet, and a chord bearing of N 28°32'42" E, 160.44 feet, for a distance of 161.23 feet; thence S 38°23'24" W, a distance of 1,155.92 feet; thence N 89°06'36" W, a distance of 374.99 feet; thence S 38°23'24" W, a distance of 1,073.64 feet to said South line of the Southwest Quarter of Section 13, also being the Centerline of said 16th Street right-of-way, as now established; thence N 89°06'36" W, along said South Section line, a distance of 46.54 feet to the Point of Beginning of Subject Tract; And also All of the said Final Plat of Armour Road Redevelopment, in the City of North Kansas City, Clay County, Missouri, as set Plat now exists, Containing 3,012,404.35 square feet or 69.16 acres, more or less.

LESS AND EXCEPT:

Lot 1, Armour Road Development, a subdivision in North Kansas City, Clay County, Missouri, according to the recorded plat thereof.



Renaissance Consulting Infrastructure
 1100 N. 1st St., Suite 100
 Kansas City, MO 64108
 Phone: 816.234.1100
 Fax: 816.234.1101
 Email: info@renaissanceconsulting.com
 Website: www.renaissanceconsulting.com

PROPERTY EXHIBIT
 IN THE CITY OF NORTH KANSAS CITY, MO.,
 CLAY COUNTY

DISCLAIMER
 This plan was prepared by Renaissance Consulting Infrastructure, Inc. ("RCI") based on information provided by the client. RCI does not warrant the accuracy or completeness of the information provided. RCI is not responsible for any errors or omissions in this plan. This plan is intended for informational purposes only and should not be used as a basis for any legal or financial decisions. RCI is not a law firm and does not provide legal advice. For more information, please contact your attorney.

