Economic Development and Finance
Standing Committee Meeting Agenda
Monday, July 6, 2020
Immediately upon adjournment of earlier committee

Location: remotely via Zoom

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Name	Absent
Commissioner Tom Burroughs, Chair	☐
Commissioner Brian McKiernan	☐
Commissioner Gayle E. Townsend	☐
Commissioner Harold Johnson	☐
Commissioner James Walters	☐
Jeff Bryant, BPU Member	☐

I. **Call to Order/Roll Call**

II. **Revisions to July 6, 2020 Agenda**

III. **Approval of standing committee minutes from May 4, 2020.**

IV. **Committee Agenda**

Item No. 1 - REPORT: FIRST QUARTER BUDGET TO ACTUALS

Synopsis: First Quarter 2020 Budget to Actuals Report, submitted by Kathleen VonAchen, Chief Financial Officer; and Reginald Lindsey, Budget Manager.

For information only.

Tracking #: 20233

Item No. 2 - RESOLUTION: AUTHORIZING THE ISSUANCE OF UTILITY SYSTEM REVENUE BONDS

Synopsis: A resolution authorizing the issuance of utility system revenue bonds, submitted by Kathleen VonAchen, Chief Financial Officer.

It is requested that this item be fast tracked to the July 9, 2020 full commission meeting.

Tracking #: 20185

Item No. 3 - ORDINANCE: BPU REFUNDING BONDS 2020-A & 2020-B

Synopsis: An ordinance authorizing the issuance of Utility System Refunding and Improvement Revenue Bonds, Series 2020-A and Taxable Utility System Refunding Revenue Bonds, Series 2020-B, submitted by Kathleen VonAchen, Chief Financial Officer; and Debbie Jonscher, Deputy Chief Financial Officer.

It is requested that this item be fast tracked to the July 9, 2020 full commission meeting.

Tracking #: 20184

Item No. 4 - PURCHASE AGREEMENT: SCANNELL PROPERTIES FOR THE WOODLANDS

Synopsis: A purchase agreement for Scannell Properties to buy 34 acres of UG-owned land as part of the proposed Woodlands development.

For information only.

Tracking #: 20229

Item No. 5 - RESOLUTION: DOWNTOWN CAMPUS REDEVELOPMENT DISTRICT FIRST AMENDMENT

Synopsis: A resolution adopting the first amendment to the Downtown Campus Redevelopment Agreement, submitted by Katherine Carttar, Director of Economic Development.
Tracking #: 20230

Item No. 6 - RESOLUTION: THE MAREK AT MISSION CLIFFS APARTMENT DEVELOPMENT
Synopsis: A resolution of intent to issue industrial revenue bonds not to exceed $26.3M for SPKS Mission Hills, LLC for The Marek at Mission Cliffs project located at 2913 & 2906 W. 39th Ave. and 3741 S. Thompson Cr., submitted by Katherine Carttar, Director of Economic Development.
Tracking #: 20231

Item No. 7 - TWO RESOLUTIONS: THE YARDS II APARTMENT AND RIVERFRONT DEVELOPMENT
Synopsis: Request consideration of the following resolutions regarding KC The Yards 2, LLC, plan for a first-class apartment complex located west of State Line Road, east of the Kansas River, north of Kansas Avenue, and south of Interstate 670 in the historic West Bottoms, submitted by Katherine Carttar, Director of Economic Development

- Redevelopment agreement
- Set public hearing date of August 13, 2020 to consider the redevelopment district

Tracking #: 20232

V. **Public Agenda**

VI. **Adjourn**

ECONOMIC DEVELOPMENT AND FINANCE
STANDING COMMITTEE MINUTES
Monday, May 4, 2020

The meeting of the Economic Development and Finance Standing Committee was held on Monday, May 4, 2020, at 5:12 p.m., remotely via Zoom. The following members were present: Commissioner Burroughs, Chairman; Commissioners McKiernan, Townsend, Johnson, Walters; and BPU Board Member Jeff Bryant. The following officials were also in attendance via Zoom: Gordon Criswell, Melissa Sieben, Emerick Cross, and Alan Howze, Assistant County Administrators; Patrick Waters, Senior Counsel; Katherine Carttar, Director of Economic Development; Rick Mikesic, Director of Revenue/County Treasurer; Andrea Parra, Deputy County Treasurer; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; Reginald Lindsey, Budget Manager; Bridgette Cobbins, UG Clerk; and Rocki Mayes, Program Supervisor in County Administrator's Office.

Chairman Burroughs said before I call the meeting to order, I want to announce that due to COVID-19, the committee members, staff, and public are attending remotely via Zoom. All participants joining by phone should mute their phones when not speaking to avoid background noise.

During the meeting, please make sure that you announce yourself by name and title every time you speak so that the public that is observing knows who is speaking. This is critical given the number of remote participants and is current guidance from the Kansas Attorney General.

Also, due to COVID-19 requirements, public comment has been suspended unless otherwise required by law. The public has been allowed to submit comments prior to the meeting and those comments will be included in the record of this meeting.

Chairman Burroughs called the meeting to order.

Roll call was taken and members were present as shown above.

Chairman Burroughs said I do believe we have a revision to tonight's meeting. Bridgette, do we have a revision to tonight's meeting? **Bridgette Cobbins, UG Clerk,** said yes, Mister Chair, we do have a blue sheet that has been distributed under the committee agenda. We have a new item.

It's Item No. 5, regarding the budget revisions due to COVID-19. That will be the last item on the agenda.

Approval of standing committee minutes from March 2, 2020. **On motion of Commissioner McKiernan, seconded by Commissioner Johnson, the minutes were approved.** Motion carried unanimously.

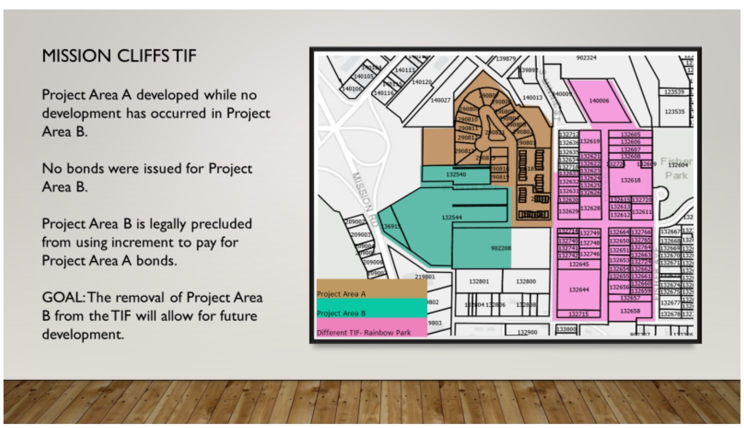
Committee Agenda:

Item No. 1 – 20100…ORDINANCE: MISSION CLIFFS TIF PROJECT AREA B REMOVAL

Synopsis: An ordinance removing Project Area B from the Mission Cliffs II Redevelopment District and terminating tax increment financing for Project Area B, submitted by Katherine Carttar, Director of Economic Development. The removal of this area from the TIF will allow for future development.

Katherine Carttar, Director of Economic Development, said I'm going to share my screen.

This is a request to remove Project Area B from the Mission Cliffs TIF. This was a TIF that was put in place back in 2008. At that time, there were two different project areas that were created. Project Area A, and I'll get into which areas is which; but Project Area A did move forward with development and has continued to have development. With that development, bonds were issued; however with Project Area B, as you can imagine, in 2008, there was only so much interest in having residential being built. So, there was just never a project that was actually approved for Project Area B. As you can see, this is just west of the KU Med Center.



Here's a little closer view. You can see with my cursor here this kind of brownish color is Project Area A. Most of these houses now—it has taken quite some time—but most of these houses have, I think, there’s still maybe two or three lots that have not been developed. Then, kind of the first phase of these townhomes were developed. However, as you can see in this kind of teal color, Project Area B, no project ever moved forward so no bonds were ever issued.

Now, that we are quite far into the TIF, one of the issues is that now there's only about eight years left in this TIF. With that, it’s really too little time. We're kind of in this kind of weird intermediate time where there's not enough time to really get any benefit from the TIF so we are going to ask that you actually remove Project Area B.

We've had a feasibility study done and Project Area B is actually legally precluded from using any increments to pay the Project Area A bonds so they really have kind of no legal connection between Project Area A and Project Area B, so this will not change Project Area A at all. That will continue to move forward as it has stood. Hopefully, by removing Project Area B, we believe that this will allow for future development in this area where we can kind of start from scratch. In fact, I imagine in the next month or two, you'll actually see a project come forward that would be residential in nature to consider for this area.

With that, if you have any questions.

But once again, we'd be terminating the tax increment financing for Project Area B and removing it from the TIF.

Chairman Burroughs said thank you, Katherine.

Chairman Burroughs asked, does any member of the committee have any questions or comments? (There were none.) I'll ask the Clerk if any comments were received from the public. **Bridgette Cobbins, UG Clerk,** said no comments were received from the Clerk's Office.

Chairman Burroughs said this is an action item, so I would ask at this time—I would entertain a motion for approval.

Action: **Commissioner Townsend made a motion, seconded by BPU Board Member Bryant, to approve. Chairman Burroughs** said we have a motion and a second.

Roll call was taken and there were six "Ayes," Bryant, Walters, Johnson, Townsend, McKiernan, Burroughs.

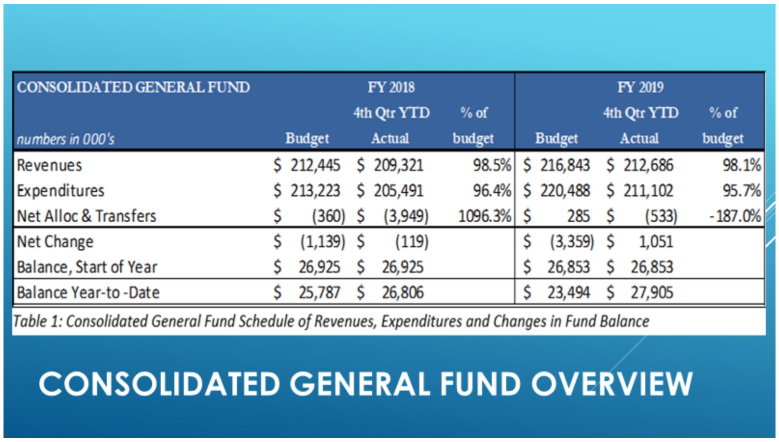
Chairman Burroughs said Item No. 2, and the next couple of items, are all for information only.

(Item No. 3 was inadvertently heard before Item No. 2)

Item No. 3 – 20119…REPORT: FOURTH QUARTER 2019 BUDGET TO ACTUALS

Synopsis: Fourth Quarter 2019 Budget-to-Actuals Report, submitted by Kathleen VonAchen, Chief Financial Officer; and Debbie Jonscher, Deputy Chief Financial Officer.

Debbie Jonscher, Deputy Chief Financial Officer, said tonight we're here to give the results of the 2019 Fourth Quarter Budget-to-Actual Financial performance. We'll go into the First Quarter or` Consolidated General Fund totals.



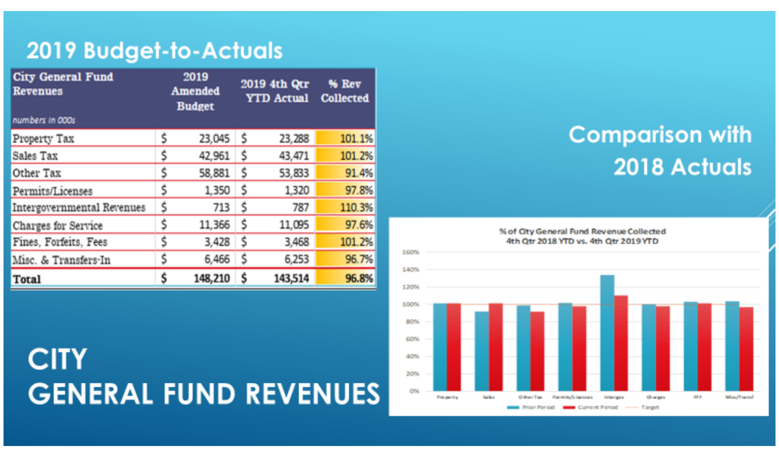
CONSOLIDATED GENERAL FUND	FY 2018			FY 2019		
		4th Qtr YTD	% of		4th Qtr YTD	% of
numbers in 000's	Budget	Actual	budget	Budget	Actual	budget
Revenues	$ 212,445	$ 209,321	98.5%	$ 216,843	$ 212,686	98.1%
Expenditures	$ 213,223	$ 205,491	96.4%	$ 220,488	$ 211,102	95.7%
Net Alloc & Transfers	$ (360)	$ (3,949)	1096.3%	$ 285	$ (533)	-187.0%
Net Change	$ (1,139)	$ (119)		$ (3,359)	$ 1,051	
Balance, Start of Year	$ 26,925	$ 26,925		$ 26,853	$ 26,853	
Balance Year-to-Date	$ 25,787	$ 26,806		$ 23,494	$ 27,905	

Table 1: Consolidated General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance

On this slide, we're comparing year-to-date totals for 2019 with year-to-date totals 2018 for revenues. Revenues for 2019 were up about 1.6% over 2018; however, revenues for 2019 were 1.9% below budget compared with revenues for 2018 were about 1.5% below budget.

Expenditures were 2.7% higher than 2018, I'm sorry, 2.7% higher in 2018 than they were in 2019. You'll see the balance at the end of 2018, the fund balance was $26.8M. We had a net change in 2019 of just slightly over $1M, bringing the fund balance total to $27.9M, the fund balance at the end of 2019.

On the next slide, we'll talk about the 2019—we'll go into a little bit more detail within the City General Fund.

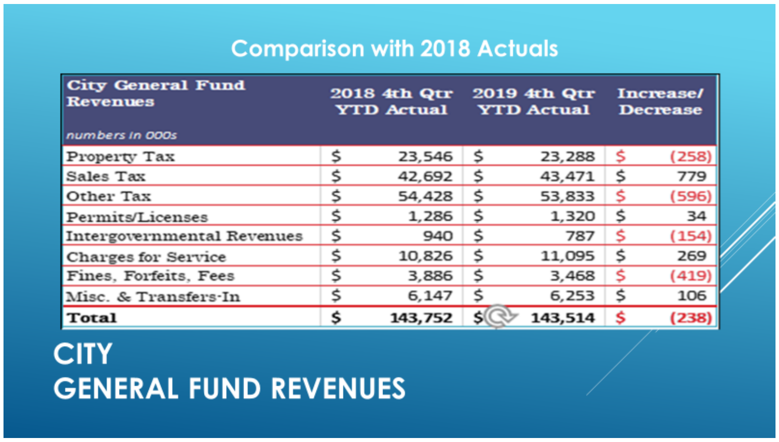


City General Fund Revenues *numbers in 000s*	2019 Amended Budget	2019 4th Qtr YTD Actual	% Rev Collected
Property Tax	$ 23,045	$ 23,288	101.1%
Sales Tax	$ 42,961	$ 43,471	101.2%
Other Tax	$ 58,881	$ 53,833	91.4%
Permits/Licenses	$ 1,350	$ 1,320	97.8%
Intergovernmental Revenues	$ 713	$ 787	110.3%
Charges for Service	$ 11,366	$ 11,095	97.6%
Fines, Forfeits, Fees	$ 3,428	$ 3,468	101.2%
Misc. & Transfers-In	$ 6,466	$ 6,253	96.7%
Total	**$ 148,210**	**$ 143,514**	**96.8%**

I'm going to talk about both the City General Fund revenues and the County General Fund revenues. These next two slides are for the City General Fund. Just to note, the total revenues collected for 2019 were about 97% of the revenue budget for 2019. Revenues were about $4.7M below budget.

I'll just point out a few things. Property and sales tax were both just slightly over 100% of budget. Our governmental revenues were at 110% of budget. Forfeits and fees were also slightly over budget.

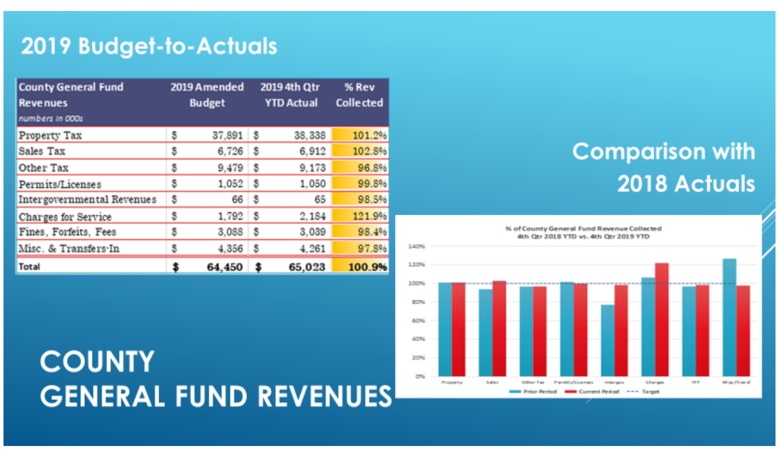
The graph on the lower right just shows the comparison of each category for Fourth Quarter 2018 versus year-to-date totals for 2019. The blue is the prior period and red is the current period.



City General Fund Revenues *numbers in 000s*	2018 4th Qtr YTD Actual	2019 4th Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 23,546	$ 23,288	$ (258)
Sales Tax	$ 42,692	$ 43,471	$ 779
Other Tax	$ 54,428	$ 53,833	$ (596)
Permits/Licenses	$ 1,286	$ 1,320	$ 34
Intergovernmental Revenues	$ 940	$ 787	$ (154)
Charges for Service	$ 10,826	$ 11,095	$ 269
Fines, Forfeits, Fees	$ 3,886	$ 3,468	$ (419)
Misc. & Transfers-In	$ 6,147	$ 6,253	$ 106
Total	**$ 143,752**	**$ 143,514**	**$ (238)**

The next slide for the City General Fund shows also the comparison with the 2018 actuals for year-to-date. As you can see, we had sales tax ended $779,000 higher than total collections for 2018. Charges for service $269,000 of totals for 2018. 2019 revenues in the City General Fund ended at $143.5M versus 2018 we ended at $143.7M, so about $238,000 below what we collected in 2018.

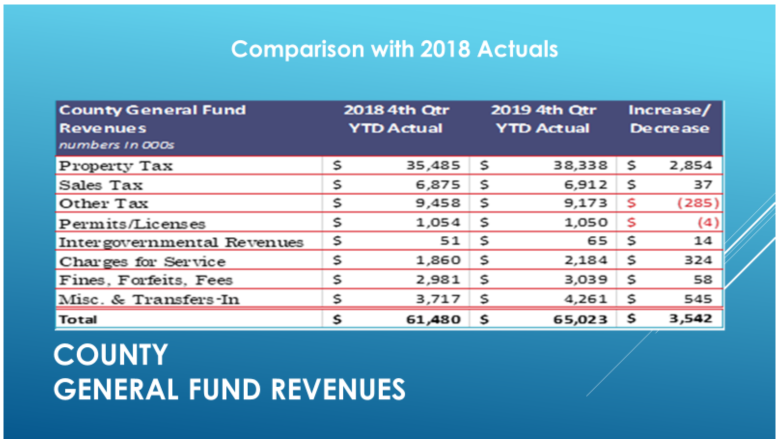
Now, we'll go into the County General Fund.



County General Fund Revenues *numbers in 000s*	2019 Amended Budget	2019 4th Qtr YTD Actual	% Rev Collected
Property Tax	$ 37,891	$ 38,338	101.2%
Sales Tax	$ 6,726	$ 6,912	102.8%
Other Tax	$ 9,479	$ 9,173	96.8%
Permits/Licenses	$ 1,052	$ 1,050	99.8%
Intergovernmental Revenues	$ 66	$ 65	98.5%
Charges for Service	$ 1,792	$ 2,184	121.9%
Fines, Forfeits, Fees	$ 3,088	$ 3,039	98.4%
Misc. & Transfers-In	$ 4,356	$ 4,261	97.8%
Total	**$ 64,450**	**$ 65,023**	**100.9%**

We got the same information that we presented for the city. For the County General Fund, the main source of revenue is property tax revenues. As you can see, we collected 101.2% of budget for property tax revenues. Total revenues were just over budget at 100.9%. Sales tax for this fund was also above 100% as well as charges for service at 121%. The charges for jail fees make up about 80% of this revenue and accounted for this increase.

