



BOARD OF ALDERMEN
Public Hearing
CITY OF PARKVILLE, MISSOURI
Tuesday, February 18, 2014, 5:30 pm
City Hall Boardroom

- 1. CALL TO ORDER and ROLL CALL**
- 2. PUBLIC HEARING**
 - A. Parkville Market Place Tax Increment Financing Five-Year Review
- 3. ADJOURN**

CITY OF PARKVILLE Policy Report

Date: February 12, 2014

Prepared By:
Sean Ackerson
Community Development Director /
Assistant City Administrator

Reviewed By:
Lauren Palmer
City Administrator

ISSUE:
Public hearing for five-year review of the Parkville Market Place TIF redevelopment project

BACKGROUND:

The Parkville Market Place Tax Increment Financing Plan (Market Place TIF) was approved by the Board on February 19, 2008, by Ordinance No. 2396. This ordinance approved the Market Place TIF Plan, designated a redevelopment area, designated TUF Flight Industries, Inc. as the “Redeveloper” and made the necessary statutory findings. On March 25, 2008, the Board approved Ordinance 2406, authorizing and directing “the execution of a redevelopment agreement with TUF Flight Industries, Inc., the developer of the Parkville Market Place Tax Increment Financing Plan.” The Redevelopment Agreement was executed April 1, 2008. The agreement established deadlines for rezoning, starting construction, completing construction and other key benchmarks. Per 99.865.3 RSMo, the “governing body shall hold a public hearing regarding those redevelopment plans and projects created pursuant to [the TIF Act]. The purpose of the hearing shall be to determine if the redevelopment project is making satisfactory progress under the proposed time schedule contained with the approved plans for completion of such projects.”

The Parkville Market Place TIF plan provided for the redevelopment of approximately 6 acres located at the southwest corner of the Bell Road and 45 Highway intersection. The plan was to include approximately 45,360 square feet of retail commercial and convenience uses in an L-shaped strip center and two drive-through pad sites. Per the redevelopment agreement, the project was to be constructed over a two-year period following approval of the redevelopment plan. Major deadlines set by the redevelopment agreement include rezoning within twelve months, site work and construction of the retail center to begin by August 2008 and the project to be completed by Spring 2010. Although several items in the agreement were completed as detailed in the White Goss Bower’s February 12, 2014 letter (attached), most of the major redevelopment deadlines have been missed, and the Redeveloper is in default of several provisions of the Redevelopment Agreement. To that extent, the purpose of the five-year review is to determine if the project is making satisfactory progress in relation to the approved schedule. Following approval of the Market Place TIF plan and the redevelopment agreement, the country experienced a major economic downturn that halted or significantly delayed progress on the Market Place TIF redevelopment and many other projects in Parkville. Although the major deadlines have been missed, the project delay has not been unexpected or out of line with delays for other projects in the area. In spite of the downturn, the redeveloper has taken action to advance the project, including dedication of right-of-way, co-funding signals at the Bell Road / 45 Highway intersection, and initiating grading and debris removal on the site. To that extent, staff concludes that the progress made within the first five years was anticipated in light of the economic downturn and satisfactory under the circumstances.

With regard to the statutory requirement for a five-year review of progress, no action is required. However, in their February 12, 2014 letter, White Goss Bowers requests the Board amend the TIF Plan and Redevelopment Agreement to extend construction deadlines through February 2018. Similarly, the City's legal counsel recommends taking action to remedy the Redeveloper being in default of several provisions of the Redevelopment Agreement. Following staff has summarized three alternatives: (1) amend the TIF Plan and Redevelopment Agreement, (2) terminate the TIF Plan and Redevelopment Agreement, or (3) leave the TIF Plan and Redevelopment Agreement as is until the Redeveloper or another developer comes forward with a revised plan. Following is a summary of these options.

1. Amend TIF Plan and Redevelopment Agreement

Staff met with the Redeveloper and his counsel to discuss alternatives for moving forward with the current TIF and redevelopment plans. Due to market changes, site changes resulting from changes in MoDOT's design for 45 Highway and other factors, the Redeveloper does not believe the site will be developed as originally envisioned. The City requested the Redeveloper submit revised plans for redevelopment, but in the current market and without specific tenants in mind, the Redeveloper was not prepared to submit revised plans. Rather, the Redeveloper has requested that the City amend the TIF Plan and Development Agreement to extend all deadlines to February 2018 to correspond with the Statutory requirement to approve a redevelopment project within ten years from the adoption of the ordinance approving the redevelopment plan. For the Market Place TIF, the ten-year deadline is February 18, 2018. Prior to default and on other occasions prior to this five-year review the developer has made this same request. Under advice of prior TIF counsel and direction from prior staff and elected officials, no action was taken at those times.

With the knowledge of market and site changes, the inability to complete the redevelopment plan as approved and the fact that the market study and other information contained in the TIF Plan is out of date, staff and the City's legal counsel do not recommend amending the TIF Plan and Redevelopment Agreement as requested. Rather, staff recommends the Redevelopment Agreement either be terminated or no action be taken until the Redeveloper is ready to move forward with amending the TIF Plan and Development Agreement based on new or revised studies, redevelopment plans and redevelopment schedules.

If amended, the process would be similar to the original TIF Plan and Redevelopment Agreement approvals. There will be a hearing and recommendation by the TIF Commission and approval by the Board. Amendment of the TIF Plan and Redevelopment Agreement can be done either by a standard amendment that would change only the provisions and exhibits that need to be changed or by amending and restating in their entirety both the TIF Plan and Redevelopment Agreement. Either way, the changes are expected to be extensive and many of the exhibits (including the blight study and projections) will need to be supplemented or completely revised.

2. Terminate the TIF Plan and Redevelopment Agreement

Since approval of the TIF Plan and Redevelopment agreement several factors affecting redevelopment have changed, including changes in the market, the City's adoption of a new TIF policy, the adoption of a City Master Plan detailing expectations for development and the approval of an extension to the County transportation sales tax impacting distribution of sales taxes collected in TIF districts. Although each of these factors would influence consideration of a new or revised TIF Plan, they do not appear to warrant termination of the current TIF Plan. Further, reevaluating the existing redevelopment plan at this time is not

recommended in light of the site and market changes necessitating redevelopment plan changes.

The original intent of approving the TIF Plan included redeveloping the project site to remove the existing blight, improve the site appearance and increase economic activity. Staff concludes that these are still valid objectives and at this time does not recommend terminating the TIF Plan. Rather than terminating the TIF Plan, staff recommends the Redevelopment Agreement either be terminated or no action be taken until the Redeveloper is ready to move forward with new or amended development plans. Meanwhile, staff recommends continuing to work with the Redeveloper to pursue revised development plans that meet the original objectives and then considering them on their merits when ready to proceed. At that time, the new or revised plans can be considered and evaluated against current factors.

If the Board determines that terminating the TIF Plan and Redevelopment Agreement is the desired course of action at this time, a hearing would be held before the TIF Commission, followed by consideration by the Board of Aldermen. Any termination would require approval of an ordinance terminating the TIF Plan and Redevelopment Agreement.

3. Take no action and wait for new proposal

As an alternative to amending or terminating the TIF Plan or Redevelopment agreement, the Board could decide to take no action until the Redeveloper comes forward with a revised redevelopment plan. In light of the current market, the Redeveloper's inability to submit new or revised redevelopment plans at this time, and the City's desire to see the redevelopment project proceed to meet the redevelopment objectives, staff recommends no action be taken at this time and the City wait for a new proposal. Specifically, at the time the Redeveloper is prepared to proceed with new or revised redevelopment plans and related studies, schedules and other materials, staff recommends the TIF Commission and the Board consider the plans based on their merits and then determine an appropriate course of action and approve or deny the TIF Plan and Redevelopment Agreement accordingly.

Although the Redevelopment Agreement is in default, there appears to be no consequence to the City or the Redeveloper by not terminating or modifying the agreement at this time. Market, site and other changes warrant the future submittal of a new or revised plan ensuring the TIF Plan and Redevelopment Agreement will be replaced or modified at that time and all defaults will be resolved. Meanwhile, as the property owner and designated Redeveloper, TUF Flight Industries can continue to market the property and work with the City toward the development of a new or revised plan.

BUDGET IMPACT:

No budget impact is expected. All City expenses related to the TIF are to be covered by the application funds which are held in escrow. At such time as the TIF Plan proceeds and improvements are constructed, the City may benefit through the receipt of additional property, real estate and sales taxes generated. Additionally, in accordance with the approved Platte County Transportation sales tax, the County intends to withhold a portion of the funds to be distributed to the City based on the TIF activity. As of the date of this memo, the County has not shared any formula for these withholdings so no specific budget impact can be calculated.

ALTERNATIVES:

Alternatives for the five-year review:

1. Conclude that adequate progress has been made, as recommended by staff, and take no action or pass a motion stating such.

2. Conclude that adequate progress has not been made and take no action or pass a motion stating such.
3. Postpone the discussion.

Alternatives for action on the request to amend the TIF Plan and Redevelopment Agreement:

1. Take no action on the Redeveloper's request to extend the TIF Plan and Redevelopment Agreement deadlines and wait for a new or revised TIF Plan and Redevelopment Agreement as recommended by staff.
2. Direct staff to facilitate amendment of the TIF Plan and Redevelopment Agreement as requested by the Redeveloper, or otherwise desired by the Board.
3. Direct staff to facilitate termination of the TIF Plan and Redevelopment Agreement.
4. Postpone the discussion.

STAFF RECOMMENDATION:

Staff recommends the Board take no action and instead wait for the submittal of a new or revised TIF Plan and Redevelopment Agreement prior to the February 18, 2018, deadline to approve a redevelopment project. A new or revised TIF Plan and Redevelopment Agreement can be evaluated based on its merits at that time.

POLICY:

Per 99.865.3 RSMo, the "governing body shall hold a public hearing regarding those redevelopment plans and projects created pursuant to [the TIF Act]. The purpose of the hearing shall be to determine if the redevelopment project is making satisfactory progress under the proposed time schedule contained with the approved plans for completion of such projects." The Statute does not require any specific findings, conclusions or actions. Any action by the Board is discretionary.

MOTION:

No action is necessary for the five-year review unless desired for the record. If so:

I move that the Board conclude that the Parkville Market Place TIF redevelopment plan, although failing to meet redevelopment project deadlines, has made adequate progress in the last five years in light of market conditions.

ATTACHMENT:

1. Ordinance 2396, approving the Market Place TIF Plan, designating a redevelopment area and designating the Redeveloper
2. Ordinance 2406, including Redevelopment Agreement and attachments
3. February 12, 2014 letter from White Goss Bowers on behalf of the Market Place TIF Redeveloper, TUF Flight Industries, Inc.

AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF PARKVILLE, MISSOURI, AS A REDEVELOPMENT AREA; APPROVING THE PARKVILLE MARKET PLACE TAX INCREMENT FINANCING REDEVELOPMENT PLAN; MAKING FINDINGS RELATING THERETO; DESIGNATING TUF FLIGHT INDUSTRIES, INC. AS THE DEVELOPER OF THE REDEVELOPMENT AREA, AND AUTHORIZING CERTAIN ACTIONS BY CITY OFFICIALS.