EXHIBIT B

Concept Plan

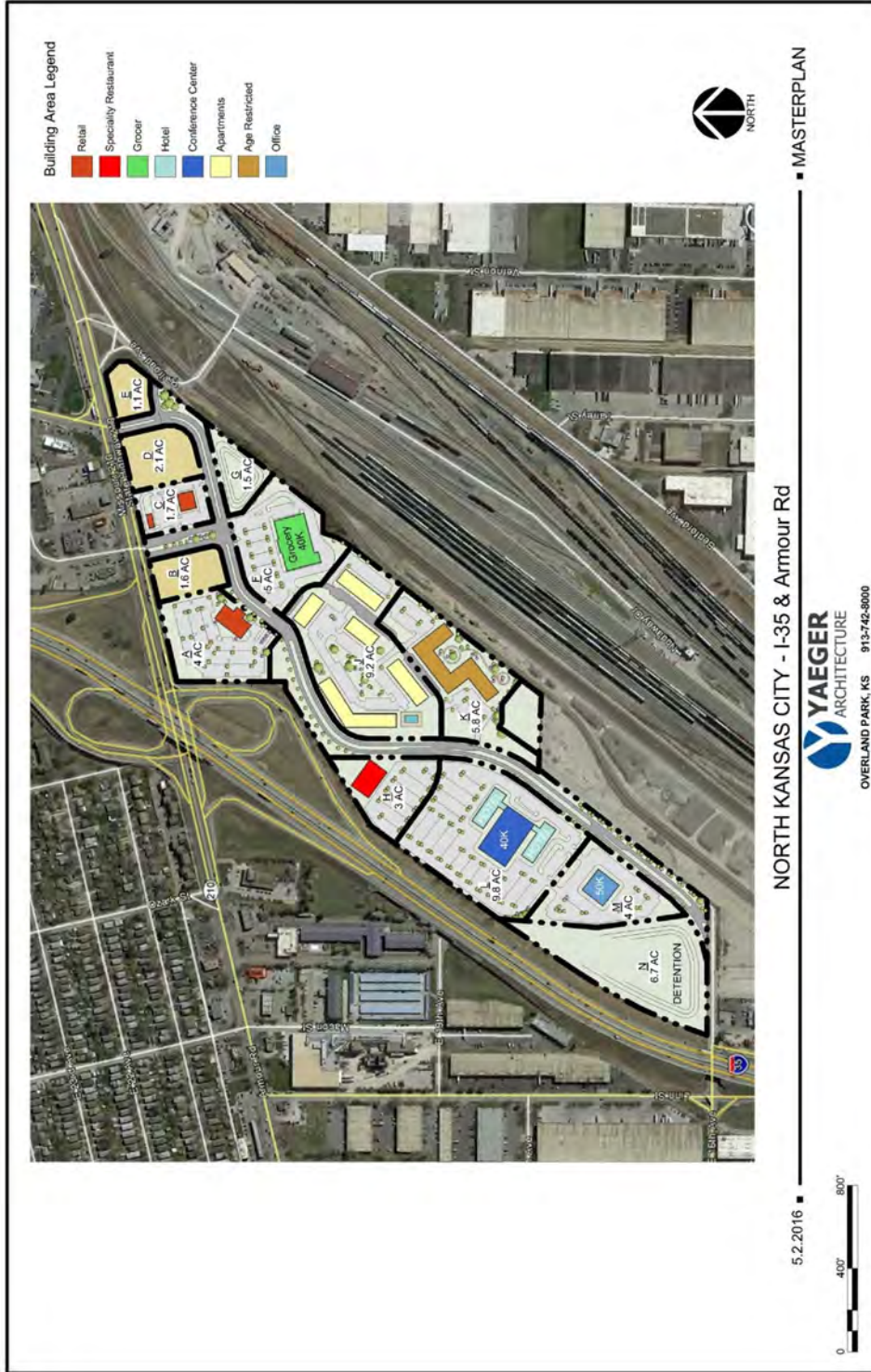


EXHIBIT C

Certificate of Substantial Completion Form

*Pursuant to **Section 3.10** of the Agreement, the City shall, within ten (10) days following delivery of this Certificate, carry out such inspections as it deems necessary to verify to its reasonable satisfaction the accuracy of the certifications contained in this Certificate.*

CERTIFICATE OF SUBSTANTIAL COMPLETION

The undersigned, North Kansas City Destination Developers, LLC, a Missouri limited liability company (the “**Developer**”), pursuant to that certain Master Development Agreement dated as of _____, 2016, between the **City of North Kansas City, Missouri** (the “**City**”) and the Developer (the “**Agreement**”), hereby certifies to the City as follows:

- i. That as of _____, 20____, the construction, renovation, repairing, equipping and constructing of the Project [or Project Component _____] has been substantially completed in accordance with the Agreement.
- ii. The Project [or Project Component _____] has been completed in a workmanlike manner and in accordance with the Construction Plans.
- iii. Lien waivers for applicable portions of the Project [or Project Component _____] have been obtained, or, to the extent that a good faith dispute exists with respect to the payment of any construction cost with respect to the Project [or Project Component _____].
- iv. This Certificate of Substantial Completion is accompanied by (a) an architect’s certificate of substantial completion on AIA Form G-704 (or the substantial equivalent thereof), a copy of which is attached hereto as Appendix A and by this reference incorporated herein), certifying that the Project [or Project Component _____] has been substantially completed in accordance with the Agreement; and (b) a copy of the certificate(s) of occupancy issued by the City building official with respect to each building to be constructed within the Project [or Project Component _____].
- v. This Certificate of Substantial Completion is being issued by the Developer to the City in accordance with the Agreement to evidence the Developer’s satisfaction of all obligations and covenants with respect to the Developer Project.

This Certificate is given without prejudice to any rights against third parties which exist as of the date hereof or which may subsequently come into being.

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

IN WITNESS WHEREOF, the undersigned has hereunto set his/her hand this _____ day of _____, 20____.

DEVELOPER:

NORTH KANSAS CITY DESTINATION DEVELOPERS, LLC,
a Missouri limited liability company

By: _____

Name: _____

Title: _____

ACCEPTED:

CITY OF NORTH KANSAS CITY, MISSOURI

By: _____

Name: _____

Title: _____

EXHIBIT D

Special Warranty Deed Form

Title of Document: Special Warranty Deed

Date of Document: _____, 2016

Grantor(s): City of North Kansas City, Missouri, a municipal corporation
duly organized under the laws of the State of Missouri

Grantee(s): North Kansas City Destination Developers, LLC,
a Missouri limited liability company

Grantee(s) Mailing Address: 7007 Apache Drive
Shawnee, KS 66226

Legal Description: See Exhibit A

Reference Book and Page(s): N/A

WHEN RECORDED RETURN TO:

Korb W. Maxwell
Polsinelli PC
900 West 48th Place, Suite 900
Kansas City, MO 64112

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED is made as of _____, 2016, by the **CITY OF NORTH KANSAS CITY, MISSOURI**, a municipal corporation duly organized under the laws of the State of Missouri, whose address is 2010 Howell Street, North Kansas City, MO 64116 (“**Grantor**”), in favor of **NORTH KANSAS CITY DESTINATION DEVELOPERS, LLC**, a Missouri limited liability company, whose address is 7007 Apache Drive, Shawnee, KS 66226 (“**Grantee**”).