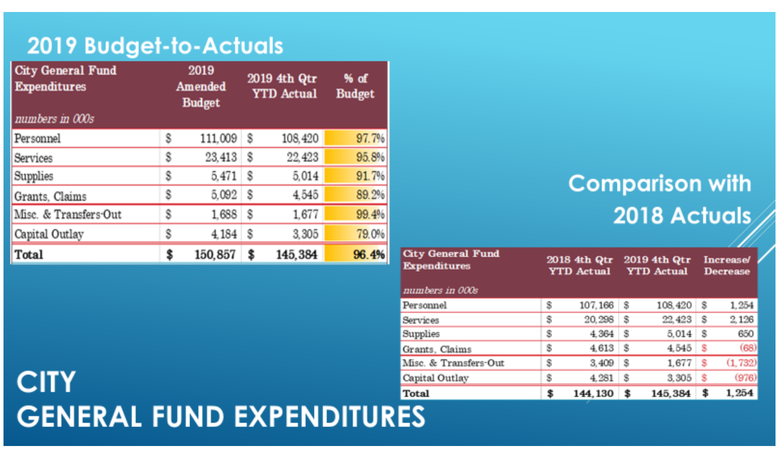
The graph on the right hand just shows the comparison between 2018 and 2019 by each revenue category with the blue being the prior period and red being the current period.



County General Fund Revenues *numbers in 000s*	2018 4th Qtr YTD Actual		2019 4th Qtr YTD Actual		Increase/ Decrease	
Property Tax	$	35,485	$	38,338	$	2,854
Sales Tax	$	6,875	$	6,912	$	37
Other Tax	$	9,458	$	9,173	$	(285)
Permits/Licenses	$	1,054	$	1,050	$	(4)
Intergovernmental Revenues	$	51	$	65	$	14
Charges for Service	$	1,860	$	2,184	$	324
Fines, Forfeits, Fees	$	2,981	$	3,039	$	58
Misc. & Transfers-In	$	3,717	$	4,261	$	545
Total	**$**	**61,480**	**$**	**65,023**	**$**	**3,542**

On this final slide for the County General Fund, it just shows the revenues in detail broken out compared with 2019 year-to-date and 2018. You can see that property tax increased about $2.8M over what we collected in 2018. Sales tax was fairly neutral, just slightly over what we collected. Charges for service were about $324,000 over. Miscellaneous and transfers-in were about $545,000. Total revenues on the County General Fund for 2019 collected were just over $65M. From 2018, it was $61.4M.

That's all I have on the revenue. I'm going to turn the expenditures over to Reginald Lindsey, our Budget Manager.



City General Fund Expenditures *numbers in 000s*	2019 Amended Budget		2019 4th Qtr YTD Actual		% of Budget
Personnel	$	111,009	$	108,420	97.7%
Services	$	23,413	$	22,423	95.8%
Supplies	$	5,471	$	5,014	91.7%
Grants, Claims	$	5,092	$	4,545	89.2%
Misc. & Transfers-Out	$	1,688	$	1,677	99.4%
Capital Outlay	$	4,184	$	3,305	79.0%
Total	**$**	**150,857**	**$**	**145,384**	**96.4%**

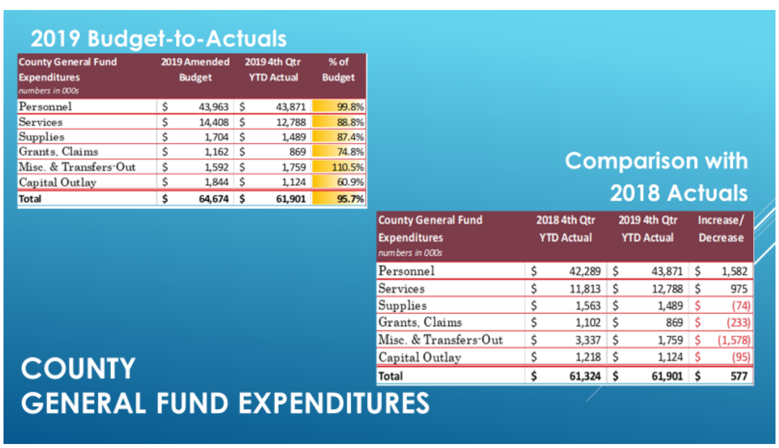
City General Fund Expenditures *numbers in 000s*	2018 4th Qtr YTD Actual		2019 4th Qtr YTD Actual		Increase/ Decrease	
Personnel	$	107,166	$	108,420	$	1,254
Services	$	20,298	$	22,423	$	2,126
Supplies	$	4,364	$	5,014	$	650
Grants, Claims	$	4,613	$	4,545	$	(68)
Misc. & Transfers-Out	$	3,409	$	1,677	$	(1,732)
Capital Outlay	$	4,281	$	3,305	$	(976)
Total	**$**	**144,130**	**$**	**145,384**	**$**	**1,254**

Reginald Lindsey, Budget Manager, said on the current slide, we have two views. We've got the budget comparisons to actuals in the upper left-hand corner. At the bottom left-hand corner or bottom right-hand corner, we have the year-over-year actual comparison.

To start out in the upper left-hand corner, we see personnel. We spent 97% of our funds. Personnel includes salaries, pension, overtime, benefits, and payouts. Services, we spent almost 96% of our expenditures that were allotted. In that services line item on the City General side, that includes some of the bigger items: our transit contracts, our trash contract, and software contracts, then, city jail costs. The next line is supplies. We spent almost 92% of the expenses that we had budgeted there. That includes commodities such as natural gas, fuel, and parts. Some of the other line items we had capital outlay where we spent about 80% of our funds. On the City General Fund, just across the board, what was allotted was about $150M budget, we spent 96% of it.

The other table that's on the slide compares our 2019 actuals to our 2018 actuals. We see our personnel; we had a 1% increase in what we spent compared to last year. In services, we were up about 10%. Supplies, we were up 15%. Our capital outlay, we're actually down about 22%, but we did have a lower budget in 2018 compared to 2019.

On the next slide, I'm going to go over the County General Fund.



County General Fund Expenditures *numbers in 000s*	2019 Amended Budget	2019 4th Qtr YTD Actual	% of Budget
Personnel	$ 43,963	$ 43,871	99.8%
Services	$ 14,408	$ 12,788	88.8%
Supplies	$ 1,704	$ 1,489	87.4%
Grants, Claims	$ 1,162	$ 869	74.8%
Misc. & Transfers-Out	$ 1,592	$ 1,759	110.5%
Capital Outlay	$ 1,844	$ 1,124	60.9%
Total	**$ 64,674**	**$ 61,901**	**95.7%**

County General Fund Expenditures *numbers in 000s*	2018 4th Qtr YTD Actual	2019 4th Qtr YTD Actual	Increase/ Decrease
Personnel	$ 42,289	$ 43,871	$ 1,582
Services	$ 11,813	$ 12,788	$ 975
Supplies	$ 1,563	$ 1,489	$ (74)
Grants, Claims	$ 1,102	$ 869	$ (233)
Misc. & Transfers-Out	$ 3,337	$ 1,759	$ (1,578)
Capital Outlay	$ 1,218	$ 1,124	$ (95)
Total	**$ 61,324**	**$ 61,901**	**$ 577**

We have the same views that we had when we viewed the City General Fund where we had the budget comparison in the upper left-hand corner and then at the bottom, we have the year-over-year actuals in the lower right-hand corner.

In the County General Fund, on the personnel side, we can see we were very close on our personnel. We spent almost 100% of that budget in personnel. On the service side, we spent 88% of it. Some of the things that we pay on the county side out of services are inmate medical contracts then also our farmout contracts and our jail. Supplies, we spent 87% of our budget. Some of the things we pay out of supplies, again, are natural gas, fuel, and parts. Capital outlay, we used 60% of the budget. All in total of the $65M budget that we have for the County General Fund, we spent almost 96% of it.

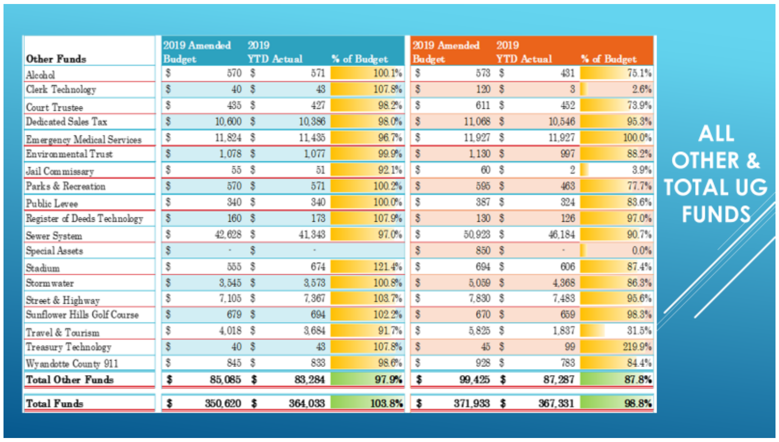
As we compare down on the right table comparing 2018 actuals to 2019 actuals, we see personnel was up 14%. Our services were up 8.2%. Our supplies were down 5%. Capital outlay was down 8%.

	REVENUES numbers in 000's			EXPENDITURES numbers in 000's		
Tax Levy Funds	2019 Amended Budget	2019 YTD Actual	% of Budget	2019 Amended Budget	2019 YTD Actual	% of Budget
City General Fund	$ 148,210	$ 143,514	96.8%	$ 150,857	$ 145,384	96.4%
City Bond & Interest	$ 34,135	$ 53,696	157.3%	$ 36,452	$ 53,550	146.9%
County General Fund	$ 64,450	$ 65,023	100.9%	$ 64,674	$ 61,901	95.7%
Cons. Parks General Fund	$ 6,439	$ 6,406	99.5%	$ 6,928	$ 6,607	95.4%
County Bond & Interest	$ 4,717	$ 4,803	101.8%	$ 5,371	$ 5,047	94.0%
Aging	$ 1,876	$ 1,878	100.1%	$ 1,918	$ 1,888	98.4%
Developmental Disabilities	$ 545	$ 541	99.3%	$ 594	$ 439	73.9%
Elections	$ 1,317	$ 1,288	97.8%	$ 1,484	$ 1,308	88.2%
Health	$ 3,229	$ 2,982	92.3%	$ 3,572	$ 3,261	91.3%
Mental Health	$ 616	$ 617	100.1%	$ 659	$ 659	100.0%
Total UG Tax Levy Funds	**$ 265,535**	**$ 280,748**	**105.7%**	**$ 272,508**	**$ 280,044**	**102.8%**

ALL UNIFIED GOVERNMENT TAX LEVY FUNDS

The next slide is a comparison of our other seven tax levy funds. On the left-hand side of the page, we have revenues. That's our money coming in. On the right-hand side of the page, we have expenditures. That's our money going out. The ideal thing we're looking for here is if revenue is over 100%, that is a good thing so we look for that. Expenditures, we want to be under 100%.

Some of the funds that I'll go through that show up on this page are Consolidated Parks General Fund. We see we collected almost 100% of the revenue we forecasted. Over on the expenditure side, we spent 95% of that budget. In our County Bond & Interest Fund, we got a little bit more money than we expected, a little over 100%, and we almost spent 99%. Developmental Disabilities, we brought in almost 100% of what we forecasted and we spent 73% of the money. In the Elections Office, we brought in right about 98% of what we expected and we spent 88% of that funding.



Other Funds	2019 Amended Budget	2019 YTD Actual	% of Budget	2019 Amended Budget	2019 YTD Actual	% of Budget
Alcohol	$ 570	$ 571	100.1%	$ 573	$ 431	75.1%
Clerk Technology	$ 40	$ 43	107.8%	$ 120	$ 3	2.6%
Court Trustee	$ 435	$ 427	98.2%	$ 611	$ 452	73.9%
Dedicated Sales Tax	$ 10,600	$ 10,386	98.0%	$ 11,068	$ 10,546	95.3%
Emergency Medical Services	$ 11,824	$ 11,435	96.7%	$ 11,927	$ 11,927	100.0%
Environmental Trust	$ 1,078	$ 1,077	99.9%	$ 1,130	$ 997	88.2%
Jail Commissary	$ 55	$ 51	92.1%	$ 60	$ 2	3.9%
Parks & Recreation	$ 570	$ 571	100.2%	$ 595	$ 463	77.7%
Public Levee	$ 340	$ 340	100.0%	$ 387	$ 324	83.6%
Register of Deeds Technology	$ 160	$ 173	107.9%	$ 130	$ 126	97.0%
Sewer System	$ 42,628	$ 41,343	97.0%	$ 50,923	$ 46,184	90.7%
Special Assets	$ -	$ -		$ 850	$ -	0.0%
Stadium	$ 555	$ 674	121.4%	$ 694	$ 606	87.4%
Stormwater	$ 3,545	$ 3,573	100.8%	$ 5,059	$ 4,368	86.3%
Street & Highway	$ 7,105	$ 7,367	103.7%	$ 7,830	$ 7,483	95.6%
Sunflower Hills Golf Course	$ 679	$ 694	102.2%	$ 670	$ 659	98.3%
Travel & Tourism	$ 4,018	$ 3,684	91.7%	$ 5,825	$ 1,837	31.5%
Treasury Technology	$ 40	$ 43	107.8%	$ 45	$ 99	219.9%
Wyandotte County 911	$ 845	$ 833	98.6%	$ 928	$ 783	84.4%
Total Other Funds	**$ 85,085**	**$ 83,284**	**97.9%**	**$ 99,425**	**$ 87,287**	**87.8%**
Total Funds	**$ 350,620**	**$ 364,033**	**103.8%**	**$ 371,933**	**$ 367,331**	**98.8%**

On the next slide; this slide right here is a snapshot of our 19 other funds which consist of Special Revenue Funds, Enterprise Funds, and, again, we kind of setup like we were on the last slide where we have revenues on the left and expenditures on the right. We want to keep things with revenues or if it's over 100%, that's good, or close to 100%, that's good. With expenditures, we don't want to be over 100%.

You will see—we do have a fund at the bottom of the page, Treasury Technology Fund, is at 219%. One of the reasons it's at 219% is because what we originally budgeted there. We had some equipment we needed to purchase and we were able to purchase it from the fund balance, so we were able to increase that budget just because it had the fund balance. That's one of the funds where we can do that. Most of our other funds, we can't go over the fund balance, or go over the expenditure amount even if they do have a fund balance. But, since the Treasury Technology Fund did have the fund balance, we were able to expend more than what we originally budgeted for.

Are there any questions about the slides that Debbie and I just went through?

Chairman Burroughs said thank you.

Chairman Burroughs asked, committee, any questions, any comments? Seeing none, I do have two questions, if I may. If you would go back to the—I wanted to talk about the county revenue slide, Reggie, the one that showed the property taxes. I see we have a 2.854 increase on that. It looks like that would be just under 3 basis points. I know there was discussion about mill levy reductions, but it looks like our valuations came in higher than what we anticipated that gives us a total of really just a little over 3 basis points increase for our total budget for the county.

Kathleen VonAchen, Chief Financial Officer, said, Commissioner, I'd like to answer that question. This is the comparison with the prior year. The prior year of $35M number is based on valuation in 2018. We budgeted in property tax, as you'll see here, $37.9M in revenue and we came in about $400,000 or $500,000 above that, what you're looking at. We're right where we expected.

What this $2.8M amount, that's a result of assessed value increase between the '19 and the '18 year. **Chairman Burroughs** said okay. **Ms. VonAchen** said that assessed value supports operations of the county and the jail. **Chairman Burroughs** said I apologize. Evidently, I'm misreading it or I made the wrong notes here that I have.

Chairman Burroughs said somehow or another, did we skip over Item 2? I had called for a report—it took me a while to catch up because I called for Item 2, First Quarter '20 Cash and Investment Report. Instead, we jumped to Item 3 on my agenda, which is actuals.

Rocki Mayes, Program Supervisor in County Administrator's Office, said yes. It looks like they went to Item 3 instead of Item 2. **Ms. VonAchen** said sorry about that. **Chairman Burroughs** said it took me a few minutes to catch up as to where we were. That can be why my notes are the way they are. That's fine.

Ms. VonAchen said I just wanted to point out that the City Bond & Interest Fund, you see how—what Reggie overlooked mentioning is you see that the budgeted revenue and the budgeted expenditure are greater than 100% that's because we refinanced the Midtown TIF bond. When you do that, you have to do all these in and out transfers, other financing sources transactions as part of the accounting. It's a wash is what you're seeing here. It did exceed the authorized budget.

The bond document actually overruled the authorized budget amount. If you're issuing bonds when the Commission approved the bonds, they approved also the budget to do the refinancing. That's why you see that difference there, just so you know.

Chairman Burroughs said thank you for pointing that out, Kathleen. I look at the 105.7% and I look at the 102.8% and there's that 3 basis points, a little over, I guess. It's right about 3 basis points in lower expenditures than what we had. Evidentially, our revenues, we were fortunate in our revenues for 2019. **Ms. VonAchen** said yes, yes. At the coming meeting, we will be—the next month ED&F meeting, we'll be talking about the Special Revenue Fund reserves and we'll be presenting more information on that.

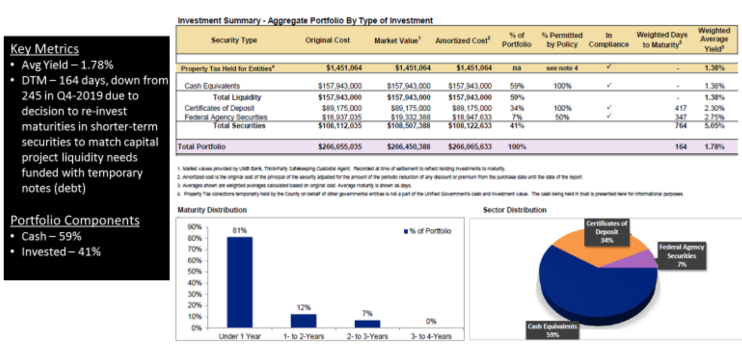
Chairman Burroughs asked, are there any other members that have any questions or comments in reference to the presentation on the comparison of the Fourth Quarter Budget to Actuals Report? Seeing none, any other comments from comp 3s? Hearing none, I guess my question is, do we move back to Item 2? **Bridgette Cobbins, UG Clerk,** said yes. We need to go back to Item 2, yes. **Chairman Burroughs** said, committee, that presentation was for information only as is Item 2 will be for information only.

Action: **For information only.**

Item No. 2 – 2098…REPORT: FIRST QUARTER 2020 CASH AND INVESTMENT

Synopsis: First Quarter 2020 Cash and Investment Report, submitted by Kathleen VonAchen, Chief Financial Officer; Rick Mikesic, County Treasurer; and Andrea Parra, Deputy Treasurer.

Kathleen VonAchen, Chief Financial Officer, said I'm going to pass it off to Andrea. Go ahead. **Andrea Parra, Deputy Treasurer,** said I'm going to share my screen with you all.



Security Type	Original Cost	Market Value[1]	Amortized Cost[2]	% of Portfolio	% Permitted by Policy	In Compliance	Weighted Days to Maturity[3]	Weighted Average Yield[3]
Property Tax Held for Entities[4]	$1,451,064	$1,451,064	$1,451,064	na	see note 4	✓	-	1.38%
Cash Equivalents	$157,943,000	$157,943,000	$157,943,000	59%	100%	✓	-	1.38%
Total Liquidity	$157,943,000	$157,943,000	$157,943,000	59%			-	1.38%
Certificates of Deposit	$89,175,000	$89,175,000	$89,175,000	34%	100%	✓	417	2.30%
Federal Agency Securities	$18,937,035	$19,332,388	$18,947,633	7%	50%	✓	347	2.75%
Total Securities	$108,112,035	$108,507,388	$108,122,633	41%			764	5.05%
Total Portfolio	$266,055,035	$266,450,388	$266,065,633	100%			164	1.78%

1. Market values provided by UMB Bank, Third-Party Safekeeping Custodial Agent. Recorded at time of settlement to reflect holding investments to maturity.
2. Amortized cost is the original cost of the principal of the security adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report.
3. Averages shown are weighted averages calculated based on original cost. Average maturity is shown as days.
4. Property Tax collections temporarily held by the County on behalf of other governmental entities is not a part of the Unified Government's cash and investment value. The cash being held in trust is presented here for informational purposes.