WHEREAS, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the "Act"), authorizes municipalities to undertake redevelopment projects in blighted, conservation or economic development areas, as defined in the Act; and

WHEREAS, the Board of Aldermen (the "Board of Aldermen") of the City of Parkville, Missouri (the "City"), has heretofore by Ordinance created the Tax Increment Financing Commission of Parkville, Missouri (the "Commission"); and

WHEREAS, the Act authorizes the Commission to hold hearings with respect to proposed redevelopment areas, plans and projects and to make recommendations thereon to the Board of Aldermen; and

WHEREAS, the TIF Commission has reviewed a plan for redevelopment known as the Parkville Market Place Tax Increment Financing Redevelopment Plan (the "Redevelopment Plan"), for an area located within the City as described in the Redevelopment Plan (the "Redevelopment Area"); and

WHEREAS, the Redevelopment Plan provides for the redevelopment of the Redevelopment Area in a single-phase redevelopment project consisting of (1) constructing a new, approximately 45,360 square foot retail center and (2) constructing the necessary infrastructure and public improvements appurtenant thereto (collectively, the "Redevelopment Projects"); and

WHEREAS, TUF Flight Industries, Inc. (the "Developer"), in response to the City's solicitation of proposals from developers, submitted a proposal to implement the Redevelopment Projects included in the Redevelopment Plan; and

WHEREAS, after all proper notice was given, the Commission held a public hearing in conformance with the Act on January 9, 2008, and received comments from all interested persons and taxing districts relative to the Redevelopment Plan, the designation of the Redevelopment Area and the Redevelopment Projects described in the Redevelopment Plan ; and

02/19/08

WHEREAS, after due deliberation, the Commission adopted resolutions (attached as **Exhibit A** hereto) recommending, among other matters, that the Board of Aldermen approve the Redevelopment Plan and designate the Redevelopment Area as a "redevelopment area" pursuant to the Act; and

WHEREAS, it is necessary and desirable and in the best interest of the City to designate the Developer as the developer of the Redevelopment Projects in accordance with the Redevelopment Plan.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF PARKVILLE, MISSOURI, AS FOLLOWS:

Section 1. The Board of Aldermen hereby makes the following findings:

A. The Redevelopment Area on the whole is a "blighted area", as defined in Section 99.805(1) of the Act, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing and the Redevelopment Plan. This finding includes, and the Redevelopment Plan sets forth and the Board of Aldermen hereby finds and adopts by reference: (i) a detailed description of the factors that qualify the Redevelopment Area as a "blighted area" and qualify the Redevelopment Projects as a "redevelopment project" and (ii) an affidavit, signed by the Developer and submitted with the Redevelopment Plan, attesting that the provisions of subdivision (1) of Section 99.810 have been met.

B. The Redevelopment Plan conforms to the comprehensive plan for the development of the City as a whole.

C. The estimated dates of completion of the Redevelopment Projects and retirement of obligations incurred to finance redevelopment project costs have been stated in the Redevelopment Plan and these dates are 23 years or less from the date of approval of the Redevelopment Projects, no ordinance approving a redevelopment project will be adopted later than 10 years from the adoption of this ordinance and no property for a redevelopment project shall be acquired by eminent domain later than 5 years from the adoption of the ordinance approving such redevelopment project.

D. A plan has been developed for relocation assistance for businesses and residences and is set forth in the Redevelopment Plan.

E. A cost-benefit analysis (the "Cost Benefit") showing the economic impact of the Redevelopment Plan on each taxing district which is at least partially within the boundaries of the Redevelopment Area has been prepared, is included in the Redevelopment Plan as Exhibit 7, and is incorporated herein as if fully set forth herein, which cost-benefit analysis shows the impact on the economy if the project is not built and is built pursuant to the Redevelopment Plan. The Cost Benefit includes a fiscal impact

study on every affected political subdivision and sufficient information from the developer for the Commission to evaluate whether the project as proposed is financially feasible.

F. The Redevelopment Plan does not include the initial development or redevelopment of any gambling establishment.

Section 2. The Redevelopment Area is hereby designated as a "redevelopment area" as defined in Section 99.805(12) of the Act.

Section 3. The Redevelopment Plan is hereby adopted and approved. A copy of the Redevelopment Plan is attached hereto as **Exhibit B** and incorporated herein by reference.

Section 4. TUF Flight Industries, Inc. is hereby designated by the Board of Aldermen as the "Developer" to implement the Redevelopment Plan and construct the Redevelopment Projects.

Section 5. The City Attorney, Kutak Rock LLP, the City's Bond counsel, Oppenheimer & Co. and other appropriate City officials are hereby authorized to take any and all actions as may be deemed necessary or convenient to carry out and comply with the intent of this Ordinance and to execute and deliver for and on behalf of the City all certificates, instruments, agreements or other documents as may be necessary, desirable, convenient or proper to perform all matters herein authorized.

Section 6. The sections of this Ordinance shall be severable. If any section of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining sections shall remain valid, unless the court finds that: (i) the valid sections are so essential to and inseparably connected with and dependent upon the void section that it cannot be presumed that the Board of Aldermen has or would have enacted the valid sections without the void ones; and (ii) the valid sections, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

Section 7. This Ordinance shall be in full force and effect from and after the date of its passage by the Board of Aldermen and approval by the Mayor.

THIS ORDINANCE is hereby passed by the Board of Aldermen of the City of Parkville, Missouri, this 19th day of February, 2008.

THE CITY OF PARKVILLE, MISSOURI



(SEAL)

ATTEST:

By: *Kathryn A. Dusenbery*
Kathryn A. Dusenbery
Mayor

By: *Claudia Willhite*
Claudia Willhite
City Clerk

EXHIBIT A

[Resolutions of TIF Commission]

RESOLUTION NO. 1

RECOMMENDING to the Board of Aldermen of the City of Parkville, Missouri that the Redevelopment Area described in the Parkville Market Place Tax Increment Financing Redevelopment Plan be designated as a blighted area.

WHEREAS, the Tax Increment Financing Commission of Parkville, Missouri (the "Commission"), has reviewed the proposed Parkville Market Place Tax Increment Financing Redevelopment Plan (the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Plan proposes that the Redevelopment Area described therein be designated as a blighted area as defined in the Real Property Tax Increment Allocation Act (Section 99.800 *et seq.*, RSMo); and

WHEREAS, the Commission has reviewed the Blight Study for the Redevelopment Plan included as Exhibit 9 in the Redevelopment Plan; and

WHEREAS, the Commission was provided with testimony and evidence at a public hearing on January 9, 2008, regarding the qualification of the Redevelopment Area as a blighted area; and

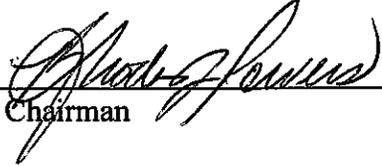
WHEREAS, based on its review of the testimony and evidence presented to it, the Commission desires to make a recommendation to the Board of Aldermen regarding designation of the Redevelopment Area as a blighted area.

BE IT RESOLVED BY THE TAX INCREMENT FINANCING COMMISSION OF PARKVILLE, MISSOURI as follows:

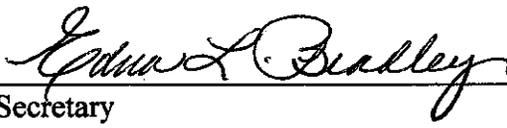
Section 1 - That the Tax Increment Financing Commission of Parkville, Missouri hereby recommends to the Board of Aldermen of the City of Parkville that the Redevelopment Area described in the Parkville Market Place Tax Increment Financing Redevelopment Plan be designated as a blighted area as defined in the Real Property Tax Increment Allocation Act (Section 99.800 *et seq.*, RSMo).

THIS RESOLUTION NO. 1 is hereby adopted this 16 day of January, 2008.

TAX INCREMENT FINANCING
COMMISSION OF PARKVILLE, MISSOURI

By: 
Chairman

ATTEST:

By: 
Secretary

RESOLUTION NO. 2

RECOMMENDING to the Board of Aldermen of the City of Parkville, Missouri that specific findings be made regarding the Parkville Market Place Tax Increment Financing Redevelopment Plan.

WHEREAS, the Tax Increment Financing Commission for the City of Parkville, Missouri (the "Commission"), has reviewed the proposed Parkville Market Place Tax Increment Financing Redevelopment Plan (the "Redevelopment Plan"); and

WHEREAS, a public hearing was held before the Commission on January 9, 2008 and all interested parties were provided with an opportunity to present evidence and testimony regarding the proposed Redevelopment Plan; and

WHEREAS, the Commission heard testimony and received evidence regarding the proposed Redevelopment Plan at the public hearing on January 9, 2008; and

WHEREAS, Section 99.810 RSMo. (2000, as amended) requires specific findings to be made prior to the adoption of a redevelopment plan; and

WHEREAS, based on its review of the Redevelopment Plan and the testimony and evidence presented at the public hearing on January 9, 2008, the Commission desires to make a recommendation to the Board of Aldermen regarding the specific findings required by Section 99.810 RSMo. (2000, as amended).

BE IT RESOLVED BY THE TAX INCREMENT FINANCING COMMISSION OF PARKVILLE, MISSOURI as follows:

Section 1 - That the Tax Increment Financing Commission of Parkville, Missouri hereby recommends to the Board of Aldermen of the City of Parkville that the following findings be made regarding the Parkville Market Place Tax Increment Financing Redevelopment Plan:

- (a) The Redevelopment Area on the whole is a blighted area and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing.
- (b) The Redevelopment Plan conforms to the City of Parkville Comprehensive Plan.
- (c) The completion of the specific project included in the Redevelopment Plan and retirement of obligations incurred to finance redevelopment project costs associated with the project will occur no later than twenty-three (23) years from the adoption of an ordinance approving the project. The completion of the project included in the Redevelopment Plan and retirement of obligations

incurred to finance redevelopment project costs will occur no later than twenty-three (23) years from the adoption of the ordinance approving the Redevelopment Plan. No ordinance approving a redevelopment project will be adopted later than ten (10) years from the adoption of the ordinance approving the Redevelopment Plan. No property for a project will be acquired by eminent domain later than five (5) years from the adoption of the ordinance approving the project.

- (d) A plan has been developed for relocation assistance for businesses and residences located in the Redevelopment Area.
- (e) A cost-benefit analysis has been prepared showing the economic impact of the Redevelopment Plan on each taxing district which is at least partially within the boundaries of the Redevelopment Area. The analysis shows the impact on the economy if the project is not built, and is built pursuant to the Redevelopment Plan. The cost-benefit analysis includes a fiscal impact study on every affected political subdivision, and sufficient information for the Commission to evaluate whether the Redevelopment Plan as proposed is financially feasible.
- (f) The Redevelopment Plan does not include the initial development or redevelopment of any gambling establishment.

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EXHIBIT B

[Redevelopment Plan]

AN ORDINANCE TO AUTHORIZE AND DIRECT THE EXECUTION OF A REDEVELOPMENT AGREEMENT WITH TUF FLIGHT INDUSTRIES, INC., THE DEVELOPER OF THE PARKVILLE MARKET PLACE TAX INCREMENT FINANCING PLAN.