WITNESSETH, that Grantor, in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration to it duly paid, the receipt of which is hereby acknowledged, does by these presents, SELL and CONVEY unto Grantee, its heirs and assigns, all of Grantor’s interest in the following described real estate, situated in the County of Clay and State of Missouri, to-wit:

See attached Exhibit A.

Subject, however, to (1) covenants, conditions, restrictions, easements, and other matters affecting title which appear in the public record, including those shown on any recorded plat or survey, (2) general and special real estate taxes and assessments which are a lien but are not yet due and payable, (3) roads, highways, and other public rights of way, (4) zoning, land use, and other governmental laws, rules, and regulations, and (5) matters which would be revealed by an accurate survey.

TO HAVE AND TO HOLD THE SAME, together with all and singular the tenements, hereditaments and appurtenances thereto belonging or in any wise appertaining, forever. Grantor hereby covenants, promises, and agrees to and with Grantee, that at the delivery of these presents, Grantor’s interest in the property is free, clear, discharged, and unencumbered of all former and other grants, titles, charges, estates, judgments, taxes, assessments, and encumbrances, of what nature or kind so ever, by, through, or under Grantor, except as provided hereinabove, and that it will warrant and forever defend said interest unto Grantee, its successors and assigns, against Grantor, its successors and assigns, and all and every person or persons whomsoever, lawfully claiming or to claim the same by, through or under Grantor, but Grantor does not warrant title against those persons claiming any right, interest or title that arose prior to, or separate from, Grantor’s interest in the property, except as stated herein.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, Grantor has hereunto caused this Special Warranty Deed to be executed the day and year first above written.

CITY OF NORTH KANSAS CITY, MISSOURI,
a municipal corporation duly organized under the laws
of the State of Missouri

_____, Mayor

[SEAL]

ATTEST:

_____, City Clerk

APPROVED AS TO FORM:

_____, City Counselor

STATE OF _____)
) ss.
COUNTY OF _____)

On this day of _____, 2016, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, who being by me duly sworn, did say such person is the _____ of **CITY OF NORTH KANSAS CITY, MISSOURI**, a municipal corporation duly organized under the laws of the State of Missouri, and acknowledged said instrument to be such person’s free act and deed and the free act and deed of said entity.

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

Print Name: _____
Notary Public in and for said County and State

My Commission Expires:

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT E

Certification of Expenditures Form

Request No. _____

Date: _____

Pursuant to the Master Development Agreement (the "Agreement") between the City of North Kansas City, Missouri and the undersigned (the "Developer"), the Developer requests reimbursement and hereby states and certifies as follows:

- i. The date and number of this request are as set forth above.
- ii. All terms in this request shall have and are used with the meanings specified in the Agreement.
- iii. The names of the persons, firms or corporations to whom the payments have been made and reimbursement is hereby requested, the amounts to be reimbursed and the general classification and description of the costs for which each obligation requested to be reimbursed hereby was incurred are as set forth on **Attachment I** hereto.
- iv. These costs have been incurred and are reasonable costs that are reimbursable under the Agreement.
- v. Each item listed above has not been previously reimbursed from the Bonds and no part thereof has been included in any other Certification of Expenditures or other disbursement request previously filed with the City.

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

**NORTH KANSAS CITY DESTINATION
DEVELOPERS, LLC**

By: _____

Title: _____

Approved this ____ day of _____, 20__

CITY OF NORTH KANSAS CITY, MISSOURI

By: _____
City Representative

**ATTACHMENT I
TO CERTIFICATION OF EXPENDITURES**

REQUEST NO. _____

DATED _____

SCHEDULE OF PAYMENTS REQUESTED

Person, firm or corporation to whom payment was made or is due	Amount to be reimbursed	General classification and description of the costs incurred
---	----------------------------	--

EXHIBIT F

Land Use Restrictions

1. Adult Book and Video Stores
2. Community Correctional Facilities
3. Half-way Houses
4. Drug or Alcohol Rehabilitation Facilities
5. Used Car Lots
6. Multi-game, Casino-style Gambling Facilities
7. Commercial Billboards
8. Jewelry Stores
9. Tattoo Shops
10. Pawn Shops
11. Payday Lenders
12. All uses restricted pursuant to documents recorded with the Clay County, Missouri recorder as of the Effective Date.