Going through the presentation, we, of course, as Tara had mentioned, we are going through First Quarter of 2020 Quarterly Investment Report for the Unified Government through March 31.

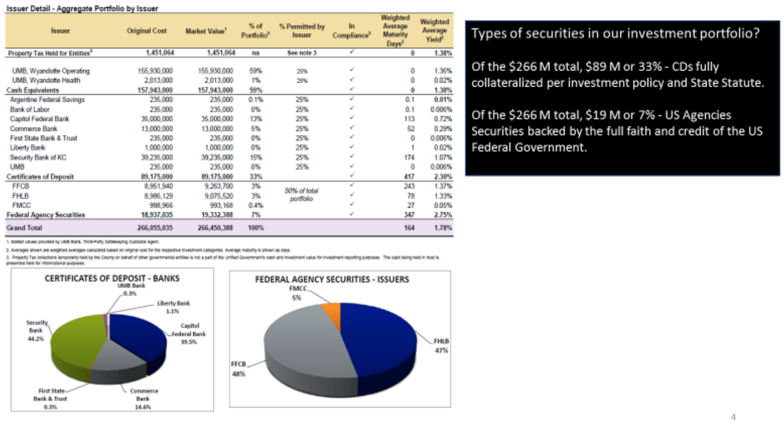
The first slide I'd like to go over is the investment summary. A few things I'd like to point out, the first of which would be our weighted average yield came in 1.78%. Another thing to point out would be weighted dates to maturity which is 164 days. It's down from the last few quarters as we were leaning toward more short-term investment securities because of capital. Temporary notes, as noted. Other items were just rated better at short-term as opposed to long-term due to the current scale of everything going on.

Another thing to note would just be where our components are for our portfolio. About 59% is cash. The remaining 41% is in investments. The total portfolio does include property tax that would have been distributed in March; therefore, it is a little bit higher as we are going to go through another distribution in June.

The next slide is going to be some more key metrics. The average yield noted, 1.78%; still above the target T-Bill rate. As you can probably see, that T-Bill rate dropped drastically between Quarter Four and Quarter One due to current situations we have; additional Fed rate decrease.

I want to note that we are still remaining within the institute requirement for compliance of issuance. All financial institutions that have investments with us remain under the current investment requirement and continue to hopefully stay and settle with that rate among the rest of the year, assuming things don't drastically change.

Some interest accrued. We are at, it looks about $1.5M already for Quarter One, which is great.



Issuer Detail - Aggregate Portfolio by Issuer

Issuer	Original Cost	Market Value[1]	% of Portfolio[2]	% Permitted by Issuer	In Compliance[3]	Weighted Average Maturity Days[2]	Weighted Average Yield[2]
Property Tax Held for Entities[3]	1,451,064	1,451,064	na	See note 3	✓	0	1.38%
UMB, Wyandotte Operating	155,930,000	155,930,000	59%	25%	✓	0	1.36%
UMB, Wyandotte Health	2,013,000	2,013,000	1%	25%	✓	0	0.02%
Cash Equivalents	**157,943,000**	**157,943,000**	**59%**		✓	**0**	**1.38%**
Argentine Federal Savings	235,000	235,000	0.1%	25%	✓	0.1	0.01%
Bank of Labor	235,000	235,000	0%	25%	✓	0.1	0.006%
Capitol Federal Bank	35,000,000	35,000,000	13%	25%	✓	113	0.72%
Commerce Bank	13,000,000	13,000,000	5%	25%	✓	52	0.29%
First State Bank & Trust	235,000	235,000	0%	25%	✓	0	0.006%
Liberty Bank	1,000,000	1,000,000	0%	25%	✓	1	0.02%
Security Bank of KC	39,235,000	39,235,000	15%	25%	✓	174	1.07%
UMB	235,000	235,000	0%	25%	✓	0	0.006%
Certificates of Deposit	**89,175,000**	**89,175,000**	**33%**		✓	**417**	**2.30%**
FFCB	8,951,940	9,263,700	3%	*50% of total portfolio*	✓	243	1.37%
FHLB	8,986,129	9,075,520	3%		✓	78	1.33%
FMCC	998,966	993,168	0.4%		✓	27	0.05%
Federal Agency Securities	**18,937,035**	**19,332,388**	**7%**		✓	**347**	**2.75%**
Grand Total	**266,055,035**	**266,450,388**	**100%**			**164**	**1.78%**

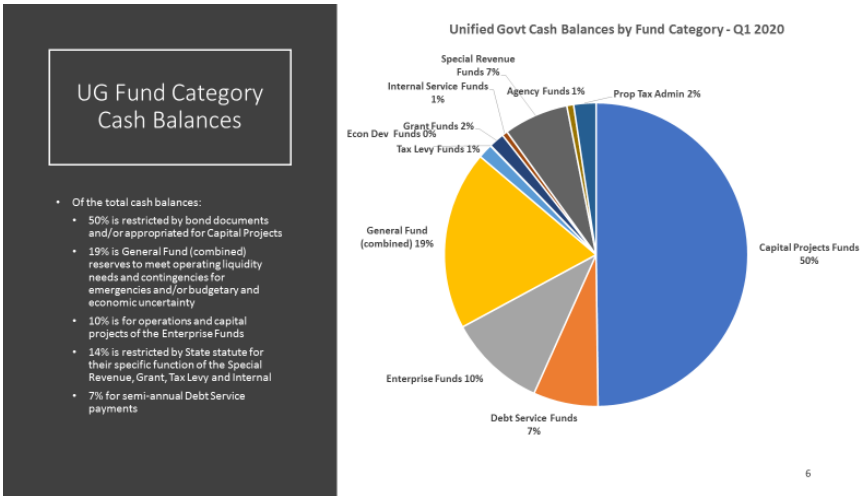
1. Market values provided by UMB Bank, Third-Party Safekeeping Custodial Agent.
2. Averages shown are weighted averages calculated based on original cost for the respective investment categories. Average maturity is shown as days.
3. Property Tax collections temporarily held by the County on behalf of other governmental entities is not a part of the Unified Government's cash and investment value for investment reporting purposes. The cash being held in trust is presented here for informational purposes.

Another slide we have is the detail for issuers. We are at $266M portfolio. $89M is going to be CDs, fully collateralized. The other $19M is going to be about 7% of agencies securities backed by faith of the federal government. As you see, all under the issuance of 25%.

Quarterly Transactions Detail - Aggregate Portfolio

Settlement Date	CUSIP	Issuer	Coupon	Maturity Date	Par	Original Cost
Thru Q1	NA	UMB, Wyandotte Operating	1.379%	3/31/2020	61,753,366	61,753,366
Thru Q1	NA	UMB, Wyandotte Health Reserve	1.379%	3/31/2020	(686,000)	(686,000)
Cash Equivalents					**61,067,366**	**61,067,366**
Purchases						
1/10/2019	343009489	Commerce Bank	2.570%	1/20/2020	(15,000,000)	(15,000,000)
Calls/Maturities					**(15,000,000)**	**(15,000,000)**
Total					**46,067,366**	**46,067,366**

Not a whole lot happened in Quarter One of 2020. We did have a fairly large investment mature, which was going to be with Commerce Bank. We went out for a short-term one year CD. That matured on the 20th of January for $15M. The coupon rate there for the overnight was at 1.379 ending in Quarter One. I will note that is obviously going to drastically change. That did drop quite significantly and is remaining subtle as it stands. I do watch that pretty frequently every day about once or twice just checking to see to make sure it's still remaining at a valuable rate.



Before Rick gets started on this, I just wanted to mention also, something forthcoming that we're working on right now would be the local emphasis, starting to recertify all the local financial institutions that are here in our county, community, Wyandotte County. We did have 11 last year that were certified. We're hoping to get what is in total which is 16 at least contact with all of them, get them recertified and move through that process. You'll see the results of that in our next ED&F for Quarter Two 2020.

Rick Mikesic, County Treasurer, said with regard to the screen we have now in front of us, the UG Fund category, this presents—we have a number of funds in the Unified Government as was just covered in the Budget-to-Actuals Report. This particular slide will demonstrate exactly where those funds are being held. You will note that the money that we're holding, 50% of it is the Capital Projects Fund, and you can see the break down from there going down to the General Fund of 19%, etcetera from there. Obviously, that gives a pretty good guide on where those dollars are held so that we have a good idea of what the limitations are on those dollars that we're having.

I think that was the last slide, is it not, Andrea? So, we will entertain any questions.

BPU Board Member Bryant said, Rick, with what's happened in the market, I know this is moving you into the current, how have we seen performance on a lot of the bonds right now? **Mr. Mikesic** said what we're seeing is quite unusual in that the overnight rate that we are getting with our banking institution is significantly higher than anything we can go out and get right now. As Andrea noted, the T-Bill rate at the end of the month, I think, was .11%, which is minuscule. Our overnight, at the end of the quarter, was 1.1 or something like that. I think it's right around .8%

now. Honestly, we would lose money to actually go out and invest. We have been talking about it and looking at it and there just isn't any logic to putting out dollars for long-term investments or even short-term investments because as of right now, we're getting quite a higher rate with our return.

We have a number of long-term investments that will be coming due the rest of this year. What we will see is those interests on those investments will be recorded. This year, we shouldn't see a significant impact to our interest income this year, but in the out years, we will start to see that really starting to come to fruition. **BPU Board Member Bryant** said thank you.

Chairman Burroughs asked, any other questions from the committee? (There were none.) Clerk, were there any comments from the public? **Bridgette Cobbins, UG Clerk,** said no comments were submitted. **Chairman Burroughs** said thank you.

Chairman Burroughs said, Rick, Andrea, thank you for your presentation. I would assume that from the Second Quarter through the end of the year, we're going to see a tremendous decline in interest income as well as investment income. Are we prepared to look at every option on the table to ensure that we can make the best of a very (inaudible). **Mr. Mikesic** said, Commissioner, you did cut out at the end, but I do think I got the point of your question. We are continuing to look at any options that we have on a regular basis. If something does make sense, we will definitely go that direction. **Chairman Burroughs** said thank you. I do trust both of your judgements. You've been very effective not only with your presentations, but ensuring that we stay in compliance, something that the Finance Committee had really some concerns about initially. Thank you and kudos to the job you've done.

Chairman Burroughs said that ends the hearing on Item No. 2. Again, it was for information purposes only.

Action: For information only.

Chairman Burroughs said we've already heard the presentation on Item No. 3. We will now go to Item No. 4.

Item No. 4 – 20120…REPORT: FOURTH QUARTER 2019 BUDGET REVISIONS

Synopsis: Fourth Quarter 2019 Budget Revisions Report, submitted by Kathleen VonAchen, Chief Financial Officer; and Reginald Lindsey, Budget Manager.

Kathleen VonAchen, Chief Financial Officer, said Reginald Lindsey is going to be making this presentation so take it away, Reggie.

ENTRY	FUND	DEPARTMENT	CMIP/OPERATING	DESCRIPTION	FUNDING SOURCE	AMOUNT	DATE APPROVED
1	Dedicated Sales Tax	Public Works	Capital	Neighborhood Signal Installation	Inside Department	$38,400	October 11, 2019
2	City General	Public Works	Capital	LED Lighting	Inside Department	$35,000	October 11, 2019
3	Dedicated Sales Tax	Fire	Capital	Improve Fire Station Living Quarters	Inside Department	$43,064	October 25, 2019
4	County General	Coroner	Operating	Autopsies	Outside Department	$45,000	November 6, 2019
5	Dedicated Sales Tax	Police	Operating	Traffic Support Unit Cameras	Inside Department	$11,508	November 27, 2019
6	Consolidated Parks	Parks & Recreation	Operating	Safety Gear & Median Landscaping	Inside Department	$21,134	November 27, 2019
7	Tourism & Convention	Parks & Recreation	Capital	Inclusive Playground	Inside Department	$25,000	December 5, 2019
8	City General	Police	Operating	Animal Services-Veterinary Services	Inside Department	$25,000	December 5, 2019
9	City General	Police	Capital	Major Facility Improvements	Inside Department	$20,507	December 5, 2019
10	Dedicated Sales Tax	Parks & Recreation	Capital	City Park Pavilion Replacement	Inside Department	$39,060	December 5, 2019
11	County General	Emergency Management	Operating	Radio Technician Contract	Outside Department	$34,000	December 19, 2019
				GRAND TOTAL		**$337,673**	

Reginald Lindsey, Budget Manager, said the Fourth Quarter 2019 Budget Revisions, we had 11 budget revisions that were over $10,000 in the Fourth Quarter. One of them was done from Contingency department-wise, two of them from Public Works, one was from the Coroner's Office, one was from the Fire Department, three of them came from the Police Department, and three came from Public Works, and one came from Emergency Management. All but one of them was done from within their department.

Are there any questions on these?

Chairman Burroughs asked, any questions, committee? (There were none.) Clerk, any comments from the public? **Bridgette Cobbins, UG Clerk,** said no comments from the public. **Chairman Burroughs** said thank you. Again, this was for hearing purposes only. Hearing that, I'd like to thank the Finance team for the presentation this evening.

Action: For information only.

ITEM NO. 5 – 20149…BUDGET REVISIONS DUE TO COVID-19

Synopsis: Proposed emergency budget revisions for costs associated with COVID-19, submitted by Reginald Lindsey, Budget Manager.

COVID Needs

ACTIVITY/NEED	COST ESTIMATE
TESTING	$201,500
PERSONAL PROTECTIVE EQUIPMENT (PPE)	$260,000
CONTACT TRACING	$57,600
PROJECT MANAGEMENT	$80,000
COVID CALL LINE	$57,600
COMMUNICATIONS	$296,000
TOTAL	**$952,700**

Reginald Lindsey, Budget Manager, said I have two different types of budget revisions that I'm going to talk about tonight. One of them is for COVID-19 expenditure request from the Health Department and the Emergency Management. The second is for COVID-19 expenditures that were operational costs that have already occurred year-to-date.

The first one that's on the screen is coming from the Health Department and Emergency Management. The request is $952,000. Part of that is for testing. This will provide testing for 13 additional Wyandotte County residents or employees within businesses in Wyandotte County. We plan to go out to August 1st doing this. Again, that total amount is $201,000.

Contact tracing. This is for contact of all positive cases and all their contacts within 24 hours of notification and to manage clusters and outbreaks in businesses and community locations. What will be included in this is hiring two master level professionals to assist in epidemiological management of COVID-19. That cost would be $57,000.

The next cost is for project management which would effectively manage on-going COVID related projects that are responsive to our community needs. It would include anything from managing a call line to identifying and implementing technological solutions. That would include one master level project manager for one year. That cost would be $80,000.

COVID call line will provide clinical, social, and business assistance to Wyandotte County residents who call our 311 call line. That would include three full-time community health workers for 24 weeks for 40 hours. That cost would be $57,000.

Next would be communications countywide. That would provide timely, effective, reliable COVID related communications to Wyandotte residents, medical providers, businesses, and partners within the county. What this would do is basically communicate a testing campaign and provide media, printing, and mailing to our citizens, businesses, and stakeholders.

The other item would be PPE, protective gear for $260,000. That will give us our total of $952,000 that Emergency Management is requesting and the Health Department. Of this $952,000, 85% of it would be reimbursed by FEMA. We'll be responsible for the other 15% to be paid from our Certified Funds.

Any questions on those items?

Alan Howze, Assistant County Administrator, said we may have some slightly modified version/figures from the Health Department that's pretty close to the numbers. They're on the line here as well and can chime in. **Juliann VanLiew, Director of Health Department,** said these are correct for the most part. It just doesn't have that other $292,000 of other UG expenses. Perhaps that's covered separately. **Mr. Lindsey** said yes, I'm going to cover those on the next item.

Commissioner Philbrook said I had down for the call line, I had down $66,000. Was I incorrect on that? I had $66,240. **Ms. VanLiew** said no, we backed it off a little bit, so that $57,600 is correct. **Commissioner Philbrook** said okay, readjusted.

Chairman Burroughs asked, Alan, did you say you had some different numbers? Did you want to share those numbers? **Mr. Howze** said just saying that they've been fluid. I think there's another slide that has some additional numbers on there. If there are any questions, we have members from the Health Department here who can answer any questions on the specifics of any of these items as well.

Ms. VonAchen said, Commissioner, we're all talking about the same numbers. It's just that the additional $300,000 or $290,000 is going to be covered on the next slide by Reggie.

Chairman Burroughs asked, are there any questions on the first side? My understanding is we had a commissioner with a question.

Ms. VonAchen said I'm sorry. I want to make sure everyone understands that of the amounts that's requested by the Health Department, all of the amounts above the $296,000 are going to be reimbursable at roughly 75 – 80%, so they will be placed in a grant fund and pending the reimbursement of those monies once the costs are spent. The budget revision basically that we're requesting is for the amount that would not be reimbursed because grant funds are not budgeted. The match or the 15 – 25% would be budgeted in County funds. That's what the budget request includes; not the entire—we're not going to be incurring all of these costs. They'll be reimbursed.

Chairman Burroughs said I believe that's understood, Kathleen. During the presentation, I believe that was made apparent with the 85% reimbursement aspect. I believe Commissioner Johnson had a question.

Commissioner Johnson said the PPE and the testing, are we going out to private businesses to acquire these or is that coming from a federal agency? That's my first question. The second question is, we talked about with communication, the importance of really getting the mailer out to all residents in Wyandotte County. I just wanted to see if that was, in fact, what the intent was. I heard printing and I heard mailing, but I wanted to know what the intent was to get some type of mailer relative to whatever we're doing in particular to testing out to every Wyandotte County citizen. So, those are my two questions. I'll just mute for the answers.

Terri Garrison, Health Dept., said I can answer some of that. The testing and the personal protective equipment, we are getting some of the personal protective equipment from the state. We're getting some of our testing from the state, but it is not nearly enough so we are having to go out for other bids and go to the private industry to receive some of that assistance. It's a combination of both.

As far as the communications part, we have sent out like the additional *Citizen* and also some specific flyers out to residents around Riverbend that were having some concerns. Some of it is targeted mailers as well as some of it is across-the-board mailers.

Mr. Howze said, Commissioner, I'll add a little additional context which is it does envision communications to everybody who receives *The Citizen* now. It's built-in. The funding for something around testing, specific to testing, as well as envisioning two pieces related to kind of the recovery and kind of the re-start communication recognizing that it is a challenging communication endeavor given you've got things that are happening at the state level, at the reginal level, and here at the local level, so trying to provide timely, accurate, and digestible communications around the re-start process as well.

Commissioner Johnson said I would definitely agree with you, Alan. This is very challenging when you have so many different voices that are being heard and trying to crystalize a singular thought. That's been quite a challenge as I work with Mid-America Regional Council and certainly with the UG. We know, also, getting information from both states, whether it be Kansas or Missouri, so it is a challenge. Hats off to you all for your attempts. I just want to make sure we're doing our level best to make sure that all of our constituents and residents are getting the best information that we can provide given the challenge and circumstances.

Thank you again for all your work, also everyone involved with the Health Department. I've already said this before, but I really do appreciate your endeavors and your efforts.