WHEREAS, pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800, *et seq.*, Revised Statutes of Missouri, as amended (the "Act"), the Board of Alderman of Parkville, Missouri (the "Board of Alderman"), by Ordinance No. 1314, adopted on July 21, 1992, created the Tax Increment Financing Commission of Parkville, Missouri (the "TIF Commission"); and

WHEREAS, on February 19, 2008, the Board of Alderman of the City of Parkville, Missouri (the "City"), adopted Ordinance No. 2396 pursuant to which it (1) approved the Parkville Market Place Tax Increment Financing Plan as recommended for approval by the City's TIF Commission pursuant to Commission Resolution No. 3 on January 16, 2008 (the "TIF Plan"), (2) established the Redevelopment Area (the "Redevelopment Area") as described in the TIF Plan, and (3) selected TUF Flight Industries, Inc. (the "Developer") as the developer to implement the TIF Plan; and

WHEREAS, the Board of Alderman has determined that it is desirable and in the best interest of the City to enter into a Redevelopment Agreement with the Developer in substantially the form attached to this Ordinance as Exhibit A (the "Redevelopment Agreement");

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF PARKVILLE, MISSOURI, AS FOLLOWS:

Section 1. That the Board of Aldermen authorizes and directs the Mayor, the City Administrator and the City Clerk to execute and deliver the Redevelopment Agreement in substantially the form attached to this Ordinance as Exhibit A with such changes, additions and deletions as such officials deem necessary or desirable upon the review and recommendation of Kutak Rock LLP and Oppenheimer & Co., for and on behalf of the City, such execution being conclusive evidence of such approval thereof.

THIS ORDINANCE is hereby passed by the Board of Aldermen of the City of Parkville, Missouri, this 25th day of March, 2008.

THE CITY OF PARKVILLE, MISSOURI



(SEAL)

ATTEST:

By: Kathryn Dusenbery
Kathryn A. Dusenbery
Mayor

By: Claudia Willhite
Claudia Willhite
City Clerk

EXHIBIT A

[Redevelopment Agreement]

**PARKVILLE MARKET PLACE
REDEVELOPMENT AGREEMENT**

**BETWEEN
TUF FLIGHT INDUSTRIES, INC.
AND
CITY OF PARKVILLE, MISSOURI**

March 26, 2008

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- | | |
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REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (this "Agreement") is entered into as of the 26th day of March, 2008 (the "Effective Date"), between the City of Parkville, Missouri, a Missouri municipal corporation and political subdivision of the State of Missouri (the "City"), and TUF Flight Industries, Inc., a Missouri corporation (the "Developer"), (the City and the Developer being sometimes collectively referred to as the "Parties" and individually as a "Party" as the context so requires).

RECITALS

A. The City has the authority to adopt tax increment allocation financing pursuant to the Act.

B. In accordance with the Act, the TIF Commission held and conducted a public hearing with respect to the Plan, the Redevelopment Area and the Redevelopment Project at a meeting of the TIF Commission, following which the TIF Commission adopted on January 16, 2008, Resolution Nos. 1-4 recommending the approval of the Plan and the Redevelopment Project, and the designation of the Redevelopment Area, generally described as 6 acres at the southwest corner of the intersection of Missouri Highway 45 and Bell Road, all within the corporate limits of the City.

C. In accordance with the Act, the Board of Aldermen on February 19, 2008, adopted Ordinance No. 2396, pursuant to which the Board of Alderman (1) established the Redevelopment Area, (2) designated the Redevelopment Area as a blighted area, (3) approved the Plan, and (4) selected the Developer to implement the Plan.

D. The Board of Alderman on March 25, 2008, adopted Ordinance No. 2406, pursuant to which the Board of Alderman authorized this Redevelopment Agreement.

E. The Redevelopment Project consists of the construction of the Public Improvements and the Developer Improvements.

F. The Developer, using the proceeds of the Obligations or other financing to be obtained by the Developer, will construct, or cause to be constructed the Developer Improvements which consists of Parkville Market Place, a shopping center comprised of approximately 45,360 square feet of retail/commercial space, and the Public Improvements.

G. The City desires to have the Redevelopment Area developed for such uses in order to serve the needs of the City and in order to produce increased tax revenues for the various Taxing Districts authorized to levy taxes within the Redevelopment Area; and the City, in order to stimulate and induce the development of the Redevelopment Area, has agreed to pledge TIF Revenues to finance the Reimbursable Project Costs, all in accordance with the terms and provisions of the Ordinance, the Act, the TIF Plan and this Agreement.

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

I. RECITALS, EXHIBITS AND DEFINITIONS

1.01 Recitals and Exhibits. The representations, covenants and recitations set forth in the foregoing recitals and the exhibits attached to this Agreement are material to this Agreement and are incorporated into and made a part of this agreement as though they were fully set forth in this Section.

1.02 Definitions. The following terms as used in this Agreement shall mean:

A. Act: The Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri.

B. Board of Alderman: The governing body of Parkville, Missouri.

C. Bond Counsel: Kutak Rock LLP.

D. Certificate of Completion: The certificate(s) to be issued by the City pursuant to **Section 5.03** of this Agreement upon the completion of the Developer Improvements and the Public Improvements.

E. City: Parkville, Missouri.

F. City Planning Commission The City Planning Commission of Parkville, Missouri.

G. City Representative The City Administrator or such other person designated by resolution of the Board of Alderman to act as the representative of the City in regard to the Plan.

H. City Treasurer: The City Treasurer of Parkville, Missouri.

I. Collection Authority: The TIF Commission, the City, the County Collector, or any other governmental official or body charged with the collection of Payments in Lieu of Taxes or Economic Activity Taxes, as applicable.

J. Construction Plans: The plans and specifications for the Developer Improvements or the Public Improvements, as applicable, submitted by the Developer and as approved by the City.

K. County: Platte County, Missouri.

L. County Assessor: The County Assessor of Platte County, Missouri.

M. County Collector: The County Collector of Platte County, Missouri.

N. Debt Service: The amount required for the payment of Interest and principal on Obligations and Private Loans as they come due, for the payment of mandatory or optional redemptions payments, and for payments to reserve funds required by the terms of Obligations or Private Loans.

O. Developer: TUF Flight Industries, Inc., a Missouri corporation, its successors or assigns, subject to the provisions of **Section 11.06** of this Agreement.

P. Developer Improvements: Includes Parkville Market Place, a shopping center comprised of approximately 45,360 square feet of retail/commercial space, and all related parking, utilities, infrastructure and appurtenances, as described and depicted in **Exhibit 2**, as said **Exhibit 2** may be modified and approved by the City during the zoning, Site Plan and platting approval processes, subject to the terms of this Agreement.

Q. Development Schedule: The estimated schedule for completing the Developer Improvements contained in **Exhibit 2** and the Public Improvements contained in **Exhibit 3**.

R. Economic Activity Account: The separate segregated account within the Special Allocation Fund into which Economic Activity Taxes are to be deposited.

S. Economic Activity Taxes: Fifty percent (50%) of the total additional revenue from taxes ("Qualified Taxes") which are imposed by the City or other Taxing Districts, and which are generated by economic activities within the Redevelopment Project Area, over the amount of such taxes generated by economic activities within the Redevelopment Project Area in the calendar year prior to the adoption of the Redevelopment Project by Ordinance, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guest of hotels and motels, taxes levied pursuant to Section 70.500, RSMo, and the licenses, fees or special assessments; provided, however, if any retail establishment relocates from within Platte County to the Redevelopment Area and the Board of Alderman adopts an Ordinance finding that the relocation is a direct beneficiary of tax increment financing pursuant to the Plan, then for purposes of this definition the economic activity taxes generated by such retail establishment shall equal 50% of the total additional revenues from Qualified Taxes over the amount of revenues from Qualified Taxes generated by such retail establishment in the calendar year prior to its relocation to the Redevelopment Area.

T. Financing Costs: Those costs which are approved by the City Representative and are incurred by the City or Developer as a result of issuing one or more series of Obligations or obtaining one or more Private Loan(s) to pay all or any portion of Reimbursable Project Costs incurred or estimated to be incurred, including but not limited to Interest, loan fees, capitalized interest, financial advisor fees, legal fees, broker fees or discounts, original purchaser's discount, printing, all necessary and incidental expenses related to the issuance of Obligations, and other costs related to such financing.

U. Interest: The interest allowed pursuant to **Section 6.04** of this Agreement.

V. Obligations: Bonds, loans, debentures, notes, special certificates or other evidences of indebtedness issued by the City or TIF Commission to pay all of any portion of

Reimbursable Project Costs incurred or estimated to be incurred, to finance the cost of issuance of such Obligations, to establish reserves to refund or secure such Obligations, to finance the Interest costs associated with such Obligations, or to refund, redeem or defease outstanding Obligations.

W. Ordinance: An ordinance enacted by the Board of Aldermen.

X. Payments in Lieu of Taxes: Revenues from real property taxes in the Redevelopment Project Area, which Taxing Districts would have received had the City not adopted tax increment allocation financing for the Redevelopment Project Area, and which result from levies made after the time of the adoption of tax increment allocation financing within the Redevelopment Project Area exceeds the Total Initial Equalized Assessed Value of real property in the Redevelopment Project Area, until the designation is terminated pursuant to the Plan which shall not be later than 23 years after the Redevelopment Project for the Redevelopment Project Area is approved.

Y. PILOT Account: The separate segregated account within the Special Allocation Fund into which Payments in Lieu of Taxes are to be deposited.

Z. Plan: The Parkville Market Place Tax Increment Financing Plan, as may be amended from time to time.

AA. Private Loan: Any evidence of indebtedness incurred by the Developer to pay all or any portion of Reimbursable Project Costs, incurred or estimated to be incurred, to finance the cost of such indebtedness, to establish reserves to refund or secure such indebtedness, to finance Interest costs associated with such indebtedness, or to refund, redeem, defease or otherwise pay any outstanding Obligations or Private Loans.

BB. Public Improvements: It is anticipated that the Public Improvements will be comprised of the acquisition of right-of-way, if any, for and the construction of signalization and turn lane improvements to the Highway 45 and Bell Road intersection, curb and gutter improvements to Bell Road, and concrete repair and asphalt overlay to 63rd Street adjacent to the Redevelopment Project Area; provided, however, the precise scope of the Bell Road and Highway 45 Improvements will be finally determined as a part of the City's consideration of approval of the Site Plan and plat, which consideration will occur as a part of Developer's application to rezone the Redevelopment Project Area to B-4 Planned Business District, and the site plan and platting processes pursuant to the Parkville Municipal Code, and MoDOT's consideration of the final 45 Highway and Bell Road intersection design.

CC. Redevelopment Area: The real property described in the attached **Exhibit 1**.

DD. Redevelopment Project: The Developer Improvements and Public Improvements to be constructed in accordance with the Plan.

EE. Redevelopment Project Area: The property selected for the Redevelopment Project which property is the same as the property located in the Redevelopment Area.

FF. Redevelopment Project Costs: The sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to the Plan or the Redevelopment Project, as approved by the City. Such costs include, but are not limited to, the following:

1. Costs of studies, surveys, plans and specifications;
2. Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning to special services (except for reasonable administrative costs of the TIF Commission, such costs shall be allowed only as an initial expense which are included in the costs set forth in this Plan of the Redevelopment Project);
3. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
4. Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
5. Costs of construction of public works or improvements;
6. Financing Costs;
7. All or a portion of a Taxing District's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the objectives of this Plan and the Redevelopment Project, to the extent the City by written agreement accepts and approves such costs; and
8. Costs of designing and constructing Developer Improvements and Public Improvements.