EXHIBIT G

Memorandum of Agreement

MEMORANDUM OF MASTER DEVELOPMENT AGREEMENT

THIS MEMORANDUM OF MASTER DEVELOPMENT AGREEMENT (“**Memorandum**”) is executed this day of _____, 2016 (the “**Effective Date**”), by **NORTH KANSAS CITY DESTINATION DEVELOPERS, LLC**, a Missouri limited liability company (the “**Developer**”), and **CITY OF NORTH KANSAS CITY, MISSOURI**, a municipal corporation duly organized under the laws of the State of Missouri (the “**City**”).

RECITALS

A. On _____, 2016, the governing body of the City approved Ordinance No. _____ which approved that certain Master Development Agreement dated _____, 2016 between the City and Developer regarding a mixed use project to be developed on the real property legally described and depicted on Exhibit A to be comprised of the following uses: retail, restaurant, grocery, recreational, hotel, office, conference center, multi-family residential, or other commercial, recreational, or residential uses, but excluding single family residential (the “**Project**”).

B. The parties desire to record this Memorandum to give notice of certain provisions contained in the Agreement.

NOW THEREFORE, in consideration of the foregoing recitals, the mutual covenants herein contained and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Master Development Agreement.** The Agreement sets forth, among other things, the conditions and requirements under which the parties will develop the Project, and the obligations of each party regarding the same.

2. **Memorandum.** This Memorandum is executed for the purposes of giving notice of the existence of the Agreement. The Agreement is deemed to be a material part hereof as though set forth in length herein. Whenever a conflict of provisions between this Memorandum and the Agreement shall occur, the provisions of the Agreement shall govern.

3. **Miscellaneous.** Upon the expiration or earlier termination of the Agreement, this Memorandum shall automatically terminate without further act of the parties hereto, and upon request by any party hereto, the other party shall execute any documents reasonably required to evidence such termination and to remove any exceptions to title resulting from the Agreement.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the Effective Date.

DEVELOPER:
NORTH KANSAS CITY DESTINATION DEVELOPERS, LLC,
a Missouri limited liability company

By: _____
Name: Rick Worner
Title: Manager

STATE OF _____)
) ss.
COUNTY OF _____)

On this day of _____, 2016, before me personally appeared Rick Worner, to me known to be the person described in and who executed the foregoing instrument, who being by me duly sworn, did say such person is the Manager of **NORTH KANSAS CITY DESTINATION DEVELOPERS, LLC**, a Missouri limited liability company, and acknowledged said instrument to be such person's free act and deed and the free act and deed of said entity.

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

Print Name: _____
Notary Public in and for said County and State

My Commission Expires:

CITY:

CITY OF NORTH KANSAS CITY, MISSOURI,

a municipal corporation duly organized under the laws
of the State of Missouri

_____, Mayor

[SEAL]

ATTEST:

_____, City Clerk

APPROVED AS TO FORM:

_____, City Counselor

STATE OF _____)
) ss.
COUNTY OF _____)

On this day of _____, 2016, before me personally appeared _____, to
me known to be the person described in and who executed the foregoing instrument, who being by me duly
sworn, did say such person is the _____ of **CITY OF NORTH KANSAS CITY, MISSOURI**, a
municipal corporation duly organized under the laws of the State of Missouri, and acknowledged said
instrument to be such person's free act and deed and the free act and deed of said entity.

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

Print Name: _____
Notary Public in and for said County and State

My Commission Expires:

EXHIBIT A

Legal Description and Depiction

All that part of a Tract of land, in Section 13, Township 50N, Range 33W, in North Kansas City, Clay County, Missouri, described as follows:

Commencing at the Southwest corner of said Section 13; thence S 89°06'36" E, along the South line of said Section 13, a distance of 881.59 feet to the Point of Beginning; thence N 0°49'49" E, departing said South line of Section 13, a distance of 28.53 feet to the North right-of-way line of 16th Street, 60 feet wide; thence N 89°06'36" W, along said North right-of-way line, a distance of 564.65 feet; thence N 23°48'08" E, departing said North right-of-way, a distance of 266.28 feet; thence N 35°35'02" E, a distance of 723.10 feet; thence N 06°05'03" E, a distance of 140.72 feet; thence N 35°32'49" E, a distance of 759.66 feet; thence N 58°44'48" E, a distance of 841.85 feet; thence N 0°52'31" E, a distance of 51.10 feet to the Southwest corner of the Final Plat of Armour Road Redevelopment, as recorded in Book H, Page 143.3 with the City of North Kansas City, Clay County, Missouri; thence S 89°08'55" E, along the South property line of said Plat, a distance of 162.35 feet; thence S 50°56'25" E, continuing along said South line, a distance of 75.98 feet; thence S 39°03'35" W, continuing along said South line, a distance of 105.50 feet; thence S 50°56'25" E, continuing along said South line, a distance of 64.00 feet; thence N 39°03'35" E, continuing along said South line, a distance of 300.57 feet; thence Northeasterly, continuing along said South line, along a curve to the right, having a radius of 200.00 feet, and a chord bearing of N 58°11'11" E, 131.04 feet, for a distance of 133.51; thence N 77°18'27" E, continuing along said South line, a distance of 327.80 feet to the most Southeasterly corner of said Plat; thence N 12°41'33" W, along the Easterly line of said Plat, a distance of 75.00 feet; thence S 77°18'27" W, continuing along said Easterly line of Plat, a distance of 156.68 feet; thence N 0°53'52" E, continuing along the said Easterly line of Plat, a distance of 252.72 feet to the North line of the Southeast Quarter of said Section 13; thence N 0°45'41" E, continuing along the said Easterly line of Plat, departing said North line, a distance of 105.18 feet to the South right-of-way line of Armour Road / Missouri Highway 210, as now established; thence N 77°16'31" E, departing said Easterly line of Plat, along said South right-of-way line of Armour Road/ Missouri Highway 210, a distance of 400.03 feet; thence S 0°45'41" W, departing said South right-of-way line, a distance of 13.69 feet; thence S 89°17'32" E, a distance of 12.00 feet; thence N 0°45'41" E, a distance of 16.55 feet to the said South right-of-way line; thence N 77°16'31" E, along said South right-of-way line, a distance of 136.97 feet; thence S 12°44'06" E, departing said South right-of-way line, a distance of 9.52 feet; thence N 77°15'54" E, a distance of 60.00 feet; thence N 12°44'06" W, a distance of 9.51 feet to said South right-of-way line; thence N 77°16'31" E, along said South right-of-way line, a distance 250.16 feet; thence Northeasterly, along a curve to the left, said curve having a radius of 5,781.86 feet, and a chord bearing of N 74°44'00" E, 657.73 feet, for a distance of 658.09 feet; thence Southwesterly, departing said South right-of-way line, along a curve to the left, said curve having a radius of 2,365.57 feet, and a chord bearing of S 52°54'19" W, 931.40 feet, for a distance of 937.52 feet; thence S 38°17'41" W, a distance of 421.05 feet; thence S 38°25'40" W, a distance of 386.80 feet; thence N 89°18'36" W, a distance of 147.74 feet; thence Southerly, along a curve to the right, said curve having a radius of 469.15 feet, and a chord bearing of N 28°32'42" E, 160.44 feet, for a distance of 161.23 feet; thence S 38°23'24" W, a distance of 1,155.92 feet; thence N 89°06'36" W, a distance of 374.99 feet; thence S 38°23'24" W, a distance of 1,073.64 feet to said South line of the Southwest Quarter of Section 13, also being the Centerline of said 16th Street right-of-way, as now established; thence N 89°06'36" W, along said South Section line, a distance of 46.54 feet to the Point of Beginning of Subject Tract; And also All of the said Final Plat of Armour Road Redevelopment, in the City of North Kansas City, Clay County, Missouri, as set Plat now exists, Containing 3,012,404.35 square feet or 69.16 acres, more or less

LESS AND EXCEPT:

Lot 1, Armour Road Development, a subdivision in North Kansas City, Clay County, Missouri, according to the recorded plat thereof.

EXHIBIT H

Pre-Approved Hotel Flags

HILTON

LUXURY

WALDORF ASTORIA
CONRAD

LIFESTYLE

CANOPY

FULL SERVICE

HILTON
CURIO
DOUBLETREE
EMBASSY SUITES

FOCUSED SERVICE

HILTON GARDEN INN
HAMPTON
TRU
HOMWOOD SUITES
HOME2

MARRIOTT

BVLGARI
EDITION
JW MARRIOTT
AUTOGRAPH COLLECTION
RENAISSANCE
MARRIOTT
DELTA
MARRIOTT EXEC APTS
VACATION CLUB
GAYLORD
AC HOTELS
COURTYARD
RESIDENCE INN
SPRINGHILL SUITES
FAIRFIELD INN
TOWNEPLACE SUITES
PROTEA HOTEL
MOXY

STARWOOD

FOUR POINTS
SHERATON
ALOFT
W
LE MERIDIEN
LUXURY COLLECTION
ELEMENT
WESTIN
ST. REGIS
TRIBUTE PORTFOLIO
DESIGN HOTELS