Commissioner McKiernan said I just want to make sure that I understand. We've got $952,700 listed on this screen but I think, Alan, it might have been you that said that not the entirety of the $952,700 would be reimbursable but rather that the $296,000. I'm trying to wrap my brain around the entirety of what will be spent by us and what is potential to be reimbursed. If I've got this right, the $952,700 is the total amount here, but the $296,000 is not considered for reimbursement so that will be our expense in its entirety. Is that correct? **Mr. Lindsey** said no. The $292,000 additional that I haven't went over yet, that could possibly be reimbursed also. **Commissioner McKiernan** said so the entire $952,700 is eligible for reimbursement. Is that correct? **Mr. Lindsey** said yes, then there's another amount that I'm going to go over after this which are expenses we've already incurred. **Commissioner McKiernan** said okay. I misunderstood because I could have sworn that someone said that some of these figures were not reimbursable but would rather be borne entirely by us. **Ms. Garrison** said no. I think they said that the next slide is what we already incurred, but it could be reimbursable.

Mr. Howze said, Kathleen, do you want to explain what you were talking about putting some of these expenses into the Grant Fund category. I think you mentioned that. That may be the basis of the question from Commissioner McKiernan. **Commissioner McKiernan** said no need. We're fine. I'm finished. Thank you.

Chairman Burroughs said Reggie, I believe you have more to your presentation. Commissioner McKiernan, if you get your answer as we move through this, we'll pause and have her answer your question.

BPU Board Member Bryant said, Reggie, before you move on, I just want to make sure that I'm clear on this and maybe it will clarify it for others. The $952,000 is expenses to incur; not have incurred yet? **Mr. Lindsey** said yes. **BPU Board Member Bryant** said this $292,000 is what we've already incurred. **Mr. Lindsey** said yes, that is correct. **BPU Board Member Bryant** said so we're looking at future costs of almost a million versus current, already expenditures of close to $300,000.

Mr. Lindsey said yes. **BPU Board Member Bryant** said okay. Thank you. That clarifies it for me.

Mr. Lindsey said just for FYI with the $952,000, we can be looking for like $142,000 to pay for our 15% from our Certified Funds. **Chairman Burroughs** said, Reggie, you broke up on my end. **Mr. Lindsey** said the last thing I said was the $952,000 from the Health Department's request and Emergency Management's request is that 15% of that would be $142,000. That is what we will be paying from our Certified Funds on that first request. **Chairman Burroughs** said okay.

Department	Purpose	Amount
Fire Department	Personal Protective Gear	92,096
Community Programs	Defogger Machines/PPE	52,642
Health Department	COVID-19 Testing	50,000
Police Department	Employee Protective Measures	35,110
Sheriff	Testing/PPE	25,850
Emergency Management	Personal Protective Gear	14,200
District Attorney	Remote Office Setup	10,000
Municipal Courts	Remote Office Setup	3,600
General Services	Remote Office Setup	2,909
Community Corrections	Remote Office Setup	2,610
Public Works	Deep Clean for Work Areas	1,949
Human Resources	Remote Office Setup	1,409
Grand Total		**292,375**

Mr. Lindsey said here is the second amount of funding we were talking about. What this funding is, is just year-to-date operating expenses that we have already incurred just since everything started in early March with COVID-19. We've got 12 departments on this sheet that we have spent $292,000 on across the board. We are looking to get reimbursed from this from FEMA also. These are expenses that have already incurred because there was such an emergency when they were happening. 15% of this would be $43,000.

Chairman Burroughs asked, Reggie, are these prices for the PPE equipment, have those expenses already been taken care of? I see the Fire Department for personal protective gear, I'm assuming that's gloves, masks, whatever else they may need. Is that by any chance included on the prior page in the $260,000? **Mr. Lindsey** said no, it's not. This is specifically for the Fire Department while on the other page that was for Emergency Management and the Health Department's request. This is specifically for the Fire Department like for their everyday operation while the other request was for Emergency Management and Health Department. One thing Emergency Management has been doing is getting PPE out to the community also, so that's part of that request. Then, it's also needed at the Health Department for the testing that they're doing.

Chairman Burroughs said so, we have about $165,000 going to our frontline defenders, our Fire Department, Police Department, Sheriff Department PPE in this budget proposal. **Mr. Lindsey** said yes. **Chairman Burroughs** said okay, thank you.

Chairman Burroughs asked, any other comments, questions from committee? (There were none). Clerk, did we have any public comments? **Bridgette Cobbins, UG Clerk,** said no public comment.

Chairman Burroughs said this is an action item. Reggie, one last question. All this money will come out where? **Mr. Lindsey** said it will come out of multiple funds, mostly the city and the county. **Chairman Burroughs** asked, are we talking ending balance, revenue, reserves? **Mr. Lindsey** said Contingences. **Chairman Burroughs** said thank you.

Chairman Burroughs asked, any other comments, questions, concerns? Seeing none, this is an action item. I'd entertain a motion.

Action: **BPU Board Member Bryant made a motion, seconded by Commissioner McKiernan, to approve. Chairman Burroughs** said there's been a motion by Member Bryant and Commissioner McKiernan has seconded. I would ask the Clerk to call roll. Roll call was taken and there were six "Ayes," Bryant, Walters, Johnson, Townsend, McKiernan, Burroughs.

Public Agenda:
No items

Chairman Burroughs said before I leave, I just want to personally say thank you to our employees and all the essential public and safety workers for their service in these extremely trying times. I do send my very (inaudible). We can't say thank you enough. We're all in this together. Stay in. Stay safe. I appreciate the work of the committee this evening.

Adjourn
Chairman Burroughs adjourned the meeting at 6:13 p.m.
cg

Staff Request for Commission Action

Tracking No. 20233

Full Commission Meeting Date: NA
Committee: Economic Development & Finance

Date of Standing Committee Action: 7/6/20 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
6/24/2020	Kathleen VonAchen, Debbie Jonscher	x5186, x5847	kvonachen@wycokck.org, djonscher@wycokck.org	Finance

Item Description: First Quarter of Fiscal Year 2020 Budget to Actuals Report is provided for informational purposes only. No action is required.
Action Requested: For information only.
Budget Impact: (if applicable) Amount: Source: Included In Budget: Other (explain):
Attachments List: 2020 Quarterly Report Q1

QUARTERLY FINANCIAL REPORT

First Quarter 2020 Budget to Actuals Trend Analysis

This document has been prepared by the Finance department.
Please direct any inquiries to the Budget Director, Reginald Lindsey at 913-573-5292

Contributing Staff

Kathleen VonAchen	CFO
Deborah Jonscher	Deputy CFO
Reginald Lindsey	Budget Director
Michael Peterson	Assistant Budget Manager
Deasiray Bush	Budget Analyst
Judi Her	Budget Analyst
Alyse Villarreal	Debt Coordinator

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

Quarterly Financial Report

First Quarter of 2020

The Unified Government has completed the first quarter of the 2020 fiscal year which began in January 2020. This report summarizes the activities of the General Funds, and is not meant to be inclusive of all financial transactions. We hope this report provides our residents with an overview of the Unified Government's financial performance.

The General Funds consist of the City General Fund, the County General Fund, and the Consolidated Parks Fund. They are the primary operating funds of the Unified Government and are used to account for a majority of operating activities. Other large funds, such as the Emergency Medical Services Fund, Dedicated Sales Tax Fund, Sewer Enterprise Fund and the Street & Highway Fund, account for a good portion of the remaining financial activities.

The total 2020 Original Budget is $384.77M which consists of $226.6M for the General Funds, $48.4M for Other Tax Levy Supported Funds and $109.7M for Non-Tax Levy Supported Funds. The General Fund Budget does not include the annual appropriation for debt service contingency of $10.08M.

This report focuses on the General Funds. Financial performance of all other funds may be found on the last page.

CONSOLIDATED GENERAL FUND BALANCE

In measuring financial performance, it is recommended to review the collections and spending of resources through the current period and compare this information with the prior fiscal year for the same period. The following table is the financial overview of the Consolidated General Fund for the first quarter period of 2019 in comparision to the same period in 2020. This data includes all three general funds.

CONSOLIDATED GENERAL FUND	FY 2019			FY 2020		
numbers in 000's	Budget	1st Qtr YTD Actual	% of budget	Budget	1st Qtr YTD Actual	% of budget
Revenues	$ 216,507	$ 71,541	33.0%	$ 220,771	$ 76,274	34.5%
Expenditures	$ 219,475	$ 51,764	23.6%	$ 224,309	$ 55,198	24.6%
Net Alloc & Transfers	$ 185	$ -	0.0%	$ (20)	$ 159	-799.2%
Net Change	$ (2,783)	$ 19,777		$ (3,558)	$ 21,235	
Balance, Start of Year	$ 25,785	$ 25,785		$ 23,494	$ 23,494	
Balance Year-to -Date	$ 23,002	$ 45,562		$ 19,936	$ 44,729	

Table 1: Consolidated General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance

- Collected revenues for 2020 are in line with prior year revenues with a 1.5% increase year to year. 9.5% above target compared to 8% above the 25% quarterly target budget the prior year.
- Expenditures for the first quarter actuals were 1% higher than the same period last year. 0.4% below target compared to 1.4% below target for the same period of the prior year.
- The beginning fund balances are on a cash basis and the actual balances beginning balances are updated based on the comprehensive annual financial report for the prior year.
- The General Fund's Revenues and Expenditures do not include the annual appropriation for debt service contingency of $10.08M.

CITY GENERAL FUND REVENUES

The City General Fund is the principal operating account of Kansas City, KS. Revenue is received from taxes, fees, intergovernmental revenue, charges for services, and other sources. The General Fund is used to support general operations, including Police, Fire, Municipal Court, Public Works, general services functions and administrative programs. City General Fund revenues are also used to finance the purchase of equipment and capital projects not financed with debt.

City General Fund Revenues *numbers in 000s*	2020 Original Budget	2020 1st Qtr YTD Actual	% Rev Collected
Property Tax	$ 24,355	$ 13,965	57.3%
Sales Tax	$ 43,829	$ 10,940	25.0%
Other Tax	$ 58,544	$ 14,001	23.9%
Permits/Licenses	$ 1,390	$ 162	11.7%
Intergovernmental Revenues	$ 723	$ 450	62.3%
Charges for Service	$ 11,976	$ 2,656	22.2%
Fines, Forfeits, Fees	$ 3,156	$ 914	29.0%
Misc. & Transfers-In	$ 6,550	$ 1,154	17.6%
Total	**$ 150,523**	**$ 44,242**	**29.4%**

Table 2: City General Fund YTD Revenues as a % of Budget

Twenty nine percent (29.4%) of actual City General Fund revenue has been collected through March 31, 2020; 4.4% higher than the 25% quarterly target. *Table 2* shows the actual collections by major revenue source category and the percent collected compared to the budget. *Table 3* shows that collected revenues are above revenues collected for the same period last year with increases for Property taxes and Sales taxes offsetting reduced Franchise taxes.

Tax Revenue collections are at 28.5% of the amended budget. Property taxes amounts to $14M or 57.3% of projected property tax revenues and is $770k above prior year collections due to half of the tax payment being due at the start of the year. Sales and use tax revenues total $10.9M and are in line with targets. Franchise taxes ended the quarter 4.4% below target.

City General Fund Revenues *numbers in 000s*	2019 1st Qtr YTD Actual	2020 1st Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 13,194	$ 13,965	$ 770
Sales Tax	$ 9,516	$ 10,940	$ 1,424
Other Tax	$ 14,523	$ 14,001	$ (522)
Permits/Licenses	$ 174	$ 162	$ (12)
Intergovernmental Revenues	$ 413	$ 450	$ 37
Charges for Service	$ 2,739	$ 2,656	$ (83)
Fines, Forfeits, Fees	$ 921	$ 914	$ (7)
Misc. & Transfers-In	$ 390	$ 1,154	$ 765
Total	**$ 41,871**	**$ 44,242**	**$ 2,372**

Table 3: City General Fund Revenues Year to Year Comparison

Permits & Licenses collections include landlord rental licenses and Right-of-way permits. Collections are at 11.7% of targeted revenues; slightly below the revenues collected in the prior year. Landlord rental licenses, the largest revenue is at 1.5% of collections for the year.

Charges for Service including residential trash fees and building inspection fees ended the quarter at 2.8% below target and are 3% below prior year levels.

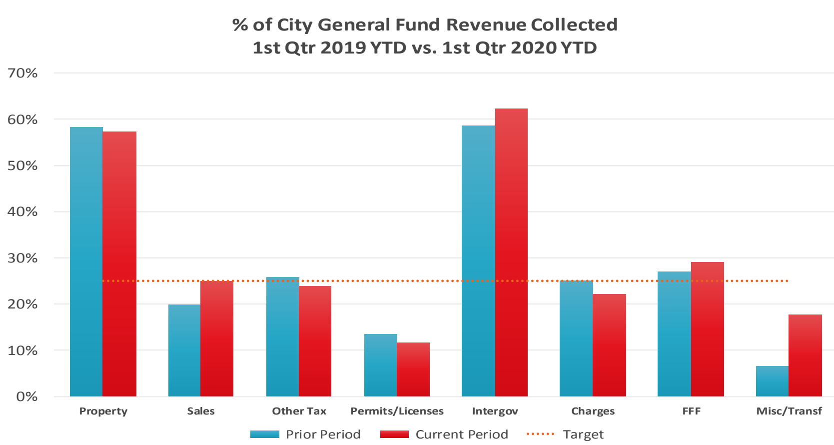


Figure 1: City General Fund Prior Year vs. Current Year

Fines, Forfeits, Fees include Municipal Court revenue and are 4% above the 25% revenue target for the 1st quarter. A significant impact being development agreement penalties being 27.7% above quarterly budgeted levels.

Misc. & Transfers-In include interest, reimbursements, sale of land and indirect charges and ended 7.4% below target. These revenues fluctuate throughout the year.

CITY GENERAL FUND EXPENDITURES

City General Fund Expenditures *numbers in 000s*	2020 Original Budget	2020 1st Qtr YTD Actual	% of Budget
Personnel	$ 113,048	$ 27,703	24.5%
Services	$ 23,571	$ 5,032	21.3%
Supplies	$ 5,344	$ 1,215	22.7%
Grants, Claims	$ 4,795	$ 1,130	23.6%
Misc. & Transfers-Out	$ 1,792	$ 63	3.5%
Capital Outlay	$ 4,879	$ 598	12.3%
Total	**$ 153,428**	**$ 35,740**	**23.3%**

Table 4: City General Fund YTD Expenditures as a % of Budget

Personnel expenditures ended the quarter 0.5% below target. Overages in overtime budgets were offset by salary savings with payroll coming in 2.6% below target.

Services expenses ended 3.7% lower than the amended budget. Major expenses paid in this category are transit contract fees, software maintenance, clearance and demo fees, city jail expenses, and the trash contract. This expense varies throughout the year with large one time contractual payments.

Supplies are trending 2.3% below budget, with the most notable savings being in fuel lines offsetting seasonal natural gas payments which are higher in the 1st and 4th quarters.

Grants, Claims ended the quarter 1.4% below trend. Legal expenses and several grant payments that are budgeted towards the end of the fiscal year are being offset by tax rebates/refunds which occur primarily in the first quarter.

City General Fund Expenditures *numbers in 000s*	2019 1st Qtr YTD Actual	2020 1st Qtr YTD Actual	Increase/ Decrease
Personnel	$ 27,110	$ 27,703	$ 593
Services	$ 4,072	$ 5,032	$ 960
Supplies	$ 937	$ 1,215	$ 278
Grants, Claims	$ 247	$ 1,130	$ 884
Misc. & Transfers-Out	$ 3	$ 63	$ 60
Capital Outlay	$ 616	$ 598	$ (18)
Total	**$ 32,984**	**$ 35,740**	**$ 2,756**

Table 5: City General Fund Expenditures Year to Year Comparison

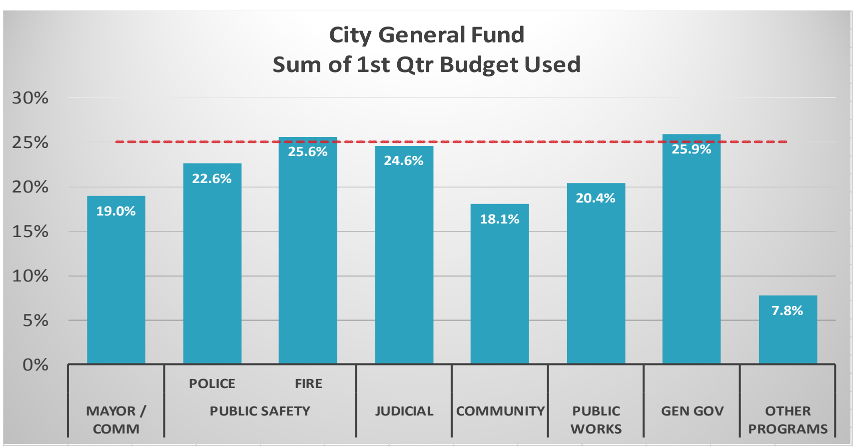


Figure 2: City General Fund Dept. Expenditures as a % of Budget

Misc & Transfers-Out ended the quarter with 3.5% of it's budget being used. This category primarily consists of contingencies that are transferred if needed during the year and transfers-out which are spread by quarter through the year.

Capital Outlay spend rate ended the the quarter at 12.3% of budget. Capital equipment makes up 49% of the capital outlay budget at $2.39M. The remaining $2.5M in the capital budget is set aside for capital projects. Capital expenditures were put on hold at the start of COVID-19 in mid March as we started slowing expenditures in anticipation of revenue shortfalls.

City departments are overall in line with budgeted expenditures. Fire Department exceeded budgeted levels due to the combination of being at their budgeted level of staffing with employee payouts and higher than budgeted overtime expenditures. General Government (GEN GOV) consists of internal service departments such as Knowledge Department, Human Resources, Finance and the Procurement and is being pushed over target by the encumbering of funds at the begining of the year for one-time cost contractual items to obligate the budget for those contracts throughout the rest of the fiscal year. These are typically one time expenses that will smooth as we go through the remainder of the year.

COUNTY GENERAL FUND REVENUES

The County General Fund is the principal operation account of Wyandotte County. Revenue is received from taxes, fees, intergovernmental revenue, charges for services, and other sources. The County General Fund is used to support general operations including Emergency Management, Sheriff, Emergency Dispatch, Court programs, Public Works, general services functions, and administrative programs. County General Fund revenues are also used to finance the purchase of capital equipment and capital projects which are not debt financed.

County General Fund Revenues *numbers in 000s*	2020 Original Budget	2020 1st Qtr YTD Actual	% Rev Collected
Property Tax	$ 40,181	$ 23,177	57.7%
Sales Tax	$ 6,865	$ 1,732	25.2%
Other Tax	$ 8,841	$ 3,209	36.3%
Permits/Licenses	$ 1,081	$ 195	18.0%
Intergovernmental Revenues	$ 66	$ 13	19.3%
Charges for Service	$ 1,845	$ 441	23.9%
Fines, Forfeits, Fees	$ 2,846	$ 707	24.8%
Misc. & Transfers-In	$ 4,553	$ 854	18.8%
Total	**$ 66,278**	**$ 30,328**	**45.8%**

Table 6: County General Fund YTD Revenues as a % of Budget

County General Fund revenue ended 2020 first quarter exceeding the budgeted revenue targets by 20.8%. *Table 6* shows the actual collections by major revenue source category and the percent collected compared to the budget. *Table 7* shows where revenues are trending in comparison to the same period last year with revenues coming in 6.9% higher than prior year totals thru the 1st quarter due to higher tax collections.

Tax Revenue collections are at 50.3% of the 2020 original target budget, 6% above revenue received in the prior year due to most property tax collected earlier in the year than other revenues. Sales Tax ended the first quarter in line with targets and Other Tax revenue, including motor vehicle and delinquent collections, ended the quarter 11.3% above target. The first half of property tax payments are due.