GG. Reimbursable Project Costs: Those Redevelopment Project Costs identified as "Reimbursable Project Costs" on the attached **Exhibit 4**, which are incurred by the City, the Developer or such other entity approved by the City, in an aggregate principal amount not to exceed \$4,148,500, plus Interest and Financing Costs.

HH. Site Plan: The final site plan for the Redevelopment Area submitted by the Developer to the City pursuant to Title IV of the Parkville Municipal Code. A conceptual plan is attached hereto as **Exhibit 2**, as originally provided in the Plan.

II. Special Allocation Fund: The fund which contains two separate segregated accounts, maintained by the City Treasurer, into which, as required by the Act, all Payments in Lieu of Taxes and Economic Activity Taxes are deposited.

JJ. Taxing District: Any political subdivision of the State of Missouri having the power to levy taxes within the Redevelopment Project Area.

KK. TIF Commission: The Tax Increment Financing Commission of Parkville, Missouri.

LL. TIF Revenues: Payments in Lieu of Taxes and Economic Activity Taxes.

MM. Total Initial Equalized Assessed Value: That amount certified by the County Assessor which equals the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel or real property within the Redevelopment Project Area immediately after tax increment financing for the Redevelopment Project Area has been approved by the Board of Aldermen by an Ordinance.

NN. Underwriter: Oppenheimer & Co., Inc.

II. DUTIES OF THE PARTIES

2.01 Developer's Duties: In addition to all other duties and obligations set forth in this Agreement the Developer shall also be responsible for the following:

A. Dedication of Right-of-Way. The Developer shall dedicate to the responsible maintenance authority all required right-of-way necessary for the construction of improvements to Missouri Highway 45 and Bell Road where Developer owns the property within the Redevelopment Area and adjacent to these public roads to be dedicated. All required right-of-way necessary, if any, for internal public roads approved by the City within the Redevelopment Area shall be dedicated to the City.

B. Building & Subdivision Codes. In the construction of the Developer Improvements and the Public Improvements, the Developer shall comply with all federal, state and City building, zoning, environmental or other codes or regulations, including the Parkville Municipal Code, as said Code may be amended, subject to modifications approved by the City pursuant to the zoning, Site Plan and platting approval processes.

C. Utilities and Fees. The Developer shall have the right, subject to compliance with applicable regulations, to connect any and all on-site water lines, and sanitary and storm sewer lines constructed in the Redevelopment Area to City utility lines existing at or near the perimeter of the Redevelopment Area. The Developer shall be obligated to pay, in connection with the development of the Redevelopment Area, all water, sanitary and storm sewer, building permit, engineering, inspection and other fees as set forth in the Parkville Municipal Code which are of general applicability. So long as the Developer is not in default under this Agreement, the City shall cooperate with the Developer and use its good faith efforts to cause the relocation, as necessary, of other utilities (such as telephone, electric, gas, water and cable television) located within established right-of-ways at the expense of the applicable utility company.

D. Drainage Study. The Developer shall obtain, at Developer's expense, a storm water drainage study performed by an engineering firm with experience in storm water drainage issues, which study shall provide specifications for the development of the Redevelopment Area. Such storm water drainage study shall consider not only the land in the Redevelopment Area, but shall also examine the impact on the adjacent properties and the impact, if any, on upstream and downstream properties. The Construction Plan shall incorporate the specifications

recommended pursuant to such storm water drainage study as required by the City, be set forth in sufficient detail and be based upon reasonable assumptions of development of adjacent properties so that there is no adverse impact on the adjacent properties and upstream or downstream properties as a result of the construction of the Redevelopment Project, provided that the Parties agree that any detention required by Developer shall be the difference in runoff caused by the development of the Redevelopment Project Area only, Developer is not responsible for offsite drainage detention, and Developer will design drainage and detention to allow any offsite runoff to be carried through the Redevelopment Project Area under existing conditions.

E. Construction Schedule Compliance. On or before the date required for completion as set forth in **Section 5.03** of this Agreement, subject to the terms and conditions of this Agreement, the Developer agrees to use its best efforts to expeditiously construct, or cause the construction of, the Redevelopment Project in accordance with the Construction Plans and in accordance with **Article IV** of this Agreement.

F. Relocation Costs. The Developer shall provide the relocation services and benefits in accordance with the requirements of the Plan and the laws of the State of Missouri. The Developer shall defend and hold harmless the City from any claim, cost or expense related to the relocation of any person or entity from or within the Redevelopment Area. The City acknowledges that the reasonable costs incurred by the Developer related to any such relocation shall constitute a Reimbursable Project Cost, provided such costs are incurred in accordance with the Act and are subject to the aggregate limitation on Reimbursable Project Costs as set forth in the Plan and this Agreement.

G. City's Administrative Costs and Expenses. The Parties acknowledge that they entered into a Funding Agreement dated October 1, 2007, and that such Funding Agreement is incorporated in this Agreement as if stated fully in this **Section**. Article III of such Funding Agreement is amended to provide for the continuation of the Funding Agreement to remain in full force and effect until the termination of this Agreement. For each fiscal year beginning July 1 of each year, the City Representative shall submit to the Developer for its consent, which consent shall not be unreasonably withheld, a budget for the estimated amount of costs to be incurred by the City and paid by the Developer pursuant to the Funding Agreement for such fiscal year. The Developer shall not be responsible for costs in excess of the aggregate amount of the costs set forth in such budget unless the Developer shall consent to such additional costs, with consent shall not be unreasonably withheld. The Parties acknowledge that the City's above-described Administrative Costs are intended to be Reimbursable Project Costs.

2.02 City's Duties: The City agrees to provide the Developer with assistance with respect to negotiations with utility companies for the relocation of utilities, if any, obtaining building permits from the City, and any permits or approvals required from any governmental agency, whenever reasonably requested to do so; provided, however that all requests for assistance are in compliance with the Ordinances, the Construction Plans, the Site Plan and all applicable codes and procedures and the Developer is not in default under the terms of this Agreement; and provided further, the Developer shall pay all costs incurred by the City to provide any such assistance notwithstanding the amounts set forth in the budget approved pursuant to **Section 2.01.G** of this Agreement. Provided the Developer is not in default under the terms of this

Agreement or any other agreement with the City, the City will take all measures necessary to assist the Developer in the acquisition of the property within the Redevelopment Area required to be acquired by the Developer pursuant to this Agreement or any other interest in property within the Redevelopment Area as necessary to provide signage, façade, landscaping and access easements as shown on the Site Plan, including without limitation, exercising its power of eminent domain as necessary.

2.03 Mutual Assistance. The Parties agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications and, in the City's case, the adoption by the Board of Aldermen of such Ordinances and resolutions, as may be reasonably necessary or appropriate to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions and intent.

III. REDEVELOPMENT PROJECT

3.01 Developer Improvements. Subject to the terms of this Agreement and the Plan, the City authorizes the Developer, and the Developer agrees, to construct, or cause to be constructed, the Developer Improvements in accordance with the Development Schedule.

3.02 Public Improvements. Subject to the terms of this Agreement and the Plan, the City authorizes the Developer, and the Developer agrees, to construct, or cause to be constructed, in accordance with the Public Improvements Development Schedule, attached hereto as **Exhibit 3**: (1) the signalization of 45 Highway and Bell Road intersection and turn lanes into Redevelopment Area; (2) curb and gutter improvements to Bell Road from its intersection with 45 Highway to the southern boundary of the Redevelopment Area; and (3) concrete repair and asphalt overlay improvements to 63rd Street from Bell Road to the western boundary of the Redevelopment Area.

IV. LAND USES AND DESIGN CRITERIA

4.01 Rezoning. Within 12 months after the Effective Date of this Agreement, the Developer shall file an application for rezoning of the Redevelopment Area to B-4 Planned Business District in accordance with the Parkville Municipal Code.

4.02 Tenants and Restricted Uses. The following types of uses shall be restricted from the Redevelopment Area: adult entertainment, adult bookstores, pawn shops and pay day loans. The types of uses within the Redevelopment Area shall be those permitted by the Act, the B-4 Planned Business District, and the associated Site Plan. Within thirty (30) days after Developer leases or sells all or any part of the Redevelopment Area, the Developer shall notify the City in writing of such lease or sale contract and shall provide such information which is reasonably available to the Developer and which is reasonably requested by the City to determine compliance with this Section. Without the approval of the City, the Developer shall not cause or permit the relocation of a tenant into the Redevelopment Area, which is then open and operating one or more facilities in the City and then ceases to operate at least the same number of existing facilities within one (1) year of the opening of the new facility within the Redevelopment Area. Without the approval of the City, the Developer shall not cause or permit the location of a tenant into the Redevelopment Area, which has, during the preceding twelve (12) months closed a

business in the City which was substantially similar to and operating under substantially similar ownership as the business which is proposed for the Redevelopment Area.

4.03 Design Criteria.

A. Site Plan Review. The Developer shall submit information regarding building architecture and materials with its submission of the Site Plan so that the City may complete its design review to determine that the Developer has complied with the Design Standards set forth in this Agreement. Notwithstanding any provision, regulation or Ordinance to the contrary, the City reserves the right to amend said Design Standards as part of the Site Plan approval process.

B. Design Standards. The Developer, in addition to all other conditions provided in this Agreement, Ordinance and the Plan agrees to submit construction plans to the City representative for design review of building architecture in accordance with the Design Guidelines attached hereto at **Exhibit 2**, except as otherwise amended and approved by the Site Plan approval process.

V. CONSTRUCTION APPROVAL AND SCHEDULE

5.01. Construction Plan Approval. The Developer shall submit to the City the Construction Plans for the Developer Improvements and the Public Improvements in conjunction with the Site Plan. The City shall have not more than twenty (20) business days to review and accept the Construction Plans, or to provide a written description detailing any portion of the Construction Plans which the City has determined to be unacceptable or written request for supplemental information or documentation. In the event multiple plans are submitted by the Developer to the City simultaneously for review, the City may extend the review period by ten (10) business days for each submittal by so notifying the Developer in writing. Resubmittals shall be reviewed in the same manner as the original submittal.

5.02. Commencement. Commencement of construction of the Redevelopment Project shall begin no later than August 1, 2008. For the purposes of this Section, commencement of construction shall be defined to mean the commencement of site work in accordance with the Site Plan.

5.03. Completion. Subject to **Article IV** of this Agreement and **Section 11.02** of this Agreement, the Developer Improvements and the Public Improvements shall be completed in phases, within the time frames, as set forth in the respective Development Schedules attached hereto at **Exhibit 2** and **Exhibit 3**. Promptly upon completion of each phase of the Developer Improvements and the Public Improvements, the City shall furnish the Developer a "Certificate of Completion" so certifying such completion for such phase. For the purposes of this Section, "completion," "completed," and "complete" shall mean, subject to completion of minor punch list items, that: (1) the Developer Improvements for such phase and related Public Improvements have been completed in accordance with the Site Plan and the Construction Plans and otherwise constructed in accordance with the City Ordinances; (2) the Developer has completed, or caused to be completed, landscaping, parking, detention area, utilities, signage and lighting required to support the aforesaid such Developer Improvements in accordance with the Site Plan and the Construction Plans; and (3) the Developer has provided, or caused to be provided, the

information required pursuant to **Section 7.04.C** of this Agreement. Failure by the Developer to complete the Developer Improvements or the Public Improvements as set forth in this Section shall be cause for a breach of this Agreement as defined in **Section 11.03** of this Agreement and may, at the City's discretion, result in the termination of this Agreement. Except as provided for in **Articles VIII and XI** of this Agreement, the City's issuance of the Certificate of Completion for any one phase shall be deemed a release of the Developer from any further obligation or liability under the terms of this Agreement in regards to the construction and completion of the Developer Improvements for such phase.

5.04. Form of Certificate. Each Certificate of Completion shall be in a recordable form, and shall be a conclusive determination of satisfaction and termination of the covenants in this Agreement with respect to the obligations of the Developer and its successors and assigns in regards to the construction and completion of the Developer Improvements for the applicable phase. Upon written request by the Developer for a Certificate of Completion, the City shall have fifteen (15) business days after receipt of same to provide the Developer with a Certificate of Completion or a written statement indicating in detail how the Developer has failed to complete the construction for the applicable phase in conformity with the Plan and this Agreement, or is otherwise in default, and what measures or acts will be necessary, in the opinion of the City, for the Developer to take or perform in order to obtain the Certificate of Completion.

5.05. Developer Construction of Public Improvements. Upon delivery of a certificate of substantial completion for Public Improvements from an engineer acceptable to the City Representative, the City shall accept the dedication of the Public Improvements. The issuance of the Certificate of Completion shall be deemed to be a release of the Developer from any further obligation or liability under the terms of this Agreement and any related construction or funding agreements as to the construction and completion of that phase of the Public Improvements which are the subject of such Certificate of Completion. Developer shall post a maintenance bond, cash or irrevocable letter of credit as required in the Parkville Municipal Code.

VI. METHODS OF FINANCING

6.01. Sources of Funds. Subject to the terms of this Agreement, Reimbursable Project Costs may be financed through the issuance of Obligations by the City, the TIF Commission or other authorized body in accordance with **Section 6.02** of this Agreement. However, the Developer may elect to finance Reimbursable Project Costs through (i) cash investment by the Developer to be reimbursed with interest on a pay-as-you-go basis, (ii) one or more Private Loans obtained by the Developer from third-party lenders secured by an annual appropriation pledge of the Economic Activity Taxes, (iii) Obligations secured by a pledge of the Economic Activity Taxes, or (iv) any combination of the foregoing.

The City may, at the City's discretion, and in accordance with the requirements of Section 6.02 hereof, issue Obligations to finance all or any portion of Reimbursable Project Costs pursuant to such terms as may be necessary to market such Obligations.

6.02. Obligations.

A. Developer may request, and, in the event the projection of Economic Activity Taxes, terms, conditions, form of enhancement, if any, rating, redemption or prepayment terms, repurchase conditions and all other specifications and conditions involved in the issuance of such Obligations or any series thereof are acceptable to the City in its sole discretion, the City may issue Obligations to finance the Reimbursable Project Costs. If and when issued, the Obligations will be issued on terms and at an interest rate determined by market conditions at the time of issuance and subject to approval by the City. Upon the issuance of such Obligations, the City shall reimburse the Developer with proceeds from the Obligations for Reimbursable Project Costs incurred and funded by the Developer prior to the issuance of such Obligations. The Debt Service on Obligations shall be paid in accordance with **Section 8.03** of this Agreement.

B. Conditions Precedent for Issuance of Obligations. The issuance of each series of Obligations is conditioned upon the Developer complying with the terms of this Agreement and the following events, subject to the City's authority to waive any of these conditions:

1. The Redevelopment Project (or the portion thereof generating the Economic Activity Taxes that will finance the subject series of Obligations) is substantially completed in a manner consistent with the Plan and this Agreement, or the Developer provides the City: (i) evidence of the timely development of the Redevelopment Project (or the portion thereof generating the Economic Activity Taxes that will finance the subject series of Obligations) which may be established by all or some of the following factors including (a) construction contracts for the Redevelopment Project or applicable portion thereof which contain starting and completion dates and are consistent with the Plan and this Agreement, (b) loan commitments and/or equity amounts for the cost of the Redevelopment Project or applicable portion thereof, (c) performance and payment bonds covering all Public Improvements construction contracts and identifying the City or its assigns as a beneficiary, (d) fully executed leases or sale agreements for retail use for buildings within the Redevelopment Project (or the portion thereof generating the Economic Activity Taxes that will finance the subject series of Obligations) that contain no less square footage and an average construction cost per square foot than was included in the Plan, and (e) fully executed leases or sale agreements for retail use for buildings within the Redevelopment Project (or the portion thereof generating the Economic Activity Taxes that will finance the subject series of Obligations) that contain covenants to open within a reasonable time; (ii) Developer Collateral, or (iii) a combination of items included in this subsection. "Developer Collateral" is defined as a guarantee, letter of credit, policy of municipal bond insurance, real estate mortgage or other collateral securing the payment of the Obligations which is determined by the Underwriter to be sufficient to reoffer such Obligations, which is provided by and at the expense of the Developer and which, in the opinion of Bond Counsel, is exempt from registration under the Securities Act of 1933.

2. The City receives, if requested by the City or the Underwriter, a report from an independent analyst, selected by the City, demonstrating that the Redevelopment Project (or the portion thereof generating the Economic Activity Taxes that will finance the subject series of Obligations) will produce Economic Activity Taxes during the Obligations' term sufficient to support the series of Obligations and can be constructed with the capital contributions from the Developer, tenants, purchasers or joint venture partners, and conventional financing utilized by the Developer, tenants, purchasers or joint venture partners.

3. The Developer provides such documentation to the City as is required by the Underwriter to reasonably demonstrate that the development and operation of the Redevelopment Project Area (or the portion thereof generating the Economic Activity Taxes that will finance the subject series of Obligations) will generate, through captured Economic Activity Taxes during the Obligations term, revenue sufficient to pay Debt Service on the series of Obligations amortized to the Obligations term with a coverage factor that the Underwriter determines is necessary and that is agreed to by the City.

4. Developer has formed the Community Improvement District and/or the Transportation Development District described in **Section 6.05** herein.

C. The Underwriter shall be responsible for marketing and selling Obligations. The City shall be under no obligation to issue Obligations if such Obligations are not marketable after reasonable effort by the Underwriter, provided that in the event the Underwriter is unable to market the Obligations, the Parties may engage one or more underwriters to attempt the marketing and selling of the Obligations.

6.03. Private Loans. The Developer may, at its option, obtain one or more Private Loans to finance Reimbursable Project Costs. The City shall provide evidence, in a form acceptable to the City, the Developer and the private lender(s), that it has pledged the Economic Activity Taxes, subject to annual appropriation, deposited in the Special Allocation Fund as security for any such Private Loan, subject to the repayment priority set forth in **Section 8.03** of this Agreement. The Debt Service on such Private Loans shall be paid in accordance with **Section 8.03** of this Agreement.

6.04. Interest. Interest payable on Private Loans or equity investment made to finance all or any portion of Reimbursable Project Costs shall be a Reimbursable Project Cost, subject to the following conditions and limitations: (1) the Interest shall not exceed 2% over prime or the actual rate paid by the Developer to a lender, whichever is less; (2) Interest shall compound annually; (3) Interest shall be based upon the actual outstanding principal balance of that portion of the loan or investment made to finance Reimbursable Project Costs; and (4) Interest on Reimbursable Project Costs shall begin to accrue from the date such Reimbursable Project Costs were incurred. Notwithstanding the foregoing, Interest charged by any affiliate of the Developer shall be subject to approval of the City.

6.05. Community Improvement District / Transportation Development District. The 0.5% County Parks Sales Tax is scheduled to sunset on December 31, 2010, and the 0.375% County Road Sales Tax is scheduled to sunset on September 30, 2013. During the term of the Plan, in the event either or both of these levies are not renewed, or are renewed at a reduced rate, the Developer will use its best efforts and take, and the City shall cooperate with, all necessary steps to form either a Community Improvement District (CID) pursuant to the Community Improvement District Act, R.S.Mo. §§ 67.1401 *et seq.*, and/or a Transportation Development District (TDD) pursuant to the Transportation Development District Act, R.S.Mo. §§ 238.200 *et seq.*, whose boundaries are coterminous with the Redevelopment Area, and to cause the district(s) to levy and collect sales tax(es) within the Redevelopment Area through the end of the TIF Plan term, or until all Reimbursable Project Costs have been reimbursed and Debt Service on all outstanding Obligations or Private Loans secured to fund Reimbursable Project Costs have

been satisfied, whichever occurs earlier, in levy amount(s) equal to one-half of the total levy amount lost by the non-renewal or reduction of one or more of the County Parks or Roads levies (because all of the CID or TDD sales tax revenue will be utilized to reimburse Reimbursable Project Costs or debt-service Obligations, 50% being captured as EATs, and the other 50% being pledged to such reimbursement by the CID or TDD, and because only 50% of the County sales tax revenue will be utilized to so reimburse or debt-service, in order to replace any revenue lost by the non-renewal of the County sales tax it is only necessary to enact a levy equal to one-half of the lost County levy). If formed pursuant to the above, the CID and/or TDD will pledge pursuant to a cooperative agreement with the City that portion of their sales tax revenues not captured as Economic Activity Taxes toward the payment of Reimbursable Project Costs, including toward Debt-Service on Obligations issued or Private Loans secured to fund Reimbursable Project Costs.

VII. TIF REVENUES

7.01. Payments in Lieu of Taxes. Pursuant to the Act and the Plan, each individual taxable lot, block, tract or parcel of real property as established for ad valorem real property assessment and taxation by the County Collector within the Redevelopment Area shall be subject to assessment for annual Payments in Lieu of Taxes by the County Collector. Payments in Lieu of Taxes shall be due November 30 of each year in which said amount is required to be paid, shall be delinquent after December 31 of each such year, and, if delinquent, shall bear the same interest and penalties as ad valorem real estate taxes. The obligation to make the Payments in Lieu of Taxes shall be a covenant running with the land and shall be a lien on each such tax parcel as constituted from time to time in the Redevelopment Area.

Failure to pay Payments in Lieu of Taxes as to any such tax parcel in a Redevelopment Area shall constitute a default of this Agreement by the owner thereof and shall entitle the Collection Authority to proceed against such tax parcel and/or the owner thereof in such Redevelopment Area as permitted at law or in equity, and, if applicable, such failure shall entitle the Collection Authority to seek all other legal and equitable remedies it may have to insure the timely payment of all such sums, including reasonable attorneys' fees.

When collected, the City shall deposit all Payments in Lieu of Taxes to the PILOT Account of the Special Allocation Fund. No Payments in Lieu of Taxes will be used to reimburse the Reimbursable Project Costs. All Payments in Lieu of Taxes that are deposited to the Special Allocation Fund are deemed surplus funds and will be distributed annually by the City Treasurer to the County Collector, who shall make immediate distributions to the appropriate Taxing Districts in accordance with the Act.

Notwithstanding anything to the contrary, however, the lien on tax parcels within the Redevelopment Area shall be deemed (a) released as to any public street or other public way included within any plat proposed by the Developer, effective upon the passage of an ordinance by the City approving the same, and (b) subordinated to the lot lines, easements and other matters established by any such plat, effective upon the passage of an ordinance by the City as aforesaid, and to any easement or like interest granted to the City or any public utility for public facilities or utilities or connection(s) thereto.