County General Fund Revenues *numbers in 000s*	2019 1st Qtr YTD Actual	2020 1st Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 21,999	$ 23,177	$ 1,178
Sales Tax	$ 1,465	$ 1,732	$ 267
Other Tax	$ 3,026	$ 3,209	$ 183
Permits/Licenses	$ 191	$ 195	$ 4
Intergovernmental Revenues	$	$ 13	$ 13
Charges for Service	$ 372	$ 441	$ 69
Fines, Forfeits, Fees	$ 631	$ 707	$ 76
Misc. & Transfers-In	$ 678	$ 854	$ 176
Total	**$ 28,362**	**$ 30,328**	**$ 1,966**

Table 7: County General Fund Revenues Year to Year Comparison

Permits & Licenses are 7% below target. This category consists of Auto Licenses, Auto License Fees and Antique Vehicle Licensing.

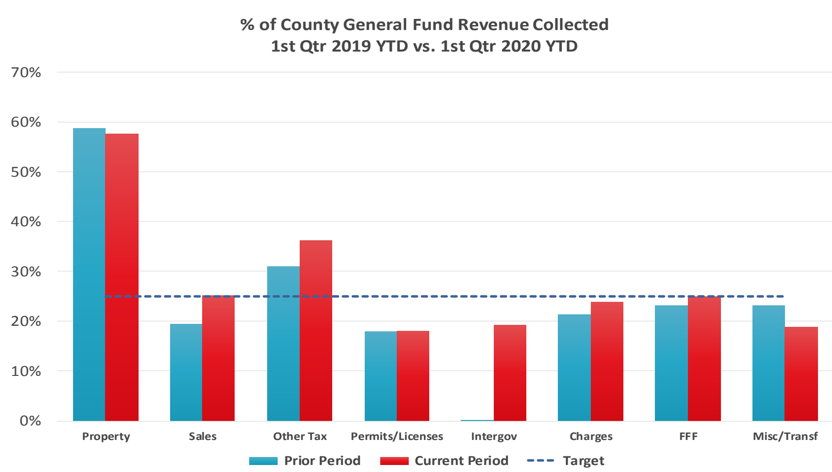


Figure 3: County General Fund Prior Year vs. Current Year

Charges for Service collections trended 1.1% below target for the first quarter. Jail Fees make up 77% of budgeted revenue and are in line with budgeted targets.

Fines, Forfeits, Fees includes officer fees, treasurer fees, and development agreement penalties; collections are on target with budgeted levels.

Miscellaneous Revenue ended the 2020 first quarter at 6.2% below target with interest income currently sitting at 18% of collection for 2020.

COUNTY GENERAL FUND EXPENDITURES

County General Fund Expenditures *numbers in 000s*		2020 Original Budget		2020 1st Qtr YTD Actual	% of Budget
Personnel	$	46,347	$	10,677	23.0%
Services	$	14,097	$	6,418	45.5%
Supplies	$	1,601	$	309	19.3%
Grants, Claims	$	1,173	$	523	44.6%
Misc. & Transfers-Out	$	1,728	$	343	19.8%
Capital Outlay	$	1,936	$	44	2.3%
Total	**$**	**66,882**	**$**	**18,315**	**27.4%**

Table 9: County General Fund YTD Expenditures as a % of Budget

Personnel expenditures ended the quarter 2% below the 25% target. The personnel vacancy rate has increased beyond the 2019 base offsetting overtime ending the quarter at 51% of budget.

Services are 20.5% above target for the first quarter. External prisoner housing, and prisoner medical contracts make up about 33% of the contractual budget and have encumbered 89.6% of their budgets on anticipated expenses. The full inmate medical contract budget has been encumbered for the year.

Supplies ended the quarter 5.7% below budget targets. Major expenses paid in this category are natural gas and fuel. Fuel and Natural Gas ended at or above target for the quarter and are offset by various other supplies budgets.

Grants, Claims ended the quarter 19.6% above target. Significant items in this category include Legal Claims and Judgements, 79% of budget expended, Grants, 37.7% of budget expended, and Tax Rebates, paid out at the end of the year.

County General Fund Expenditures *numbers in 000s*		2019 1st Qtr YTD Actual		2020 1st Qtr YTD Actual		Increase/ Decrease
Personnel	$	10,550	$	10,677	$	127
Services	$	5,844	$	6,418	$	574
Supplies	$	135	$	309	$	174
Grants, Claims	$	451	$	523	$	73
Misc. & Transfers-Out	$	()	$	343	$	343
Capital Outlay	$	71	$	44	$	(27)
Total	**$**	**17,050**	**$**	**18,315**	**$**	**1,264**

Table 10: County General Fund Expenditures Year to Year Comparison

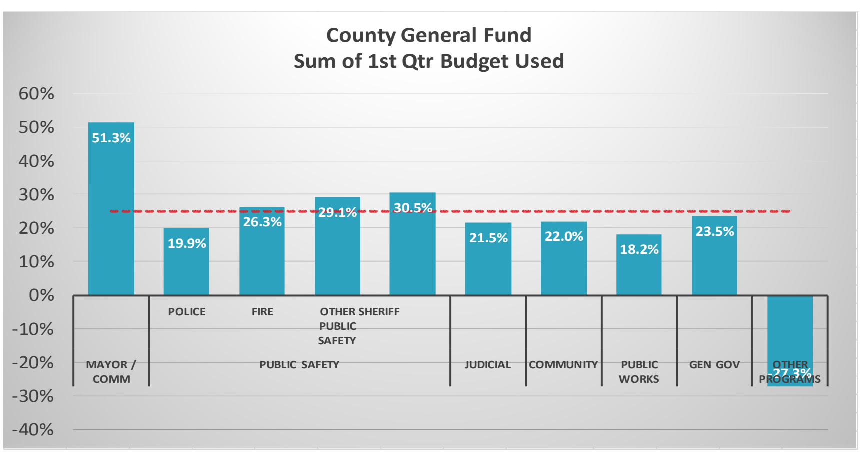


Figure 4: County General Fund Dept. Expenditures as a % of Budget

Misc. & Transfers-Out ended the quarter 5.2% below target. $1.56M consists of Operating Transfers-Out, with the other $168k consisting of budget reserves and contingencies that would be transferred if needed for expenditures.

Capital Outlay has only expended 2.3% of budgted expenditures for the year. Capital equipment makes up 56% of the capital outlay budget and has expended 2.9% of it's budget with projects expending 1.4% of their budgets. Capital expenditures have been put on hold for adjustment as needed anticipating revenue shoftfalls due to COVID-19.

The majority of Departments are in line with spending targets for the year. Mayor and Commission are exceeding their budget for the year due to personnel transactions not hitting the budgeted fund for the personnel budget and are below target on the city side. Public safety departments are above targeted levels due to large one time contractual items occuring at the start of the year.

CONSOLIDATED PARKS GENERAL FUND REVENUES

The Consolidated Parks General Fund combines the former City and County Park's Department budget into one operating fund. This fund is used for the operation of parks, parkways, recreational areas and facilities under the supervision of the Director of Parks and Recreation. The three divisions of this fund include: Administration, Parks, and Recreation.

All park and recreation user fees, rentals, contracts and lease revenues will be allocated to this fund. In addition to a county tax levy, this fund receives an annual appropriation from the city general fund shown under Intergovernmental Revenues.

Parks General Fund Revenues *numbers in 000s*	2020 Original Budget	2020 1st Qtr YTD Actual	% Rev Collected
Property Tax	$ 1,792	$ 1,035	57.7%
Other Tax	$ 286	$ 117	40.9%
Intergovernmental Revenues	$ 3,400	$ 850	25.0%
Charges for Service	$ 647	$ 166	25.6%
Misc. & Transfers-In	$ 101	$ 100	99.1%
Total	**$ 6,226**	**$ 2,268**	**36.4%**

Table 10: Consolidated Parks General Fund YTD Revenues as a % of Budget

Consolidated Parks General Fund revenue is 11.4% above the first quarter target. *Table 10* shows the actual collections for the major revenue sources and the percent collected compared to the budget. *Table 11* shows that the revenues were stable with a slight increase in Property Tax revenue between the first quarter 2020 to the same prior year revenues. with the first quarters integrovernmental transfer being completed.

Tax Revenue collections are at 36.4% of the 2020 original budget. The first half of property tax payments are due for 2020. Other tax revenue is trending 5% above prior year collections and includes delinquent and motor vehicle taxes.

Intergovernmental Revenues is at the 25% target with the first quarter annual city appropriation having been processed for the consolidated parks fund.

Parks General Fund Revenues *numbers in 000s*	2019 1st Qtr YTD Actual	2020 1st Qtr YTD Actual	Increase/ Decrease
Property Tax	$ 982	$ 1,035	$ 53
Other Tax	$ 110	$ 117	$ 6
Intergovernmental Revenues	$ -	$ 850	$ 850
Charges for Service	$ 99	$ 166	$ 67
Misc. & Transfers-In	$ 117	$ 100	$ (17)
Total	**$ 1,309**	**$ 2,268**	**$ 959**

Table 11: Consolidated Parks General Fund Revenues Year to Year Comparison

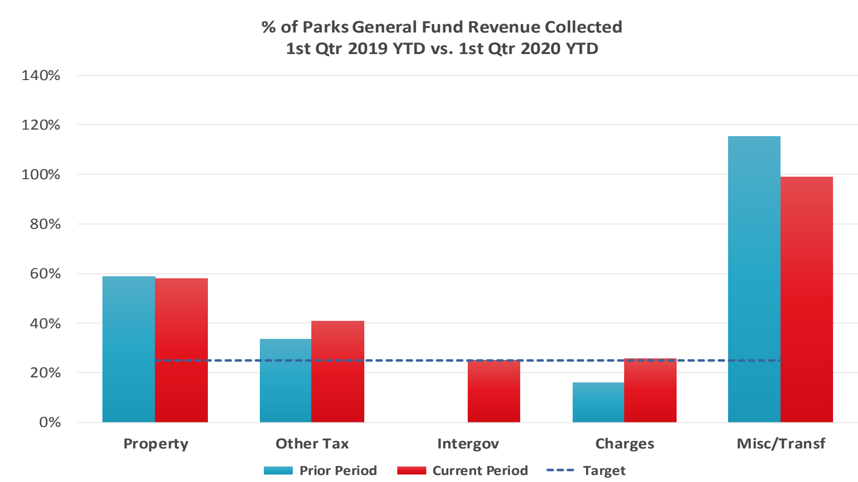


Figure 5: Consolidated Parks General Fund Prior Year vs. Current Year

Charges for Service include park shelter and field rentals and ended the first quarter on target with budget collections. 4% above prior year collections, including the 17k that was in Misc & Transfers in 2019.

Miscellaneous Revenue ended the first quarter collecting 99.1% of it's revenue with an annual casino payment of 100k having been recieved.

Calculating in the 1st Quarter payment of the annual appropriation from the city general fund for 2019, revenues are trending 8% above prior year targets.

CONS. PARKS GENERAL FUND EXPENDITURES

Parks General Fund Expenditures *numbers in 000s*	2020 Original Budget	2020 1st Qtr YTD Actual	% of Budget
Personnel	$ 4,400	$ 1,115	25.3%
Services	$ 829	$ 232	28.0%
Supplies	$ 576	$ 201	35.0%
Grants, Claims	$ 12	$ -	0.0%
Misc. & Transfers-Out	$ 56	$ -	0.0%
Capital Outlay	$ 402	$ -	0.0%
Total	**$ 6,274**	**$ 1,549**	**24.7%**

Table 12: Consildated Parks General Fund YTD Expenditures as a % of Budget

Personnel expenditures for 2020 are in line with budgeted levels being 0.3% above target for the quarter. Overtime is driving the budget over target.

Services ended the year 3% above target with balance being used for additional supplies in 2019. Major categories in this budget include mowing, encumbered at the start of the year, contract positions and maintenance of parks and facilities.

Supplies exceeded budget targets by 15% for the quarter. Larger items in this category include fuel, fish stocking, landscaping and custodial supplies. Fish stocking is done in the first quarter as well as higher expenses for natural gas and maintenance during the off season.

Misc. & Transfers-Out ended the first quarter with no expenditures. This category consists primarily of Reserves that would be transferred to other categories for use if needed.

Parks General Fund Expenditures *numbers in 000s*	2019 1st Qtr YTD Actual	2020 1st Qtr YTD Actual	Increase/ Decrease
Personnel	$ 1,019	$ 1,115	$ 96
Services	$ 559	$ 232	$ (327)
Supplies	$ 145	$ 201	$ 57
Grants, Claims	$ -	$ -	$ -
Misc. & Transfers-Out	$ -	$ -	$ -
Capital Outlay	$ 7	$ -	$ (7)
Total	**$ 1,730**	**$ 1,549**	**$ (181)**

Table 13: Consolidated Parks Expenditures Year to Year Comparison

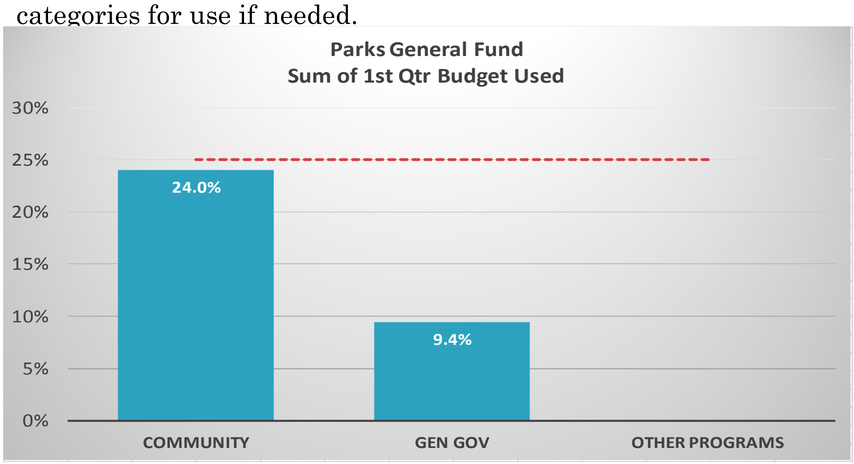


Figure 6: Parks General Fund Dept. Expenditures as a % of Budget

Capital Outlay ended first quarter with no expenditures. Capital equipment makes up 56.4%, or $226.6K, of the capital outlay budget. Fleet services transitions as well as the seasonal nature of several projects delayed initial capital expenditures in Parks and recreation with projects being started and in progress across other funding sources available to parks. Capital expenditures were frozen in anticipation of revenue shoftfalls due to COVID-19 while the amended budget was determined.

Parks and Recreation, or Community Services, is a majority of the Consolidated Parks Fund making up 99.9% of the fund. Spending for Parks and Recreation is in line spending targets for the original budget.

Budget to Actual through March 31st 2020
First Quarter

	REVENUES *numbers in 000's*			EXPENDITURES *numbers in 000's*		
Tax Levy Funds	2020 Original Budget	2020 YTD Actual	% of Budget	2020 Original Budget	2020 YTD Actual	% of Budget
City General Fund	$ 150,523	$ 44,242	29.4%	$ 153,428	$ 35,740	23.3%
City Bond & Interest	$ 34,331	$ 16,115	46.9%	$ 34,829	$ 7,641	21.9%
County General Fund	$ 66,278	$ 30,328	45.8%	$ 66,882	$ 18,315	27.4%
Cons. Parks General Fund	$ 6,226	$ 2,268	36.4%	$ 6,274	$ 1,549	24.7%
County Bond & Interest	$ 5,026	$ 2,095	41.7%	$ 5,327	$ 220	4.1%
Aging	$ 1,933	$ 945	48.9%	$ 1,888	$ 476	25.2%
Developmental Disabilities	$ 362	$ 190	52.6%	$ 646	$ 58	9.0%
Elections	$ 1,364	$ 723	53.0%	$ 1,552	$ 294	19.0%
Health	$ 3,543	$ 1,485	41.9%	$ 3,535	$ 776	22.0%
Mental Health	$ 632	$ 347	54.8%	$ 684	$ 166	24.3%
Total UG Tax Levy Funds	**$ 270,218**	**$ 98,739**	**36.5%**	**$ 275,045**	**$ 65,235**	**23.7%**
Other Funds	2020 Original Budget	2020 YTD Actual	% of Budget	2020 Original Budget	2020 YTD Actual	% of Budget
Alcohol	$ 605	$ 146	24.1%	$ 1,260	$ 157	12.5%
Clerk Technology	$ 40	$ 11	27.6%	$ 60	$ 5	9.1%
Court Trustee	$ 440	$ 82	18.5%	$ 585	$ 61	10.5%
Dedicated Sales Tax	$ 10,865	$ 2,738	25.2%	$ 10,852	$ 1,758	16.2%
Emergency Medical Services	$ 12,112	$ 2,751	22.7%	$ 12,510	$ 2,962	23.7%
Environmental Trust	$ 1,078	$ 270	25.0%	$ 1,130	$ 203	17.9%
Jail Commissary	$ 55	$ 9	16.9%	$ 100	$ 1	1.0%
Parks & Recreation	$ 605	$ 145	23.9%	$ 698	$ 279	39.9%
Public Levee	$ 340	$ 77	22.7%	$ 388	$ 82	21.1%
Register of Deeds Technology	$ 160	$ 44	27.6%	$ 130	$ 5	3.9%
Sewer System	$ 44,774	$ 8,677	19.4%	$ 60,321	$ 11,478	19.0%
Special Assets	$ -	$ -		$ 850	$ -	0.0%
Stadium	$ 555	$ 105	18.8%	$ 844	$ 188	22.3%
Stormwater	$ 4,145	$ 876	21.1%	$ 4,599	$ 760	16.5%
Street & Highway	$ 7,105	$ 2,057	29.0%	$ 7,992	$ 2,010	25.2%
Sunflower Hills Golf Course	$ 691	$ 45	6.5%	$ 685	$ 286	41.8%
Travel & Tourism	$ 4,138	$ 841	20.3%	$ 5,773	$ 527	9.1%
Treasury Technology	$ 40	$ 11	27.6%	$ 45	$ 3	5.7%
Wyandotte County 911	$ 840	$ 221	26.3%	$ 898	$ 57	6.4%
Total Other Funds	**$ 88,587**	**$ 19,107**	**21.6%**	**$ 109,720**	**$ 20,821**	**19.0%**
Total Funds	**$ 358,805**	**$ 117,846**	**32.8%**	**$ 384,765**	**$ 86,056**	**22.4%**
County Library	$ 3,238	$ 1,799	55.6%	$ 3,366	$ 1,795	53.3%
Total ALL Funds	**$ 362,043**	**$ 119,645**	**33.0%**	**$ 388,131**	**$ 87,851**	**22.6%**

Staff Request for Commission Action

Tracking No. 20185

Full Commission Meeting Date: 7/9/20

Committee: Economic Development & Finance

Date of Standing Committee Action: 7/6/20 (If none, please explain):

Publication Required: Yes 7/16/2020

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
6/2/2020	Debbie Jonscher, Kathleen VonAchen	x5847, x5186	djonscher@wycokck.org, kvonachen@wycokck.org	Finance

Item Description:
A resolution authorizing the issuance of utility system revenue bonds.
Submitted by, Kathleen VonAchen Chief Financial Officer

This item is being requested to be fast tracked to the July 9th Full Commission.

Action Requested:
Please Approve bond resolution

Budget Impact: (if applicable)
Amount:
Source:
Included In Budget:
Other (explain):

Attachments List:
UG Authorizing Resolution and Notice (UG BPU USRB 2020), BPU Bond Refunding - June 2020 Powerpoint to UG, BPU Bond Resolution 5254

RESOLUTION NO. R-___-20

A RESOLUTION AUTHORIZING THE ISSUANCE OF UTILITY SYSTEM REVENUE BONDS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE IMPROVEMENTS TO THE UTILITY SYSTEM.

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government"), successor to the City of Kansas City, Kansas, is a duly organized and existing municipal corporation under the laws of the State of Kansas, is a consolidated city-county having all the powers, functions and duties of a county and of a city of the first class and is acting as a city of the first class herein.

WHEREAS, the Unified Government now owns and operates a municipal water works plant and a municipal electric-light plant (herein collectively called the "Utility System"), which is managed, operated, maintained and controlled on a day-to-day basis by an administrative agency of the Unified Government known as the Board of Public Utilities (the "BPU"); and

WHEREAS, for the purpose of meeting water, electric power and energy needs of the Unified Government, the Unified Government has periodically issued revenue bonds when requested by the BPU for the acquisition, construction, reconstruction, alteration, repair, improvement, extension and enlargement of the Utility System; and

WHEREAS, the Unified Government has received from the BPU a resolution determining to proceed with the following improvements of the Utility System:

1. Transmission System Improvements: Electric transmission system improvements which would install OPGW fiber optic between Barber and Terrace Substations. This is replacing existing circuits used for transmission line protective relaying at each substation.
2. Rosedale/Fisher Area Distribution Improvements: New distribution system improvements in the Rosedale/Fisher area. This would complete the transfer of 15kV distribution feeders from Fisher to Rosedale Substations. Also there would be a project to construct backup feeders to KU University and Hospital as well as to the neighboring businesses and residential customers.
3. Barber Substation Improvements: Improvement to Barber Substation. Construct a new manhole/duct bank electrical system from new switchgear #2 to the new distribution riser structures.

all other necessary and related improvements to the System (collectively, the "Improvements") and requesting the Unified Government to issue and sell one or more series of long-term utility system revenue bonds to provide financing for the Improvements; and

WHEREAS, pursuant to the provisions of Charter Ordinance No. CO-5-01, Article 12, Section 5 of the Kansas Constitution and K.S.A. 10-1201 *et seq.*(collectively, the "Act"), the governing body of the Unified Government has determined that it is advisable to publish in the official newspaper of the Unified Government a notice of the Improvements to the Utility System at an estimated cost of $10,000,000 and that utility system revenue bonds of the Unified Government will be issued in an estimated amount of $10,000,000 plus the cost of any required reserves, costs of issuance and related expenses; and

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, AS FOLLOWS:

Section 1. Approval of the Improvements. The governing body of the Unified Government hereby approves the Improvements at a total estimated cost of $10,000,000.

Section 2. Issuance of Bonds. The Unified Government hereby authorizes the issuance of its utility system revenue bonds in the principal amount not to exceed $10,000,000 plus the cost of any required reserves, costs of issuance and related expenses (the "Bonds") to provide funding for the Improvements. The Bonds shall be issued under the provisions of the Act and shall be payable solely from the revenues derived by the Unified Government from the operation of its Utility System.

Section 3. Necessary Action. The governing body of the Unified Government hereby directs that notice of the Improvements and the issuance of the Bonds be given as provided by the Act, in substantially the form attached hereto as **Exhibit A**, and that all such action be taken as may be necessary in order to effect the issuance, sale and delivery of the Bonds in accordance with the provisions of the Act.

Section 4. Further Authority. The Mayor, BPU General Manager, Unified Government Clerk, County Administrator, Unified Government Chief Financial Officer, Unified Government Chief Counsel, Unified Government's financial advisor and bond counsel and other appropriate officers and agents of the Unified Government and the BPU are hereby authorized and directed to take such action, expend such funds and execute such documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution and to provide for the sale of the Bonds, such sale to occur on such date as the BPU General Manager and Unified Government Chief Financial Office determine upon receipt of advice and a recommendation from the Unified Government's financial advisor.

Section 5. Effective Date. This Resolution shall be in full force and effect following its adoption by the governing body of the Unified Government.

ADOPTED by the governing body of the Unified Government of Wyandotte County/Kansas City, Kansas, this July 9, 2020.

UNIFIED GOVERNMENT OF WYANDOTTE
COUNTY/KANSAS CITY, KANSAS

By: ___________________________________
Mayor/Chief Executive Officer

(SEAL)

ATTEST:

____
Unified Government Clerk

Exhibit A

(Published in *The Wyandotte County Echo* on July 16, 2020)

NOTICE

Notice is hereby given that pursuant to a resolution of the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government"), adopted July 9, 2020, the governing body of the Unified Government has approved making the following improvements to the Unified Government's electric and water utility system:

1. Transmission System Improvements: Electric transmission system improvements which would install OPGW fiber optic between Barber and Terrace Substations. This is replacing existing circuits used for transmission line protective relaying at each substation.
2. Rosedale/Fisher Area Distribution Improvements: New distribution system improvements in the Rosedale/Fisher area. This would complete the transfer of 15kV distribution feeders from Fisher to Rosedale Substations. Also there would be a project to construct backup feeders to KU University and Hospital as well as to the neighboring businesses and residential customers.
3. Barber Substation Improvements: Improvement to Barber Substation. Construct a new manhole/duct bank electrical system from new switchgear #2 to the new distribution riser structures.

all other necessary and related improvements to the System (the "Improvements") at a total estimated cost of not to exceed $10,000,000 and issuing utility system revenue bonds under the authority of Charter Ordinance No. CO-5-01 of the Unified Government, Article 12, Section 5 of the Kansas Constitution and K.S.A. 10-1201 *et seq.* (the "Act"), in a principal amount not exceeding $10,000,000 plus the cost of any required reserves, costs of issuance and related expenses to pay the costs of the Improvements.

Notice is further given that it is the intention of the governing body of the Unified Government to issue its utility system revenue bonds (the "Bonds") pursuant to the Act in an aggregate principal amount not exceeding $10,000,000 plus the cost of any required reserves, costs of issuance and related expenses to pay the cost of the Improvements. The Bonds will be payable solely from the net revenues derived by the Unified Government from the operation of its utility system.

If within fifteen (15) days after the date of publication of this notice, written protest against the Improvements and/or issuance of the Bonds for the payment of the Improvements is filed with the Unified Government Clerk and signed by not less than twenty percent (20%) of the qualified electors of the City of Kansas City, Kansas, the governing body shall submit the question of the proposed Improvements and the proposed issuance of the Bonds for the payment of the Improvements to the electors of the City of Kansas City, Kansas at an election for such purpose as provided by law. If sufficient protest is not filed, then the governing body of the Unified Government will proceed in accordance with the intentions hereinbefore declared and make the Improvements and issue the Bonds in an aggregate principal amount not in excess of $10,000,000 plus the cost of any required reserves, costs of issuance and related expenses to pay the costs of the Improvements.

DATED: July 9, 2020.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By: ___/s/ Bridgette Cobbins_____________
Unified Government Clerk

KANSAS CITY BPU
THE POWER OF COMMUNITY

Board of Public Utilities

Bond Refunding Opportunities

June 2020

Refunding Opportunities

Summary of Refunding Results

Current/Taxable Advance Refunding

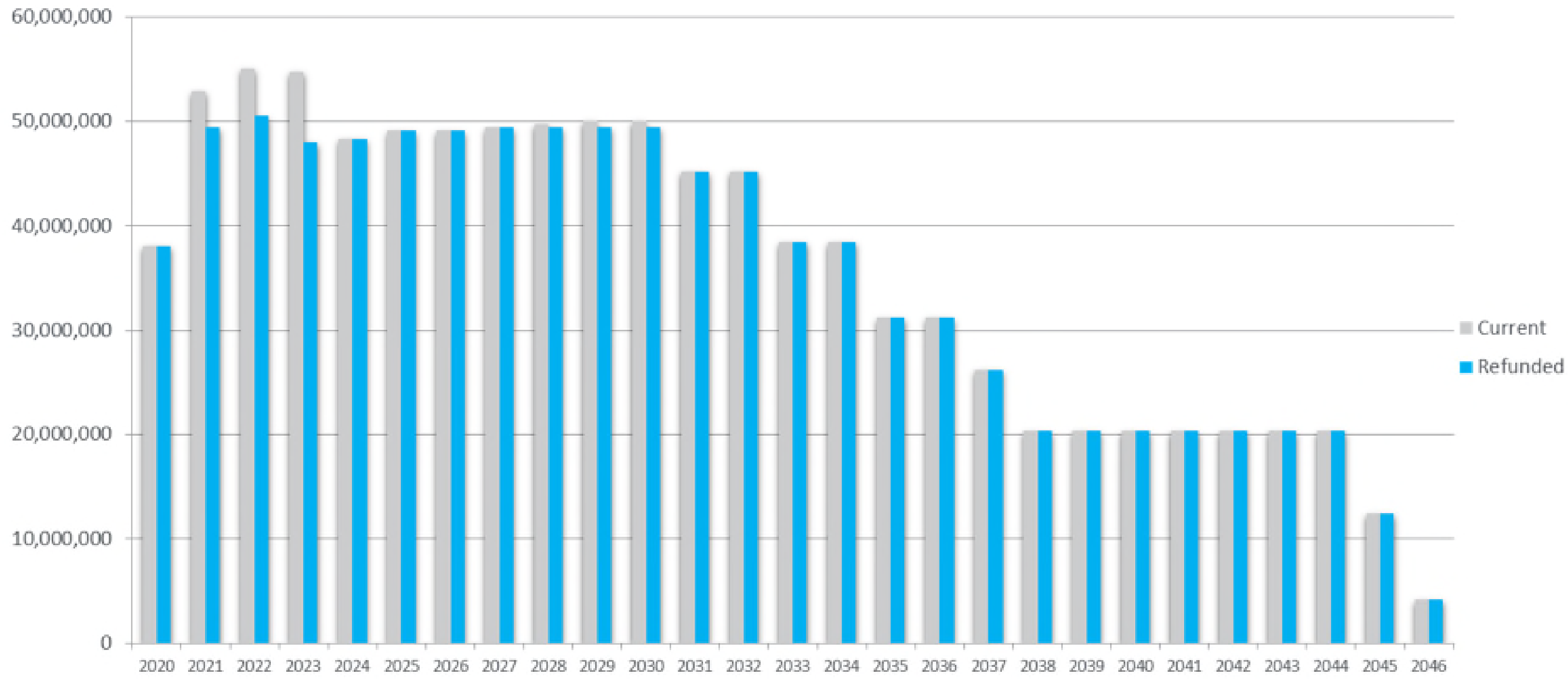
	Series 2010A	Series2011A	Series 2012A	Series 2012B
Call Date	3/1/2020	9/1/2021	9/1/2022	9/1/2022
Final maturity	9/1/2028	9/1/2036	9/1/2032	9/1/2037
Type	Current Tax-Exempt	Taxable	Taxable	Taxable

Refunding Opportunities

	Series 2010A	Series2011A	Series 2012A	Series 2012B	Total
Final Maturity	9/1/2028	9/1/2036	9/1/2032	9/1/2037	**9/1/2037**
Refunded Par Amount	$8,675,000	$52,010,000	$72,200,000	$46,425,000	**$179,310,000**
Refunding Par Amount	$8,380,000	$56,885,000	$82,600,000	$53,115,000	**$200,980,000**
Avg. Coupon of Refunded Bonds	4.46%	4.93%	5.00%	5.00%	**4.97%**
All-in TIC	1.83%	3.18%	2.93%	3.21%	**3.06%**
Gross Savings	$1,134,764	$7,113,472	$4,547,545	$4,178,272	**$16,974,055**
NPV Savings ($)	$1,020,273	$5,851,708	$3,954,542	$3,417,331	**$14,243,855**
NPV Savings (%)	11.76%	11.25%	5.48%	7.36%	**7.94%**

As of 5/22/20

Refunded Debt Structure



New Money Financing

$10.0 Million New Bond Financing

Rosedale Substation – Transfer of Feeders

Transmission & Distribution Improvements

- Supports Growth in KU Med Area
- Initial project was financed with 2016C Bond Issue

New Money Financing

Transmission System Improvements - $260,000

Install fiber optic between Barber and Terrace Substations

Rosedale/Fisher Area Distribution Improvements - $7,490,000

New distribution system improvements in the Rosedale/Fisher area

Transfer 15kV distribution feeders from Fisher to Rosedale Sub

Construct backup feeders for reliability

Barber Substation Improvements - $2,250,000

Construct a new duct bank electrical system from new switchgear to the new distribution

KANSAS CITY BPU
THE POWER OF COMMUNITY

Proposed Schedule

• UG Standing Committee	July 6
• UG Full Commission	July 9
• Rating Calls	Week of July 20
• Pricing of Bonds	Week of August 17
• Settlement of Bonds	September 10 (est)

RESOLUTION NO. 5254

RESOLUTION TO FINANCE CAPITAL IMPROVEMENTS AND REQUESTING THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, TO ISSUE ITS UTILITY SYSTEM REVENUE BONDS TO FINANCE SUCH IMPROVEMENTS; AND FURTHER REQUESTING THAT THE UNIFIED GOVERNMENT REFUND ALL OR A PORTION OF CERTAIN OUTSTANDING UTILITY SYSTEM REVENUE BONDS IN ORDER TO ACHIEVE INTEREST COST SAVINGS ON SUCH BONDS.

WHEREAS, the Board of Public Utilities (the "BPU"), an administrative agency of the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government"), has adopted as a part of its annual budget a capital improvement program for major improvements to the electric system and the water system managed, operated, maintained and controlled by the BPU (the "System"); and

WHEREAS, the BPU has determined that it is advisable that certain of its major capital improvements should be financed through the issuance of utility system revenue bonds by the Unified Government; and

WHEREAS, it is necessary for the Board of the BPU to adopt a resolution requesting the Unified Government to issue utility system revenue bonds for such purposes; and

WHEREAS, the Unified Government has previously issued and has outstanding the following utility system revenue bonds that are eligible for refinancing:

<u>Series</u>	<u>Maturity Dates</u>	<u>Principal Amount</u>
Utility System Revenue Refunding Bonds, Series 2010-A	2020-2028	$9,565,000
Utility System Improvement and Refunding Revenue Bond, Series 2011-A	2022-2036	56,880,000
Utility System Refunding Revenue Bonds, Series 2012-A	2023-2032	94,475,000
Utility System Revenue Bonds, Series 2012-B	2023-2037	61,280,000

; and

WHEREAS, it is in the best financial interest of the BPU and its rate payers to pursue refunding all or a part of the above-referenced bonds to achieve interest costs savings through the issuance of the Unified Government's utility system refunding revenue bonds (the "Refunding Bonds") and thereby allow the Unified Government and the BPU to capture the benefits of current favorable market interest rates; and

WHEREAS, in order to complete the refunding transaction in a timely manner so as to maximize the financial benefits therefrom, the Board of the BPU request that the Board of Commissioners of the Unified Government proceed to take all necessary steps to authorize the issuance of the Refunding Bonds and the execution and delivery of all necessary and related documents.

BE IT RESOLVED BY THE BOARD OF PUBLIC UTILITIES OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, AS FOLLOWS:

Section 1. The BPU wishes to make certain improvements in connection with constructing, reconstructing, altering, repairing, improving, extending or enlarging the System, including:

1. Transmission System Improvements: Electric transmission system improvements which would install OPGW fiber optic between Barber and Terrace Substations. This is replacing existing circuits used for transmission line protective relaying at each substation.
2. Rosedale/Fisher Area Distribution Improvements: New distribution system improvements in the Rosedale/Fisher area. This would complete the transfer of 15kV distribution feeders from Fisher to Rosedale Substations. Also there would be a project to construct backup feeders to KU University and Hospital as well as to the neighboring businesses and residential customers.
3. Barber Substation Improvements: Improvement to Barber Substation. Construct a new manhole/duct bank electrical system from new switchgear #2 to the new distribution riser structures.

and all other necessary and related improvements to the System (collectively, the "Improvements"). The BPU wishes to finance the Improvements through the issuance of utility system revenue bonds to be issued by the Unified Government. The BPU expects to reimburse itself for capital expenditures made with respect to the Improvements on or after 60 days before the date of this Resolution with the proceeds of utility system revenue bonds issued by the Unified Government.

Section 2. The maximum principal amount of utility system revenue bonds expected to be issued for the Improvements, not including any required reserves, costs of issuance, capitalized interest and related expenses, is expected to be $10,000,000.

Section 3. The Unified Government is hereby requested to issue its utility system revenue bonds to finance the Improvements and to commence the necessary procedures to sell and issue such bonds including without limitation causing a notice of intent to issue utility system revenue bonds to be published. The General Manager and staff of the BPU are authorized to make such request.

Section 4. The BPU hereby finds and determines that the refunding of all or a part of the Outstanding Bonds is in the best financial interest of the BPU, the Utility System and the Unified Government.

Section 5. The BPU hereby requests that the Board of Commissioners of the Unified Government proceed to take all necessary steps to authorize the issuance of bonds to fund the Improvements, authorizing the issuance of the Refunding Bonds and authorize the execution and delivery of all necessary and related documents.

Section 6. The President, Secretary, General Manager, Chief Financial Officer and other officers, officials and employees of the BPU are hereby authorized and directed to execute and deliver all documents and take all such action as they deem necessary or advisable in order to complete the issuance of bonds to fund the Improvements, and the issuance of the Refunding Bonds.

Section 7. The sale of the utility system revenue bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means. All sale documents, certificates, and related instruments may be executed by electronic transmission. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents (or documents executed by electronic transmission) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 8. This Resolution shall be in full force and effect from and after its passage by the BPU.

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Passed by the Board of Public Utilities, an administrative agency of the Unified Government of Wyandotte County/Kansas City, Kansas, this June 17, 2020.

President – Board of Public Utilities

ATTEST:

Mary L. Gonzales

Secretary – Board of Public Utilities

Staff Request for Commission Action

Tracking No. 20184

Full Commission Meeting Date: 7/9/20

Committee: Economic Development & Finance

Date of Standing Committee Action: 7/6/20 (If none, please explain):

Publication Required: Yes 7/16/2020

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
6/15/2020	Debbie Jonscher, Kathleen VonAchen	x5847, x5186	djonscher@wycokck.org, kvonachen@wycokck.org	Finance

Item Description:

An ordinance authorizing the issuance of Utility System Refunding and Improvement Revenue Bonds, Series 2020-A and Taxable Utility System Refunding Revenue Bonds, Series 2020-B, submitted by Kathleen VonAchen, CFO.

This item is being requested to be fast tracked to the July 9th Full Commission.

Action Requested:

Approve bond resolution

Budget Impact: (if applicable)

Amount:

Source:

Included In Budget:

Other (explain):

Attachments List:

Ordinance (UG BPU USRB 2020)

(Published in *The Wyandotte Echo* on July 16, 2020)

ORDINANCE NO. O-____-20

AN ORDINANCE AUTHORIZING THE ISSUANCE OF UTILITY SYSTEM REFUNDING AND IMPROVEMENT REVENUE BONDS, SERIES 2020-A AND TAXABLE UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2020-B, OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, FOR THE PURPOSE OF FINANCING THE COST OF CERTAIN IMPROVEMENTS, REFUNDING CERTAIN OUTSTANDING UTILITY SYSTEM REVENUE BONDS IN ORDER TO ACHIEVE INTEREST COST SAVINGS AND PAYING THE COST OF ISSUING SAID BONDS; AUTHORIZING THE EXECUTION AND APPROVAL OF CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government"), now owns and operates a municipal waterworks plant and a municipal electric-light plant (herein collectively called the "Utility System"), which Utility System is managed, operated, maintained and controlled on a day-to-day basis by an administrative agency of the Unified Government known as the Board of Public Utilities (the "BPU") consisting of six (6) elected members; and

WHEREAS, the Unified Government is the successor to the City of Kansas City, Kansas (the "City"), as a result of the consolidation of the City and Wyandotte County, Kansas, effective December 1, 1997, and is acting as a city of the first class herein; and

WHEREAS, the Unified Government executed and delivered that certain Second Amended and Restated Indenture dated as of June 1, 2014, by and between the Unified Government and the Trustee (the "Second Amended and Restated Indenture"), pursuant to which the Unified Government has issued various series of utility system revenue bonds; and

WHEREAS, Article II of the Second Amended and Restated Indenture authorizes the issuance of Additional Bonds (as defined in the Second Amended and Restated Indenture) upon certain requirements set forth therein having been met; and

WHEREAS, pursuant to the provisions of Charter Ordinance No. CO-5-01 as amended by Charter Ordinance CO-3-02 of the Unified Government, Article 12, Section 5 of the Kansas Constitution and K.S.A. 10-1201 et seq. and pursuant to certain ordinances and resolutions adopted by the governing body of the Unified Government (including particularly Resolution R-____-20), the Unified Government has approved certain improvements to the Utility System (the "Improvements") including:

1. Transmission System Improvements: Electric transmission system improvements which would install OPGW fiber optic between Barber and Terrace Substations. This is replacing existing circuits used for transmission line protective relaying at each substation.
2. Rosedale/Fisher Area Distribution Improvements: New distribution system improvements in the Rosedale/Fisher area. This would complete the transfer of 15kV distribution feeders from Fisher to Rosedale Substations. Also there would be a project to construct backup feeders to KU University and Hospital as well as to the neighboring businesses and residential customers.