7.02. Agreement to Pay Real Estate Taxes. The Developer agrees that to the extent it is obligated to pay any portion of the real estate tax bills for the Redevelopment Area, it shall pay such taxes promptly on or before the due date of such tax bills. The Developer covenants to use reasonable and diligent efforts to require all tenants in the Redevelopment Area and purchasers of property in the Redevelopment Area to covenant to timely pay real estate taxes. The Developer or the retailers doing business in the Redevelopment Area shall have the right to pay said real estate taxes under protest; provided, however and notwithstanding **Section 7.01** of this Agreement, if such protest relates to Payments in Lieu of Taxes which are paid under protest, then beginning on the date of such payment under protest until the date such Payments in Lieu of Taxes are deposited in the PILOT Account, Interest accruing on the portion of Reimbursable Project Costs would have been paid if such payment under protest had not been made shall accrue only to the extent and in the amount of interest earned on the investment of the money paid under protest. The Developer covenants to use reasonable and diligent efforts to enforce all covenants and obligations as to payments of real estate taxes under any sales agreements and leases with the retailers doing business in the Redevelopment Area.

7.03. Economic Activity Taxes. In addition to the Payments in Lieu of Taxes described above, Economic Activity Taxes, shall be allocated and when collected shall be paid by the Collection Authority to the City Treasurer for deposit in the Economic Activity Account of the Special Allocation Fund for disbursement in accordance with **Section 8.03** of this Agreement. The Developer and/or any purchaser or transferee of property, and any lessee or other user of property which shall be required to pay Economic Activity Taxes shall be obligated to submit to the City, no less frequently than annually and no more frequently than monthly on a calendar basis, evidence of payment of said Economic Activity Taxes, including but not limited to a copy of the tax returns submitted to the Missouri Department of Revenue with the payment of sales taxes.

7.04. Reporting Requirements for Economic Activity Taxes.

A. The Developer shall furnish the City such documentation as is required by the City to determine the amount of Economic Activity Taxes generated within the Redevelopment Area, including but not limited to a copy of the tax returns submitted to the Missouri Department of Revenue with the payment of sales taxes. The Developer shall contractually require purchasers, lessees or other transferees or possessors of property (the "Transferees") to comply with the obligation to provide the City with such documentation. Such obligations of the Developer and Transferees shall inure to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties as if they were in every case specifically named and shall be construed as a covenant running with the land and shall be enforceable by the City as if such Transferee thereof was originally a party to and bound by this Agreement.

B. Failure to furnish the City with the documentation required pursuant to this Section shall constitute default by the Developer or Transferee of this Agreement, and shall entitle the Collection Authority and/or the City to proceed against the Developer or Transferee in the Redevelopment Project Area as in other delinquent tax cases or otherwise as permitted at law or in equity, and if applicable, such failure shall entitle the Collection Authority and/or the City to seek all other legal and equitable remedies it may have to ensure the timely payment of all

such sums or of the principal of and interest on any outstanding Obligations secured by such payments; provided, however, that the failure of the Developer or any Transferee in the Redevelopment Project Area to yield sufficient Economic Activity Taxes to pay Reimbursable Project costs shall not by itself constitute a breach or default.

C. Prior to the issuance of any Certificate of Completion, the Developer shall furnish, or cause all Transferees within the Redevelopment Area to furnish their business name, address, and federal and state identification numbers and MITS numbers to the Commission.

VIII. REIMBURSABLE PROJECT COSTS, CERTIFICATION AND PAYMENT SCHEDULE

8.01. Type and Amount of Costs. The estimated dollar amount and category of expenses anticipated to be incurred for Reimbursable Project Costs are attached as **Exhibit 4**. The total principal amount of the Reimbursable Project Costs will not exceed \$4,148,500, plus Interest and Financing Costs; provided, however, the Developer, with the approval of the City Representative, shall have the right to reallocate dollars among each category of expense within Reimbursable Project Costs, provided, further, that such reallocation is consistent with the terms of the Plan, the Act and the City is notified in writing of such reallocation and the reasons for such reallocation.

8.02. Certification of Costs. Upon completion of all, or any phases, of the Developer Improvements or Public Improvements, the Developer shall submit for the City's review and approval a sworn Developer's statement and a sworn contractor's statement or other service provider, acceptable to the City Representative, which certifies that such work has been completed or service provided and certifies the Reimbursable Project Costs incurred to complete such work or service. Such statement shall be in a form acceptable to the City Representative. Before any such certificate is approved by the City Representative, the City Representative may make such investigation, review all bills and other evidence of moneys expended in respect of such work, and review the actual work itself for conformity with the Plan, this Agreement and any approved Construction Plans before and as a condition to approval of such certificate. The City shall have no obligation to reimburse the Developer for any Reimbursable Project Costs, unless the City Representative has received and approved a certificate for such cost pursuant to this Section. The City and Developer shall mutually agree upon a form of certification to be utilized under this Section.

8.03. Payment Schedule. The City shall make, subject to annual appropriation, disbursements from the Economic Activity Account of the Special Allocation Fund, until all Reimbursable Project Costs and Obligations and Private Loans made to finance Reimbursable Project Costs are paid in full. Disbursements from the Special Allocation Fund will be made by the City Treasurer in accordance with this Section and the terms and conditions of any outstanding Obligations or Private Loans issued to finance Reimbursable Project Costs. The City's obligation to pay or reimburse Reimbursable Project Costs is limited to the extent there are funds in the Economic Activity Account. The City and other Taxing Districts shall only be responsible for their respective pro rata share of TIF Revenues, unless any such Taxing District is relieved of its obligation by a court of competent jurisdiction. Disbursements from the Economic Activity Account shall be applied as follows:

First

To pay Debt Service on Obligations issued to pay Reimbursable Project Costs;

Second,

To pay Debt Service on Private Loans issued to pay Reimbursable Project Costs;

Third,

On April 1 of each year, until all Debt Service is repaid and all Reimbursable Project Costs incurred have been reimbursed, the City shall determine the amount of funds necessary to pay Debt Service and maintain any required reserve requirements for such Debt Service through March 31 of the following year; and funds in the Economic Activity Account in excess of such determined amount, shall be disbursed to reimburse the Developer and the City for Reimbursable Project Costs which either has incurred and which were not paid from the proceeds of Obligations or Private Loans;

Fourth,

Following the completion of the Redevelopment Project, the payment of all Debt Service and the payment of all Reimbursable Project Costs incurred or expected to be incurred, funds remaining in the Economic Activity Account shall be disbursed by the City Treasurer to the appropriate Taxing Districts in accordance with the Act.

IX. INDEMNITY, LIENS AND INSURANCE

9.01. Indemnity. The Developer releases the City from, and agrees that the City shall not be liable for, and the Developer shall indemnify, defend and hold harmless the City against, all liabilities, losses, damages (including reasonable attorney's fees), causes of action, suits, claims, costs and expenses, demands and judgments of any nature imposed upon or asserted against the City on account of: (i) any loss or damage to property or injury to or death of or loss by any person that may be occasioned by any cause whatsoever pertaining to the acquisition and construction of the Redevelopment Project; (ii) any action arising under the construction contracts related to the Redevelopment Project or any related document, or arising from any act or failure to act by the Developer, or any of its agents, contractors, servants, employees or licensees; (iii) violation of any law, ordinance or regulation affecting the ownership, occupancy or use of the Redevelopment Project by the Developer or its agents; and (iv) any claims or action or proceeding with respect to the matters set forth in subsections (i), (ii) and (iii) above brought thereon, provided, however, such release and indemnification shall not apply to any liability resulting from the City's negligence or wrongful acts. Nothing contained in this Section shall be construed as an obligation of the Developer to indemnify the City for its negligent or wrongful acts, or the negligent or wrongful acts of the City's officials, directors, officers, attorneys, accountants, financial advisors, staff, employees, agents or other representatives.

In case any action or proceeding is brought against the City in respect of which indemnity may be sought under this Section, the City shall promptly give notice of that action or proceeding to the Developer, and the Developer upon receipt of that notice shall have the obligation and the right to assume the defense of the action or proceeding; provided, that failure of the City to give that notice shall not relieve the Developer from any of its obligations under this Section unless that failure prejudices the defense of the action proceeding by the Developer. At its own expense, the City may employ separate local counsel and participate in the defense. The Developer shall not be liable for any settlement without its consent.

The indemnification set forth above is intended to and shall include the indemnification of all affected officials, directors, officers, attorneys, accountants, financial advisors, staff and employees of the City, respectively. That indemnification is intended to and shall be enforceable by the City to the full extent permitted by law.

9.02. No Liens. It is the intent of the Parties that no mechanics' or other liens shall be established or remain against the Developer Improvements or the Public Improvements, or against the funds deposited in connection with any of the Developer Improvements or the Public Improvements, for labor or materials furnished in connection with any acquisition, construction, additions, modifications, improvements, repairs, renewals or replacements so made. However, neither party shall be in default if mechanics' or other liens are filed or established and such Party 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.

9.03. Insurance.

A. Performance, Labor and Material Payment Bonds. The Developer covenants and agrees that at all times during the construction and improvement of the Public Improvements, the Developer or the contractor under the construction contract will maintain in full force and effect performance, labor and material payment bonds, with respect to the construction contract for the Public Improvements in the full amount of such construction contract, made by the Developer or contractor thereunder as the principal and a surety company or companies qualified to do business in Missouri as surety. Such bonds shall be in such form as is approved by the City and shall name the City and the Developer as obligees. Any and all moneys received by the City or the Developer under such bonds or from the contractor or other suppliers of machinery or equipment by way of breach of contract, refunds or adjustments shall be used for the benefit of the construction of the Public Improvements.

B. Casualty Insurance. The Developer shall at all times during the construction period maintain at its sole cost and expense, or cause the contractor under the construction contract to maintain, in full force and effect a policy or policies of Builder's Risk-Completed Value Form Insurance insuring such Developer Improvements which are under construction against fire, lightning and all other risks covered by the "All Risk" property policy then in use in the State of Missouri to the Full Insurable Value of such Developer Improvements (excluding offsite and sitework, underground sewers and water mains, demolition, test borings and parking areas) (subject to reasonable loss deductible provisions not to exceed \$50,000). Prior to or simultaneously with the expiration of said Builder's Risk Insurance, the Developer shall at its

sole cost and expense obtain and shall maintain, a policy or policies of insurance to keep the Developer Improvements constantly insured against loss or damage by fire, lightning and all other risks covered by the "All Risk" property policy then in use in the State of Missouri in an amount equal to the Full Insurable Value thereof, excluding same items as above (subject to reasonable loss deductible clauses not to exceed \$50,000). The insurance required pursuant to this Section shall be maintained at the Developer's sole cost and expense, and shall be maintained with a generally recognized responsible insurance company or companies authorized to do business in the State of Missouri as may be selected by the Developer. In the event of loss or damage to the Developer Improvements, the net proceeds of property insurance carried pursuant to this Section shall first be used, in part, to keep all real estate taxes due current. This section shall also apply to the Public Improvements.

C. Public Liability Insurance. The developer shall at its sole cost and expense maintain, or cause to be maintained, public liability insurance and auto liability insurance (including but not limited to coverage for all losses whatsoever arising from the ownership, maintenance, operation or use of any automobile, truck or other motor vehicle), under which the Developer shall be named as insured, in an amount not less than a combined single limit of \$2,000,000 for bodily injury (including death and property damage) in any one occurrence.

D. Workers' Compensation Insurance. The Developer agrees to maintain or cause to be maintained, in connection with the Developer Improvements, the Workers' Compensation coverage required by the laws of the State of Missouri. This Section shall also apply to the Public Improvements.