3. Barber Substation Improvements: Improvement to Barber Substation. Construct a new manhole/duct bank electrical system from new switchgear #2 to the new distribution riser structures.
4. All other necessary and related improvements to the System.

WHEREAS, in accordance with the Second Amended and Restated Indenture, the Unified Government has previously issued Additional Bonds, of which the following series (the "Outstanding Bonds") remain outstanding:

Name of Bonds	Series
Utility System Refunding Revenue Bonds	2010-A
Utility System Improvement and Refunding Revenue Bonds	2011-A
Utility System Refunding Revenue Bonds	2012-A
Utility System Improvement Revenue Bonds	2012-B
Utility System Improvement and Refunding Revenue Bonds	2014-A
Utility System Improvement Revenue Bonds	2016-A
Utility System Refunding Revenue Bonds	2016-B
Utility System Improvement Revenue Bonds	2016-C

WHEREAS, due to the current interest rate environment, the Unified Government has the opportunity to issue its utility system refunding revenue bonds in order to achieve an interest cost savings on all or a portion of the Outstanding Bonds, further described as follows (collectively, the "Refunded Bonds"):

Series	**Maturities (September 1)**	**Principal Amount**
2010-A	2020-2028	$9,565,000
2011-A	2022-2036	56,880,000
2012-A	2023-2032	94,475,000
2012-B	2023-2037	61,280,000

; and

WHEREAS, in order to provide funds to (a) fund the Improvements, (b) refund a portion of the Refunded Bonds and (c) pay the costs of issuance of the bonds to be issued for such purposes, the Unified Government desires to issue a series of Additional Bonds to be designated "Utility System Refunding and Improvement Revenue Bonds, Series 2020-A" (the "Series 2020-A Bonds") of the Unified Government of Wyandotte County/Kansas City, Kansas; and

WHEREAS, in order to provide funds to (a) refund a portion of the Refunded Bonds and (b) pay the costs of issuance of the bonds to be issued for such purposes, the Unified Government desires to issue a series of Additional Bonds to be designated "Taxable Utility System Refunding Revenue Bonds, Series 2020-B" (the "Series 2020-B Bonds") of the Unified Government of Wyandotte County/Kansas City, Kansas; and

WHEREAS, the Series 2020-A Bonds and the Series 2020-B Bonds shall be issued pursuant to the terms and provisions of the Twenty-First Supplemental Indenture of Trust dated as of September 1, 2020 (the "Twenty-First Supplemental Indenture") (the Second Amended and Restated Indenture, the supplemental indentures authorizing the Outstanding Bonds, and the Twenty-First Supplemental Indenture are collectively referred to as the "Indenture"); and

WHEREAS, the Series 2020-A Bonds and the Series 2020-B Bonds will be secured on a parity with the Outstanding Bonds and any Additional Bonds under the terms of the Indenture; and

WHEREAS, Piper Sandler &Co., (the "Underwriter"), has agreed to purchase the Series 2020-A Bonds and the Series 2020-B Bonds pursuant to the terms of a Contract of Purchase between the Underwriter and the Unified Government, and the Unified Government wishes to proceed with the sale of the Series 2020-A Bonds and the Series 2020-B Bonds to the Underwriter.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, AS FOLLOWS:

Section 1. The Bonds. The Unified Government hereby finds and determines that it is necessary and essential to issue the Series 2020-A Bonds to provide funds to pay the costs of the Improvements, refund a portion of the Refunded Bonds and to pay the costs of issuance of the Series 2020-A Bonds.

The Unified Government hereby finds and determines that it is necessary and essential to issue the Series 2020-B Bonds to provide funds to refund a portion of the Refunded Bonds and to pay the costs of issuance of the Series 2020-B Bonds.

Section 2. Authorization of the Bonds. Pursuant to and in accordance with the Act, the Unified Government is hereby authorized to issue and sell the Series 2020-A Bonds and the Series 2020-B Bonds.

The Series 2020-A Bonds and the Series 2020-B Bonds shall be Additional Bonds under the Indenture and shall be issued and secured pursuant to the Second Amended and Restated Indenture and the Twenty-First Supplemental Indenture and shall be in such aggregate principal amount, bear such dates, shall mature at such times, shall be in such denominations, shall bear interest at such rates, shall be subject to redemption, shall be in such forms, shall have such other terms and provisions, and shall be issued, executed and delivered in such manner subject to such provisions, covenants and agreements, as are set forth in the Twenty-First Supplemental Indenture.

The sale of the Series 2020-A and the Series 2020-B Bonds to the Underwriter is hereby authorized and approved and the Mayor/Chief Executive of the Unified Government is hereby authorized to enter into a Contract of Purchase between the Unified Government and the Underwriter (the "Contract of Purchase") with regard to the Series 2020-A and the Series 2020-B Bonds, subject to the following conditions:

<u>The Series 2020-A Bonds</u>

1. The principal amount of the Series 2020-A Bonds shall not exceed $20,000,000.

2. The deposit to the Series 2020-A Project Account within the Construction Fund shall not exceed $10,000,000 to pay the costs of the Improvements.

3. The true interest cost for the Series 2020-A Bonds shall not exceed 3.00%.

4. The final maturity date for the Series 2020-A Bonds shall be no later than September 1, 2045.

5. The underwriter's discount shall not exceed 0.400% of the principal amount of the Series 2020-A Bonds.

6. The first call date for the Series 2020-A Bonds shall be no later than September 1, 2030, at a price equal to 100% of the principal amount of the Series 2020-A Bonds to be outstanding after such first call date.

<u>The Series 2020-B Bonds</u>

1. The principal amount of the Series 2020-B Bonds shall not exceed $240,000,000.

2. The true interest cost for the Series 2020-B Bonds shall not exceed 3.50%.

3. The final maturity date for the Series 2020-B Bonds shall be no later than September 1, 2037.

4. The underwriter's discount shall not exceed 0.500% of the principal amount of the Series 2020-B Bonds.

5. The first call date for the Series 2020-B Bonds shall be no later than September 1, 2030, at a price equal to 100% of the principal amount of the Series 2020-B Bonds to be outstanding after such first call date.

The determinations of (a) whether the foregoing conditions are satisfied and (b) which maturities of the Refunded Bonds will be refunded shall be made by the Mayor/Chief Executive upon the advice and recommendation of the Unified Government's Chief Financial Officer, financial advisor and bond counsel. The confirmation of the foregoing determinations shall be conclusively evidenced by the execution of the Contract of Purchase by the Mayor/Chief Executive Officer.

Section 3. Limited Obligations. The Series 2020-A Bonds and the Series 2020-B Bonds shall be limited obligations of the Unified Government payable solely out of the Net Revenues (as defined in the Indenture) derived by the Unified Government from the operation of the Utility System and such Net Revenues shall be pledged and assigned to the Trustee as security for the payment of the Series 2020-A Bonds and Series 2020-B Bonds as provided in the Indenture. The Series 2020-A Bonds and the Series 2020-B Bonds shall not constitute a debt of the State of Kansas or any political subdivision thereof, and neither said State nor any political subdivision shall be liable thereon, and the Series 2020-A Bonds and the Series 2020-B Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Section 4. Parity Obligations. The Series 2020-A Bonds and the Series 2020-B Bonds shall be secured on a parity with the Unified Government's Outstanding Bonds and any Additional Bonds.

Section 5. Authorization of Documents. The Unified Government is hereby authorized to enter into the following documents (the "Issuer Documents"), in substantially the form presented to and reviewed by the Unified Government at this meeting (final copies of such document shall be filed in the records of the Unified Government), with such changes therein as shall be approved by the officers of the Unified Government executing such documents, such officers' signatures thereon being conclusive evidence of their approval thereof:

(a) Twenty-First Supplemental Indenture.

(c) Tax Compliance Agreement between the Unified Government, the BPU and the Trustee.

(d) Continuing Disclosure Agreement between the Unified Government, the BPU and the Trustee.

(e) Contract of Purchase.

(f) Escrow Trust Agreement.

Section 6. Approval of Preliminary Official Statement and Official Statement. The Preliminary Official Statement describing the Series 2020-A Bonds and the Series 2020-B Bonds (draft copies of which have been made available to the governing body of the Unified Government), with such changes and additions thereto as are approved by the Unified Government's Chief Financial Officer, is hereby authorized and approved, and the final Official Statement is hereby authorized and approved by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Mayor/Chief Executive and the Chief Financial Officer of the Unified Government and the General Manager of the BPU are hereby authorized to execute the final Official Statement and any amendment or supplement thereto, and the use and public distribution of the Preliminary Official Statement and the final Official Statement by the Underwriter in connection with the reoffering of the Series 2020-A Bonds and the Series 2020-B Bonds is hereby authorized. The proper officials of the Unified Government are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of issuance and delivery of the Series 2020-A Bonds and the Series 2020-B Bonds.

For the purpose of enabling the Underwriter to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the Unified Government hereby authorizes the Chief Financial Officer of the Unified Government and the General Manager of the BPU to deem the information regarding the Unified Government contained in the Preliminary Official Statement to be "final" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the Unified Government and the BPU are hereby authorized, if requested, to provide the Underwriter a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Underwriter to comply with the requirement of such Rule.

Section 7. Execution of Series 2020-A Bonds, Series 2020-B Bonds and Documents. The Mayor/Chief Executive, the Chief Financial Officer and the Unified Government Clerk of the Unified Government are hereby authorized and directed to execute, attest and countersign the Series 2020-A Bonds and the Series 2020-B Bonds and to deliver the Series 2020-A Bonds and the Series 2020-B Bonds to the Trustee for authentication and registration for and on behalf of and as the act and deed of the Unified Government in the manner provided in the Twenty-First Supplemental Indenture. The

Mayor/Chief Executive, the Chief Financial Officer and/or the Unified Government Clerk of the Unified Government are hereby authorized and directed to execute, attest and/or countersign and deliver the Issuer Documents for and on behalf of and as the act and deed of the Unified Government, and such other documents, and such certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, and to effect the sale, issuance and delivery of the Series 2020-A Bonds and the Series 2020-B Bonds.

Section 8. Issuance of Additional Bonds. The Unified Government will not issue any (i) Additional Bonds or other obligations payable out of the Revenues (as defined in the Indenture) of the Utility System, or any part thereof, which are superior to the Outstanding Bonds, the Series 2020-A Bonds, the Series 2020-B Bonds or any Additional Bonds issued pursuant to the provisions of the Indenture and any Supplemental Indenture, nor (ii) Additional Bonds or other obligations which are on a parity with the Outstanding Bonds, the Series 2020-A Bonds, the Series 2020-B Bonds or any Additional Bonds issued pursuant to the provisions of the Indenture and any Supplemental Indenture unless in either instance the issuance of such Additional Bonds is permitted by the Indenture and by the Unified Government ordinances or resolutions authorizing any other utility revenue bonds of the Unified Government then outstanding.

Section 9. Issuance of Series 2020-B Bonds Conditioned on Notice and Expiration of Protest Period. The Unified Government shall not issue the Series 2020-B Bonds until notice has been provided as required by Resolution R-__-20 and the provisions of Charter Ordinance CO-5-01, Article 12, Section 5 of the Kansas Constitution and K.S.A. 10-1201 et seq. (collectively, the "Act") and the written protest period pursuant to the Act has expired with a sufficient protest filed.

Section 10. Further Authority. The Unified Government shall, and any of its officers, agents and employees are hereby authorized and directed to, take such further action, and execute such other agreements, documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, and to carry out, comply with and perform the duties of the Unified Government with respect to the Series 2020-A Bonds, the Series 2020-B Bonds and Indenture.

Section 11. Effective Date. This Ordinance will take effect and be in full force from and after its passage and publication in the official newspaper of the Unified Government.

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THIS ORDINANCE IS HEREBY PASSED by the governing body of the Unified Government of Wyandotte County/Kansas City, Kansas, this July 9, 2020.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By: ____________________________________
Mayor/Chief Executive

(SEAL)

ATTEST:

____
Unified Government Clerk

Staff Request for Commission Action

Tracking No. 20229

Full Commission Meeting Date:

Committee: Economic Development & Finance

Date of Standing Committee Action: 7/6/20, 8/10/20 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
6/23/2020				Economic Development

Item Description: A purchase agreement for Scannell Properties to buy 34 acres of UG-owned land as part of the proposed Woodlands development.
Action Requested: For information only on 7/6. Request action at the next ED&F on 8/10.
Budget Impact: (if applicable) Amount: Source: Included In Budget: Other (explain):
Attachments List: Purchase Agreement_Scannell_Unified Government_Kansas City, KS

<u>REAL ESTATE PURCHASE AGREEMENT</u>

THIS REAL ESTATE PURCHASE AGREEMENT (this "<u>Agreement</u>") is entered into and made effective as of the Effective Date (as defined below), by and between **UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS**, a Kansas Municipal Corporation ("<u>Seller</u>") and **SCANNELL PROPERTIES, LLC**, an Indiana limited liability company, or its assignee ("<u>Buyer</u>"), who acknowledge that the following recitals are a material part of this Agreement:

RECITALS:

A. Seller is the owner, in fee simple, of certain parcels of real estate containing in total approximately 34.4 acres of land and related appurtenances, and any Improvements (as defined below) located thereon, located at the intersection of N. 99th Street and Leavenworth Road in Wyandotte County, Kansas City, Kansas, and as more particularly depicted on the attached **<u>Exhibit A</u>** (collectively, the "<u>Property</u>"); and

B. Buyer desires to purchase the Property and Seller desires to sell the Property.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Buyer and Seller (each a "<u>Party</u>", and collectively, the "<u>Parties</u>") agree as follows:

1. <u>Purchase and Sale</u>. Seller agrees to sell, and Buyer agrees to purchase the Property for the price and subject to the terms and conditions hereinafter set forth.

2. <u>Purchase Price</u>. The purchase price for the Property (the "<u>Purchase Price</u>") shall be Two Million Thirty-One Thousand Four Hundred Ninety-Five and78/100 Dollars ($2,031,495.78) (which is based on $59,055.11 per acre). If the number of total acres of the Property changes upon receipt of the Survey (as defined in Section 6 below), the Purchase Price shall be adjusted accordingly.

3. <u>Payment of Purchase Price</u>. Within three (3) Business Days after the Effective Date, Buyer shall deposit with Security 1st Title, with an address of 727 N. Waco, Suite 300, Wichita, Kansas 67203, Attn: Brian Irwin (the "<u>Title Company</u>") an earnest money deposit in the amount of Fifty Thousand and 00/100 Dollars ($50,000.00) (the "<u>Earnest Money</u>"). The Earnest Money shall be held, applied, returned, or retained in accordance with the terms of this Agreement and shall be deposited with the Title Company pursuant to the terms of a separate escrow agreement, substantially in the form attached hereto as **<u>Exhibit B</u>**, which shall be executed by Buyer, Seller, and the Title Company. The Earnest Money shall be invested by the Title Company as directed by Buyer, and the Earnest Money and all interest thereon shall be applied as a credit to the Purchase Price, or if the Closing (as defined below) does not occur, credited to the Party that is entitled to receive the Earnest Money pursuant to the terms of this Agreement. The remainder of the Purchase Price, plus or minus any prorations and adjustments made pursuant to this Agreement, shall be deposited by Buyer with the Title Company in immediately available funds, for payment to Seller at Closing.

4. <u>Buyer's Due Diligence</u>. Beginning on the Effective Date and continuing until the date that is one hundred twenty (120) days after the Effective Date (the "<u>Satisfaction Date</u>"), Buyer shall be entitled to perform Buyer's due diligence on the Property, as provided in this <u>Section 4</u>.

(a) Termination. Buyer may terminate this Agreement for any or no reason, in Buyer's sole discretion, at any time on or prior to the Satisfaction Date by providing written notice to Seller with a copy to the Title Company (a "Termination Notice"). If Buyer timely delivers a Termination Notice to Seller, then this Agreement will terminate, the Earnest Money will be returned to Buyer, and neither Party shall have any further rights or liability to the other Party, except as otherwise expressly provided in this Agreement.

(b) Approval Notice. If Buyer determines that it is satisfied with its due diligence, in Buyer's sole discretion, at any time on or prior to the Satisfaction Date, then Buyer may decide to waive its additional time up to the Satisfaction Date and proceed to Closing by providing written notice to Seller with a copy to the Title Company (an "Approval Notice"). If Buyer **does not** timely deliver an Approval Notice to Seller, then this Agreement will automatically terminate without the need for any notice, the Earnest Money will be returned to Buyer, and neither Party shall have any further rights or liability to the other Party, except as otherwise expressly provided in this Agreement. If Buyer **does** timely deliver an Approval Notice, then the Earnest Money shall become non-refundable in favor of Seller (subject to Sections 5, 9, and 17), but shall remain applicable to the Purchase Price.

(c) Due Diligence. Buyer shall, at its sole expense, conduct such due diligence, test and studies, zoning and other investigations with respect to the Property as Buyer shall desire in connection with its determination whether to purchase the Property, all of which shall be satisfactory to Buyer, in its sole and absolute discretion.

(d) Seller Cooperation. Seller agrees to reasonably cooperate with Buyer, including furnishing Buyer with all necessary information, and executing such applications and other documents as may be required, in connection with Buyer's satisfaction of Buyer's due diligence, all at no cost to Seller. Seller authorizes and hereby confirms that Douglas G Bach, County Administrator, shall be the authorized representative of Seller, acting individually, to execute any such application or other documents for and on behalf of Seller, in connection with the foregoing.

(e) Access. At any time after the Effective Date, Buyer and its agents shall have the right to enter upon the Property and make and conduct any and all tests and inspections that Buyer deems necessary and/or appropriate in connection with Buyer's satisfaction of Buyer's due diligence; provided, however, that Buyer shall promptly repair any damage to the Property resulting from the entry of Buyer or its agents (however, if any tree clearing is required to perform certain inspections permitted pursuant to this Agreement, Buyer's restoration obligations shall not require tree replacement or hauling of any cleared trees or shrubs from the Property). All such tests shall be at Buyer's cost and expense.

5. Title.

(a) Title Commitment; Title Policy. Buyer shall procure a commitment for an owner's policy of title insurance (the "Title Commitment") issued by the Title Company on the ALTA 2006 Owner's Policy form (or other form acceptable to Buyer) with Extended Coverage, in which the Title Company shall agree to insure, for the full amount of the Purchase Price, merchantable fee simple title to the Property in the name of Buyer, free from the Schedule B standard printed exceptions and all other title exceptions except those title exceptions which are acceptable to Buyer, in its sole discretion (the "Permitted Exceptions"), after delivery of the Deed (as defined below) to Buyer from Seller. The Title Commitment shall cover and include any easements and other rights appurtenant to the Property. The Title Commitment shall have attached thereto complete, legible copies of all instruments noted as exceptions thereto. At Buyer's option, the Title Commitment shall be updated prior to the Closing to reflect the state of title not more than ten (10) days prior to the Closing. Buyer shall pay any and all costs and expenses related to the title insurance, including all search fees, closing fees, and the premium for the owner's title insurance policy and any endorsements requested by Buyer (collectively, the "Title Policy") issued pursuant to the Title Commitment. At Buyer's request, the Title Policy shall include, to the extent available under applicable law: (i) a zoning endorsement in a form acceptable to Buyer; (ii) an access endorsement to affirmatively insure access to and from the Property; (iii) a utilities endorsement to affirmatively insure that the Property has access to and is serviced by applicable, specified utility services; (iv) affirmative coverage of and for any appurtenant easements; (v) a contiguity endorsement, if the Property is comprised of two or more parcels; and (vi) any other title endorsements reasonably requested by Buyer or Buyer's lender.