E. Notification and Cancellation. The Developer shall deliver to the City certificates evidencing insurance policies referenced above with provisions for notification within thirty (30) days to the City in the event of cancellation or modification.

X. AUTHORITY

10.01. Actions. So long as the Developer is in compliance with the terms of this Agreement, all applicable ordinances, codes and regulation, and the Site Plan, the City represents and warrants that, upon application of the Developer, it has taken, or will take, such action(s) as may be required and necessary to process the amendments, variations, and special use approvals relating to its zoning ordinances and its other ordinances, codes and regulations, as may be necessary or proper in order to insure the development and continued operation of the Redevelopment Project in accordance with the Plan and to enable the City to execute this Agreement and to carry out fully and perform the terms, covenants, agreements, duties and obligations to be kept on its part and performed by the terms and provisions of this Agreement.

10.02. Powers. The City hereby represents and warrants that the City has full constitutional and lawful right, power and authority, under currently applicable law, to execute deliver and perform the terms and obligations of this Agreement, and all of the foregoing have been or will be duly and validly authorized and approved by all necessary City proceedings, finding and actions.

Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, enforceable in accordance with its terms and provisions and the execution of this Agreement by the City does not require the consent of any other governmental authority.

10.03. Authorized Parties. Whenever under the provisions of this Agreement and other related documents, instruments or any supplemental agreement, a request, demand, approval, notice of consent of the City or the Developer is required, or the City or the Developer is required to agree or to take some action at the request of the other Party, such approval or such consent or such request shall be given for the City, unless otherwise provided in this Agreement, by the City Administrator or his or her designee and for the Developer by any officer of Developer so authorized; and any such person shall be authorized to act on any such agreement, request, demand, approval, notice or consent or other action and neither Party shall have any complaint against such person for taking such action.

XI. GENERAL PROVISIONS

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

11.02. Delay. For the purposes of any of the provisions of this Agreement, neither the City nor the Developer, as the case may be, nor any successor in interest, shall be considered in breach of, or default in, its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of materials, unavailability of labor, unusually adverse weather conditions, such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or abnormal duration, tornadoes, and any other events or conditions beyond the reasonable control of the Party affected, which shall include but not be limited to delays in receiving approvals from any governmental agency and any litigation attempting to enjoin the construction of all or any portion of the Developer Improvements in accordance with this Agreement, which in fact prevents the Party so affected from discharging its respective obligations hereunder ("Excusable Delays").

11.03. Breach-Compliance.

A. If the Developer or City does not comply with provisions of this Agreement, including provisions of the Plan, within the time limits and in the manner for the completion of the Redevelopment Project as set out in this Agreement, except for Excusable Delays (as defined in **Section 11.02**), in that the Developer or the City shall do, permit to be done, or fail or omit to do, or shall be about so to do, permit to be done, or fail or omit to have done, anything contrary to or required of it by this Agreement, and if, within thirty (30) days after notice of such default by the non-defaulting party to the defaulting party, the defaulting party shall not have cured such default or commenced such cure and be diligently pursuing the same if such cure would reasonably take longer than said thirty (30) day period (but in any event if the defaulting party shall not have cured such default within one hundred twenty (120) days), then the non-defaulting party may institute such proceedings as may be necessary in its opinion to cure the default including, but not limited to, proceedings to compel specific performance by the party in default of its obligations and, in the case of default by the Developer, the City is granted the right to

terminate this Agreement, the right to apply any deposit or other funds submitted by the Developer to the City in payment of the damages suffered by it, and the right to withhold or apply funds from the Special Allocation Fund to such extent as is necessary to protect the City from loss or to ensure that the Plan and the Redevelopment Project are fully and successfully implemented in a timely fashion. If any action is instituted by either Party hereunder, each Party in such action shall pay any and all costs, fees and expenses, including attorneys' fees incurred by said Party in enforcing this Agreement.

B. The rights and remedies of the parties to this Agreement, whether provided by law or by this Agreement, shall be cumulative and the exercise by either Party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other remedies for the same default or breach. No waiver made by either Party shall apply to obligations beyond those expressly waived.

C. Any delay by either Party in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this Section shall not operate as a waiver of such rights or limit them in any way. No waiver in fact made by either Party of any specific default by the other Party shall be considered or treated as a waiver of the rights with respect to any other defaults, or with respect to the particular default except to the extent specifically waived.

11.04. Amendment. This Agreement may be amended only by the mutual consent of the Parties, by the adoption of an ordinance by the City approving said amendment, as provided by law, and by the execution of said amendment by the Parties or their successors in interest.

11.05. No Other Agreement. Except as otherwise expressly provided in this Agreement, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter of this Agreement and is a full integration of the agreement of the Parties. In the event of a conflict between this Agreement, the Ordinance, Construction Plans, Site Plan, the Plan or other document pertaining to the Redevelopment Project, this Agreement shall control.

11.06. Assigns. This Agreement (including without limitation the provisions of **Article VI** of this Agreement relating to taxes) shall be binding upon the Parties and their respective successors and assigns. Nothing in this Section shall in any way prevent the alienation or sale of the property in the Redevelopment Area, or any portion thereof, by the Developer, nor shall anything in this Section be construed as limiting any rights of any lender or equity partner or investor; provided, however, prior to the issuance of the applicable Certificate of Completion, the Developer shall not transfer any property in the Redevelopment Area (except as hereinafter provided for in this Section) or assigns its rights or duties and obligations pursuant to this Agreement without the prior written consent of the City. Once said consent is obtained, any assignee shall expressly assume in writing the obligations of the Developer hereunder, and shall furnish the City a copy of such assumption, in which case the Developer shall be relieved of its obligations. Anything contained in this Section to the contrary notwithstanding, (i) no consent shall be required for any pledge of all or any portion of the Redevelopment Area or this Agreement as collateral security, or for any foreclosure sale or deed in lieu thereof or subsequent transfers after such sale or deed in lieu; and (ii) no consent shall be required prior to selling, leasing or transferring any parcel of property within the Redevelopment Area to commercial and

retail users for development and use consistent with the City ordinances, nor shall consent be required in the event the Developer assigns this Agreement to any entity affiliated with the Developer or any entity in which the Developer, its affiliates or its principals owns 50 percent or more of the ownership interest, or to any lender for the purpose of mortgage financing.

11.07. Severability. If any provisions, covenant, agreement or portion of this Agreement, or its application to any person, entity or property, is held invalid, such invalidity shall not affect the application or validity of any other provisions, covenants or portions of this Agreement and, to that end, any provisions, covenants, agreements or portions of this Agreement are declared to be severable.

11.08 Missouri Law. This Agreement shall be construed in accordance with the laws of the State of Missouri.

11.09 Notice. All notices and requests required pursuant to this Agreement shall be sent as follows:

To the Developer:

Patrick Kelly
TUF Flight Industries, Inc.
6330 NW Kelly Drive
Kansas City, MO 64152

With copies to:

Patricia R. Jensen, Esq.
White Goss Bowers March Schulte &
Weisenfels, P.C.
4510 Belleview, Suite 300
Kansas City, MO 64111

To the City:

Joseph Turner, City Administrator
City of Parkville
8880 Clark Drive
Parkville, MO 64152

With copies to:

Janet S. Garms, Esq.
Kutak Rock LLP
1010 Grand Boulevard, Suite 500
Kansas City, MO 64106-2220

or at such other addresses as the Parties may indicate in writing to the other either by personal delivery, courier, or by registered mail, return receipt requested, with proof of delivery thereof. Mailed notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.

11.10. 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.

11.11. Recordation of Agreement. The Parties agree to execute and deliver a memorandum of this Agreement in proper form for recording and/or indexing in the appropriate land or governmental records.

11.12. Consent or Approval. Except as otherwise provided in this Agreement, whenever the consent, approval, acceptance or action of either Party is required hereunder, such consent, approval, acceptance or action shall not be reasonably withheld or unduly delayed.

11.13. Termination. This Agreement shall terminate upon issuance of all of the Certificate of Completions as set forth in **Section 5.03** of this Agreement, and full payment of all Reimbursable Project Costs, Private Loans and Obligations as set forth in **Article VI** of this Agreement.

[Remainder of page left intentionally blank; signature pages immediately follow.]

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

CITY OF PARKVILLE, MISSOURI

By: Kathy Dusenbury
Kathy Dusenbury, Mayor

ATTEST:

Joseph Turner
Joseph Turner, City Administrator

Claudia Willhite
Claudia Willhite, City Clerk

ACKNOWLEDGEMENT

STATE OF MISSOURI)
) SS.
COUNTY OF PLATTE)

I JENNIFER GAUER, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Kathy Dusenbury, Joseph Turner and Claudia Willhite, being the Mayor, City Administrator and City Clerk of the City of Parkville Missouri, respectively, personally known to me to be the persons whose names are subscribed to the foregoing instrument as such Mayor, City Administrator and City Clerk, respectively, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as the free and voluntary act of the city, for the uses and purposes set forth therein; and the said City Clerk, then and there acknowledged that she, as custodian of the corporate seal of said City, did affix the corporate seal of said City to said instrument, as her own free and voluntary act and as the free and voluntary act of said City, for the uses and purposes therein set forth.

GIVEN UNDER my hand and Notary Seal this 26 day of MARCH, 2008.

J. Gauger
Print Name: JENNIFER GAUER
Notary Public

My Commission Expires:

JENNIFER GAUER
Notary Public – Notary Seal
State of Missouri – Platte County
Commission # 05656217
My Commission Expires Jan. 20, 2009

TUF FLIGHT INDUSTRIES, INC.

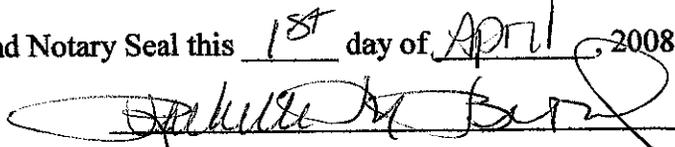
By: 
Patrick D. Kelly, President

ACKNOWLEDGEMENT

STATE OF MISSOURI)
)
COUNTY OF PLATTE) SS.

I RACHELLE BIONDO, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Patrick D. Kelly, being the President of TUF Flight Industries, Inc., personally known to me to be the person whose name is subscribed to the foregoing instrument as such President, appears before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as the free and voluntary act of the corporation for the uses and purposes therein set forth.

GIVEN UNDER my hand and Notary Seal this 18th day of April, 2008.



Print Name: RACHELLE M BIONDO

Notary Public

My Commission Expires: 7/31/08

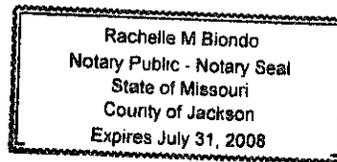


EXHIBIT 1
LEGAL DESCRIPTIONS

REDEVELOPMENT AREA

A Tract of land located in the City of Parkville, Platte County, Missouri, being more particularly described as follows: All of Lots 1, 2, 3, 4, 5, 6 and Tract A, Bell Road Industrial Park, a subdivision of land in Parkville, Platte County, Missouri, according to the recorded plan thereof.

REDEVELOPMENT PROJECT AREA

A Tract of land located in the City of Parkville, Platte County, Missouri, being more particularly described as follows: All of Lots 1, 2, 3, 4, 5, 6 and Tract A, Bell Road Industrial Park, a subdivision of land in Parkville, Platte County, Missouri, according to the recorded plan thereof.

**EXHIBIT 2
DEVELOPMENT IMPROVEMENTS SCHEDULE**

<u>Description of Phase of Developer Improvements</u>	<u>Begin</u>	<u>Complete</u>
Site work and construction of retail center	August 2008	Spring 2010

PRELIMINARY SITE PLAN

See Following Page

**EXHIBIT 4
REDEVELOPMENT PROJECT COSTS**

DESCRIPTION	TOTAL PROJECT COSTS	REIMBURSABLE PROJECT COSTS
Site Work / Stormwater Management		
Clearing & Grubbing	\$50,000	\$50,000
Demolition	\$25,000	\$25,000
Retaining Walls	\$558,000	\$558,000
Site Fill	\$400,000	\$400,000
Soil	\$35,000	\$35,000
Utility Costs	\$200,000	\$200,000
Design & Engineering	\$100,000	\$100,000
Contingency	\$100,000	\$100,000
Contractor's Fees	\$75,000	\$75,000
Construction Management	\$75,000	\$75,000
Overhead & Administration	\$75,000	\$75,000
SUBTOTAL	\$1,693,000	\$1,693,000
Internal Improvements		
Curbs & Sidewalks	\$46,500	\$46,500
Drainage	\$75,000	\$75,000
Paving	\$275,000	\$275,000
Landscape / Irrigation	\$500,000	\$500,000
Lighting	\$120,000	\$120,000
SUBTOTAL	\$1,016,500	\$1,016,500
Bell Road Improvements		
Grading	\$20,000	\$20,000
Pavement	\$30,000	\$30,000
Drainage Structures	\$20,000	\$20,000
Erosion Control	\$5,000	\$5,000
Traffic Control	\$5,000	\$5,000
Signing & Striping	\$2,000	\$2,000
Lighting & Miscellaneous	\$30,000	\$30,000
Design & Engineering	\$15,000	\$15,000
Contingency	\$50,000	\$50,000
General Conditions	\$20,000	\$20,000
Contractor's Fees	\$20,000	\$20,000
Construction Management	\$25,000	\$25,000
Overhead & Administration	\$25,000	\$25,000
SUBTOTAL	\$267,000	\$267,000
63rd Street & MoDOT Improvements	\$300,000	\$300,000
SUBTOTAL	\$300,000	\$300,000
TIF Plan Preparation & Administration		
Professional Fees (Legal & Other)	\$100,000	\$100,000
Traffic Study	\$15,000	\$15,000
Blight Analysis	\$15,000	\$15,000

1.

DESCRIPTION	AREA SF	COST PER AREA SF	TOTAL PROJECT COSTS	REIMBURSABLE PROJECT COSTS
General Conditions				
Tap Fees	45,360	\$0.80	\$36,288	\$0
Profit and Overhead	45,360	\$5.69	\$258,098	\$0
General Requirements	45,360	\$2.91	\$131,998	\$0
Concrete				
Flatwork Concrete	45,360	\$3.26	\$147,874	\$0
Footings	45,360	\$1.83	\$83,009	\$0
Rebar / Wiremesh	45,360	\$1.49	\$67,586	\$0
Masonry, Metals, Wood & Plastics				
All Masonry	45,360	\$7.33	\$332,489	\$0
EIFS	45,360	\$3.57	\$161,935	\$0
Flashing / Gutters	45,360	\$0.21	\$9,526	\$0
Lumber / Trusses	45,360	\$5.65	\$256,284	\$0
Rough Carpentry	45,360	\$4.80	\$217,728	\$0
Roofing, Doors, Windows & Insulation				
Roofing	45,360	\$1.09	\$49,442	\$0
Calking	45,360	\$0.38	\$17,237	\$0
Doors / Frames / Hardware	45,360	\$0.56	\$25,402	\$0
Alum Doors / Storefronts	45,360	\$3.34	\$151,502	\$0
Finishes				
Painting	45,360	\$0.40	\$18,144	\$0
Tenant Buildout	45,360	\$66.00	\$2,993,760	\$0
Mechanical & Electrical				
Plumbing	45,360	\$1.92	\$87,091	\$0
Electrical	45,360	\$3.02	\$136,987	\$0
TOTAL ESTIMATED PRIVATE DEVELOPMENT COSTS			\$5,182,380	\$0

White Goss Bowers March Schulte & Weisenfels

a Professional Corporation

816-502-4723

pjensen@whitegoss.com

February 12, 2014

VIA ELECTRONIC MAIL (lpalmer@parkvillemo.com)

Lauren Palmer, City Administrator
City of Parkville
8880 Clark Ave.
Parkville, MO 64152

Re: Parkville Market Place TIF Plan/Five Year Progress Report per Section 99.865, RSMo

Dear Ms. Palmer:

We represent TUF Flight Industries, Inc. (Pat Kelly) ("TUF Flight") which is the developer of the Parkville Market Place Tax Increment Financing Plan. It is my understanding that the Board of Aldermen will be holding a public hearing on Tuesday, February 18, 2014, "to determine if the Parkville Market Place Tax Increment Financing District redevelopment project is making satisfactory progress under the proposed time schedule contained with the approved plans for completion of such projects." The hearing is being held in accordance with Section 99.865, RSMo, as amended. This is written to provide further background concerning the Parkville Market Place Tax Increment Financing Plan and the implementation of the TIF Plan since its approval by the Board of Aldermen on February 19, 2008.

As you are aware, the Parkville Market Place TIF Plan covers the area of approximately 6 acres located at the southwest corner of Missouri Highway 45 and Bell Road. The plan provides for the redevelopment of that blighted corner into a retail shopping center of approximately 45,360 square feet with retail/commercial space and significant public improvements, including contributing \$75,000 for the signalization of the Bell Road and 45 Highway intersection. Ordinance No. 2396 was passed by the Board of Aldermen on February 19, 2008, and the Redevelopment Agreement was executed between TUF Flight and the City of Parkville on March 26, 2008.

Subsequent to the execution of the Redevelopment Agreement, TUF Flight has actively worked to market the site and has completed the following in accordance with the requirements of the Redevelopment Agreement:

1. Section 2.01.A. TUF Flight dedicated all required right-of-way necessary for the construction of the improvements to Missouri Highway 45 and Bell Road and for the right-of-way for the traffic light. The deeds providing these rights-of-way were executed and provided to the Missouri Highway and Transportation Commission in October and November 2009. TUF Flight was not compensated for this right-of-way dedication to the Commission as this was a

condition required by the Redevelopment Agreement. The value of these dedications were significant.

2. Section 2.01.G. TUF Flight deposited a total of \$40,000.00 with the City which has been used by the City to fund the City's administrative expenses and costs for processing and implementing the Parkville Market Place TIF Plan.

3. Section 3.02. On December 17, 2009, TUF Flight contributed \$75,000.00 for the cost of signaling the intersection of Bell Road and 45 Highway. With the additional funds from the property owner to the north, the traffic signal was installed by the Missouri Highways and Transportation Commission and is fully functioning.

4. In addition, TUF Flight expended a total of \$174,541.62 in legal, architectural and engineering fees both in planning and moving forward on the implementation of the Parkville Market Place TIF Plan.

5. To date, TUF Flight expended a total of \$289,541.62 in preparing, marketing and moving forward with the implementation of the Parkville Market Place TIF Plan plus the additional value of the rights-of-way that were deeded to MoDOT without cost.

No person could have predicted the economic collapse that began in the United States shortly after the Parkville Market Place TIF Plan was approved. TUF Flight's brokers have been actively marketing the site for redevelopment. They have created property flyers, e-flyers, and a marketing sign. They have also listed the property on the three largest commercial listing services nationally; Costar, Xceligent and Loopnet as well as the Colliers International website that can be accessed by over 400 offices nationally and internationally. The property is directly exposed to the local market primarily through the distribution of our marketing materials to the brokerage community. This is done by sending specific e-flyers on the property to brokers; including the listing of the property on the Colliers' listing report; talking with brokers about the property and by responding to e-mail notifications from brokers who have requirements that may fit the property or location. Another manner by which our brokers directly expose the property has been in making direct calls to end users who our brokers feel are good targets for the property. Lastly, the marketing sign also produces exposure and our brokers respond to inquiries produced as a result of the sign. We have used these distribution channels on a regular basis throughout the listing of the property. Despite TUF Flight's best efforts, including that of its brokers, we have not yet identified commercial users for the site. Our brokers feel that the site is very marketable but it has just not reached its potential due to the economic collapse.

Pat Kelly and Marcia Burton previously met with Sean Ackerson and Janet Garms (Parkville's counsel at that time) and kept them informed about the progress of the Parkville Market Place Center and the need to amend the completion time deadlines set forth in the Redevelopment Agreement. During those meetings, they provided assurances that the time deadlines could be revised to reflect market conditions.

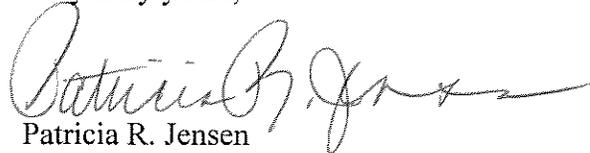
Section 11.02 of the Redevelopment Agreement states:

11.02. Delay. For the purposes of any of the provisions of this Agreement, neither the City nor the Developer, as the case may be, nor any successor in interest, shall be considered in breach of, or default in, its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of materials, unavailability of labor, unusually adverse weather conditions, such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or abnormal duration, tornadoes, and any other events or conditions beyond the reasonable control of the Party affected, which shall include but not be limited to delays in receiving approvals from any governmental agency and any litigation attempting to enjoin the construction of all or any portion of the Developer Improvements in accordance with this Agreement, which in fact prevents the Party so affected from discharging its respective obligations hereunder ("Excusable Delays").

Pursuant to Section 99.810.1(3), RSMo, an ordinance approving the actual redevelopment project for the Parkville Market Place TIF Plan must be passed by the Board no later than ten years following approval of the TIF Plan. Thus, the statute provides that TUF Flight may redevelop the site within this ten year period ending in February 2018 subject to the time schedule as approved by the Board. Due to the economic collapse that occurred in 2008-2010, the fact that the commercial market is just beginning to recover from this economic collapse and the fact that TUF Flight has expended \$289,541.62 in the approval and implementation of the TIF Plan, TUF Flight requests that the Board find that the developer has made satisfactory progress in the implementation of the TIF Plan and further that the Board recognize the delay is due to conditions not created by the developer and approve a time extension to the Plan and Agreement to provide that the redevelopment of the site be completed by February 2018.

We look forward to meeting with the Board to discuss the Parkville Market Place TIF Plan on February 18, 2014. If you have any questions prior to the meeting, please feel free to contact me.

Very truly yours,



Patricia R. Jensen

PRJ:hkm

Lauren Palmer
February 12, 2014
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cc: Mr. Sean Ackerson (via e-mail sackerson@parkvillemo.com)
Mr. Pat Kelly (via e-mail patkellytfti@yahoo.com)
Ms. Marcia Burton (via e-mail marciaburtontfti@yahoo.com)
Mr. Doug Hedrick (via e-mail Doug.Hedrick@colliers.com)
Mr. Dan Bourk (via e-mail Dan.Bourk@colliers.com)
James C. Bowers Jr., Esq. (via e-mail jbowers@whitegoss.com)