(b) Title Defects. If: (i) the Title Commitment reflects any exceptions to title which are not acceptable to Buyer, in Buyer's sole discretion; (ii) the Survey discloses any state of fact not acceptable to Buyer, in Buyer's sole discretion; or (iii) at any time prior to the Closing, title to the Property is encumbered by any exception to title not acceptable to Buyer, in Buyer's sole discretion (with any such exception or unacceptable state of fact being referred to herein as a "Title Defect"); then Buyer may, on or before the Satisfaction Date (or, in the case of a Title Defect not disclosed by the Title Commitment prior to the Satisfaction Date, within fifteen (15) days after Buyer receives notice of such Title Defect), provide Seller with written notice of such Title Defect. Seller shall have the right, but not the obligation (except as specifically set forth below), during the thirty (30) day period after receipt of such notice, but not later than the Closing, to remove such Title Defect or obtain affirmative title insurance coverage acceptable to Buyer, insuring and defending Buyer against any loss, cost, or expense arising out of or related to such Title Defect ("Affirmative Coverage"). If Seller elects to do so, then on or before the Closing Date (as defined below), Seller shall provide Buyer with reasonable evidence of such removal or provide reasonable evidence that such Title Defect will be removed or that such Affirmative Coverage will be obtained. Notwithstanding anything contained herein to the contrary, Seller shall be obligated to expend whatever sums are required to cure or obtain Affirmative Coverage for the following Title Defects prior to, or at, the Closing:

(i) All mortgages, security deeds, liens, or other security instruments encumbering the Property (which are not the result of acts or omissions of Buyer);

(ii) Judgments against Seller (which are not the result of acts or omissions of Buyer) which have attached to and become a lien against the Property;

(iii) All past due *ad valorem* taxes and assessments of any kind, which constitute a lien against the Property; and

(iv) All past due (or currently due) assessments or fees of any kind related to any easement, declaration, covenants, or similar encumbrance affecting the Property.

Seller shall have the right, if reasonably necessary, to extend the Closing Date, for a period not to exceed twenty (20) days in order to cure or obtain Affirmative Coverage for any Title Defect. In the event Seller is unable or unwilling to cure or obtain Affirmative Coverage for any Title Defect within the time periods set forth above, Buyer shall have the option to either: (i) waive any such Title Defect and proceed to Closing; or (ii) terminate this Agreement and receive a full refund of the Earnest Money, in which case neither Party shall have any further rights or liability to the other Party, except as otherwise expressly provided in this Agreement.

(c) Closing Protection. If this transaction is to be closed through a local agent of the Title Company, then as a condition to Closing, Buyer shall be entitled to receive a closing protection letter issued by the Title Company, covering its local agent, in a form reasonably acceptable to Buyer.

6. Survey. Buyer, at its expense, may procure an ALTA/NSPS survey of the Property (the "Survey") prepared by a registered land surveyor satisfactory to Buyer. The Survey shall: (i) contain such Table A items as may be requested by Buyer; (ii) have one perimeter description of the Property; (iii) show all easements, rights-of-way, set-back lines, encroachments and other matters affecting the use or development of the Property; (iv) disclose on the face thereof the gross acreage of the Property; (v) contain such other matters as are required for the Title Company to delete the standard exceptions on Schedule B to the Title Commitment; (vi) show the location of any and all Improvements; and (vii) be certified to Seller, Buyer, the Title Company, and Buyer's lender.

7. Cooperation of Seller and Property Information. Seller shall assist Buyer and its representatives, whenever reasonably requested by Buyer, in obtaining information about the Property. Within ten (10) days after the Effective Date, Seller shall, at Seller's expense, deliver to Buyer true, correct and complete copies of the following documents and/or information, to the extent that such documents and/or information are within Seller's custody or control (collectively, the "Seller Information"): (i) copies of all current or most recent available real estate tax bills applicable to each parcel of the Property; (ii) any utility bills pertaining to the Property; (iii) any plans or specifications pertaining to any Improvements on the Property; (iv) any warranties and/or service contracts pertaining to any Improvements on the Property; (v) any existing surveys, geotechnical reports, maps, or other reports pertaining to the physical condition of the Property, including, without limitation, structural reports, maintenance reports, environmental reports (the "Environmental Reports"), soils reports, wetlands delineation, and similar tests or inspection reports; (vi) any permits or approvals pertaining to the Property; (vii) any environmental impact reports, zoning commitments, declarations, or similar development restrictions and/or approvals; (viii) any existing title insurance commitments or policies; (ix) any management, service, and maintenance contracts, or any leases, relating to the Property, including any amendments thereto; (x) any unrecorded covenant, condition, and/or restriction that encumbers the Property; (xi) any legal notice received by Seller in the last two (2) years which affects the Property; and (xii) a litigation list disclosing all actions, suits, and legal or administrative proceedings affecting the Property. Additionally, within ten (10) days after the Effective Date, Seller shall, at no cost to Buyer, complete to Seller's actual knowledge and deliver to Buyer the Environmental Site Assessment Owner's Disclosure (the "ESA") in the form attached hereto as **Exhibit C**. The ESA is a statement of conditions and information concerning the Property made to the actual knowledge of Seller on the date it is completed, and is not a guaranty or warranty of any kind by Seller. The ESA is not a substitute for any inspections or tests, and Buyer is solely responsible for obtaining its own independent professional investigations to determine the condition of the Property.

8. Taxes and Assessments. The records of the Wyandotte County Auditor and/or Treasurer reflect that the Property currently consists of all or part of Parcel No. 243302; 243303; 243303; 243303; 243306; 243309; 243310; 243300; 243301; 243307; 243308, 243311; 243312; 243313 (+/- 34 acres acres). Copies of the Wyandotte County Auditor's and/or Treasurer's records for the above parcel(s) have been or will be provided by Seller to Buyer promptly after the Effective Date. At the Closing, Seller will pay all real estate taxes and assessments that are due and payable. All such real estate taxes and assessments for the year of the Closing shall be prorated between Seller and Buyer as of the Closing Date on a calendar year per diem basis, using the most recent tax and assessment records available, with Seller being responsible for any and all such real estate taxes and assessments that accrued for or with respect to the period of time up to the Closing Date, and Buyer being responsible for all such real estate taxes and assessments that accrue for or with respect to the period of time from and after the Closing Date. At the Closing, Buyer shall receive a credit on the Settlement Statement (as defined below) for those real estate taxes and assessments allocated to Seller for the period from January 1 of the year in which the Closing occurs up to (but not including) the Closing Date and Seller shall not be further liable for such real estate taxes and assessments. Seller will retain sole responsibility for and with respect to all personal property taxes, if any, due and payable with respect to any personal property owned by Seller and/or used in connection with the Property except such personal property that is to be transferred and conveyed hereunder to Buyer, if any, in which case the personal property taxes attributable to such personal property being transferred and conveyed hereunder to Buyer shall be prorated in the same manner as real estate taxes and any assessments are to be prorated, as provided above. Notwithstanding any other provision of this Agreement to the contrary, Seller shall be responsible for the amount of any agricultural rollback taxes, or similar taxes imposed as the result of any change from the existing use of the Property, and shall indemnify Buyer against liability for any such taxes. The provisions of this Section 8 shall survive Closing.

9. Insurance, Condemnation and Risk of Loss. Seller's insurance on the Property shall be cancelled as of the Closing Date. In the event that, prior to Closing, all or any portion of the Property, any interests therein, or any rights appurtenant thereto, are: (a) damaged or destroyed by any fire or other casualty; or (b) taken or appropriated (either permanently or temporarily) under the power of eminent domain or condemnation by any authority having such power, or by virtue of any actions or proceedings in lieu thereof, or if any notice or threat of such taking or appropriation has been given or is pending at the Closing (each, a "Casualty/Taking Event"), and Buyer determines in its sole discretion that such Casualty/Taking Event will adversely impact Buyer's intended development/use of the Property, then Buyer, at its option, may either: (i) terminate this Agreement by providing written notice to Seller, in which event the Title Company shall immediately refund the Earnest Money to Buyer and neither Party shall have any further rights or liability to the other Party, except as otherwise expressly provided in this Agreement; or (ii) elect to proceed with Closing, in which event the Purchase Price shall be reduced by an amount equal to any sums previously paid or then payable to Seller by the insurance carrier (plus an amount equal to the amount of the deductible feature of Seller's insurance policy) or by the condemning authority, by reason of any such Casualty/Taking Event, and Seller shall transfer and assign to Buyer at Closing any and all further insurance or condemnation proceeds, claims, demands, actions, and choses in action which may exist by virtue of such Casualty/Taking Event; provided, however, that until the earlier of: (y) the Closing Date; or (z) termination of this Agreement; Seller shall not make any voluntary settlement or agreement regarding any Casualty/Taking Event with any insurance carrier or any condemning authority, without first obtaining Buyer's written consent to such settlement or agreement. Seller agrees to promptly provide Buyer with all information and documents related to such Casualty/Taking Event upon Seller's receipt thereof. Notwithstanding anything contained in this Agreement to the contrary, in the event of a Casualty/Taking Event, the Satisfaction Date shall automatically (without notice) be extended to the date that is thirty (30) days after Buyer's written receipt of information about such Casualty/Taking Event, sufficient to allow Buyer to determine: (A) the location of the portion(s) of the Property affected; and (B) the amount of proceeds of any insurance award or the offer price to be paid by the condemning authority for such portion(s) of the Property.

10. Closing. The closing of the purchase and sale of the Property (the "Closing") shall occur remotely by transmission of electronic signatures to the Title Company, upon a date (the "Closing Date") that is specified by Buyer in the Approval Notice, but in any event within sixty (60) days after Buyer's delivery of an Approval Notice, unless otherwise agreed by Seller and Buyer. Any and all documentary stamps, transfer taxes, or conveyance fees due and payable upon the transfer of title contemplated herein shall be the responsibility of and shall be paid by Seller. Seller shall pay for preparation of the Deed, and Buyer shall pay for the recording charges of the Deed. All Closing costs and prorations shall be as provided in this Agreement, or in the absence of such provision, allocated according to the local custom in Wyandotte County, Kansas. All prorations shall be final.

Buyer and Seller agree that the following conditions must be met by Buyer on or prior to the Closing Date, or else Buyer shall have no right to purchase the Property and Seller shall have no obligation to sell the Property to Buyer:

a. Buyer must obtain control over the property located at 9700 Leavenworth Rd., Kansas City, Kansas 66109 (the "Development Site") by taking title to the Development Site.

11. Closing Documents. At the Closing, Seller shall execute and deliver to Buyer: (a) a special or limited warranty deed in recordable form conveying fee simple title to the Property to Buyer, using the Survey legal description, subject only to the Permitted Exceptions listed on the Title Policy and otherwise free and clear of all liens and encumbrances except such as have been approved in writing by Buyer (the "Deed"); (b) any and all applicable transfer tax declarations or other transfer or sale disclosure statements required by applicable law; (c) a title/vendor's/owner's affidavit in a form satisfactory to the Title Company, suitable to permit the Title Company to delete the standard, pre-printed exceptions (identified in the Title Commitment) from the Title Policy, and shall include "gap" indemnity language; (d) a certification of non-foreign status pursuant to Section 1445(b)(2) of the Internal Revenue Code, as amended (the "Code"); (e) an IRS Form 1099-S Disclosure Statement (if required under the Code); (f) an assignment, in a form satisfactory to Buyer, of any and all leases, contracts, and/or service agreements, if any, pertaining to the Property which Buyer has agreed to assume; (g) a closing or settlement statement prepared by the Title Company (the "Settlement Statement"); (h) an assignment of any warranties pertaining to any Improvements located on the Property; and (i) such other instruments, certificates, or affidavits as may be provided herein or as Buyer or Title Company may reasonably request to effectuate the transaction contemplated by this Agreement.

12. Possession. Sole and actual possession of the Property shall be delivered to Buyer on the Closing Date in the same condition as it is on the Effective Date, ordinary wear and tear excepted and subject to Section 9, free and clear of any rights or claims of any other party, except as provided herein.

13. Rights and Obligations. The rights and obligations of Seller and Buyer herein contained shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. If this Agreement is executed by more than one party for Buyer or Seller, as the case may be, the obligations, covenants, representations, warranties and indemnities of such persons or entities shall be joint and several.

14. Notices. All notices required or permitted to be given hereunder shall be in writing and delivered: (a) in person; (b) by certified or registered first class prepaid U.S. Mail, return receipt requested; (c) prepaid by nationally-recognized overnight courier service such as FedEx; or (d) via email, to Seller or Buyer at their respective addresses set forth below, or at such other addresses, notice of which shall previously have been given to the other Party in accordance with this Section 14. Such notices shall be deemed given when: (i) personally delivered; (ii) deposited in the mail or with such courier service; or (iii) sent to the receiving party via email, as applicable. In the event notice is provided pursuant to subsection (d) above, the Party providing such notice shall also provide courtesy copies of such notice to the receiving Party by any means provided under subsections (a) through (c) above within two (2) Business Days thereafter.

Seller:

Douglas G. Bach
County Administrator
Unified Government of Wyandotte
County/KCK
701 N. 7th St.
Kansas City, KS 66101

E-Mail: dbach@wycokck.org

with a courtesy copy to: Katherine Carttar
Director, Economic Development
701 N. 7th St.
Unified Government of Wyandotte County/KCK
701 N. 7th St.
Kansas City, KS 66101
E-Mail: kcarrtar@wycokck.org

Buyer: Scannell Properties, LLC
8801 River Crossing Blvd., Suite 300
Indianapolis, IN 46240
Attn: Jeffrey M. Cromer
E-mail: jeffc@scannellproperties.com

with a courtesy copy to: Scannell Properties, LLC
8801 River Crossing Blvd., Suite 300
Indianapolis, IN 46240
Attn: Shaun Cofer
E-mail: shaunc@scannellproperties.com

15. Representations and Warranties.

(a) Seller Representations, Warranties, and Covenants. Seller hereby represents and warrants to Buyer, as of the Effective Date and as of the Closing Date, and covenants and agrees as follows:

(i) The execution, delivery and performance by Seller of its obligations under this Agreement will not conflict with or result in a breach of, or constitute a default under, any of the provisions of any law, governmental rule, regulations, judgment, decree, or order by which Seller is bound, or by any of the provisions of any contract to which Seller is bound, or by the organic agreements establishing and regulating Seller's business affairs.

(ii) Seller has full power and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement, all consents and approvals necessary therefor have been obtained, and the person executing this Agreement on its behalf has been duly authorized and is empowered to bind Seller to this Agreement.

(iii) Seller is the legal and equitable owner of fee simple title to the Property and has the right to convey such fee simple title by the Deed to Buyer on the Closing Date, free and clear of all options, rights, covenants, easements, liens, and other rights in favor of third parties, other than the Permitted Exceptions, or as agreed by Buyer in writing. Except as disclosed in the Seller Information, the Property is not subject to any: (A) outstanding agreements of sale, options, liens, or other rights of third parties to acquire any interest(s) therein; (B) ground leases or other leases or tenancies, including but not limited to equipment or signage leases, or other agreements relating to the ownership or use of the Property; (C) real estate, management, supply, promotional, operating, maintenance, security, or other service contracts; (D) any unrecorded declarations of covenants, conditions and restrictions, or similar encumbrances; or (E) other encumbrances other than the Permitted Exceptions. Seller shall not encumber or allow the Property to be encumbered by any of the foregoing without Buyer's prior written consent, which consent may be granted or withheld in Buyer's sole discretion. Seller shall not sell, transfer, or distribute all or any portion of the Property (or the membership interest, ownership, or stock of the Seller entity) to a third party without Buyer's prior written consent, which consent may be granted or withheld in Buyer's sole discretion.

(iv) Except as disclosed in the Seller Information, Seller does not hold any approvals, licenses, certificates, or permits to own, operate, use and/or maintain the Property, nor is Seller aware that any such approvals, licenses, certificates, or permits, are necessary for Seller's current use of the Property.

(v) No work has been done on the Property, or materials or utilities furnished, that has/have not been fully paid for, and there is no claim against any portion of the Property or Seller for or on account of work done, materials furnished, or utilities supplied to the Property. There are no payback agreements, revenue bonds, utility debt service expenses, or other charges or expenses applicable to the Property.

(vi) To Seller's Knowledge: (A) there are no violations, or threatened or pending violations, of any laws, statutes, ordinances, rules or regulations with respect to the Property open, noticed or existing; and (B) except as disclosed in the Seller Information, no litigation, condemnation proceedings, eminent domain proceedings or similar actions or proceedings are now pending or threatened against the Property, or which could result in any judgment lien against the Property; nor does Seller know of or have reasonable grounds to know of any basis for any such violation, action, or claim.

(vii) There are no unpaid: (A) *ad valorem* real estate taxes or assessments; or (B) assessments for public improvements pertaining to the Property. To Seller's Knowledge: (1) there are no public plans or proposals for changes in road grade, access, or other municipal improvements which would affect the Property or result in any assessment thereto; (2) no ordinance authorizing improvements, the cost of which might be assessed against Buyer or the Property, is pending; and (3) there is no appellate tax proceeding pending for the reduction or increase of the assessed real estate tax valuation of the Property or any portion thereof.

(viii) The Property has direct legal and perpetual rights of access to and from the Property to one or more public roads.

(ix) Utility services for water, sanitary and storm sewers, natural gas, electricity, telephone and internet services are available either at the Property or in the vicinity of the Property in locations wherein Buyer can connect to such existing utility infrastructures and extend the same to the Property at Buyer's expense through perpetual private easements that benefit the Property or through public rights-of-way.

(x) To Seller's Knowledge, except as otherwise disclosed in the Environmental Reports: (1) there are no, and have never been, underground storage tanks on the Property, (2) the Property has never been used as a landfill or garbage dump, and (3) there are no hazardous, toxic or infectious wastes, substances or materials present on the Property in quantities or concentrations or otherwise stored or used in violation of any applicable Environmental Laws (as defined below). The term "Environmental Laws" shall mean and refer to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and the Super Fund Amendments and Reauthorization Act (42 U.S.C. § 9601 *et seq*.); the Hazardous Materials Transportation Act (49 U.S.C. § 1801 *et seq*.); the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 *et seq*.); the Federal Water Pollution Control Act (33 U.S.C. § 1251 *et seq*.); the Clean Air Act (42 U.S.C. § 7401 *et seq.*); the Toxic Substances Control Act of 1976 (15 U.S.C. § 2601 *et seq*.); the Safe Drinking Water Act (42 U.S.C. § 300f *et seq*.); the Occupational Safety and Health Act of 1970 (29 U.S.C. § 651 *et seq*.); and the Emergency Planning and Community Right to Know Act (42 U.S.C. § 11001 *et seq*.); each as heretofore and hereafter amended or supplemented, and any future or present local, state, or federal statute, rule, or regulation pertaining to the regulation and protection of the environment, industrial hygiene, pollution, or environmental effects on health and safety.

(xi) Seller is currently in compliance with and shall at all times during the term of this Agreement remain in compliance with the regulations of the Office of Foreign Assets Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto.

(xii) For purposes of this Section 15(a), the term "Seller's Knowledge" shall mean the actual knowledge of Douglas G. Bach, who is the County Administrator of Seller, with reasonable duty of inquiry.

(xiii) The representations and warranties in this Section 15(a) shall: (1) not merge with the Deed or any other Closing documents; and (2) survive the Closing Date for a period of two (2) years. Seller shall indemnify, defend, and hold Buyer harmless from and against any and all claims, demands, liabilities, damages, suits, actions, judgments, fines, penalties, loss, costs and expenses (including but not limited to, reasonable attorneys' fees) arising or resulting from, or suffered, sustained, or incurred by Buyer as a result (direct or indirect) of the untruth or inaccuracy of any of the foregoing representations and warranties by Seller or the breach of any of the foregoing representations, warranties, or covenants, which indemnity obligations shall survive the Closing Date for such period, and, regarding any such representations and warranties as to which any litigation that was filed within such period is pending, also during the pendency of any such litigation, including appeals, if any.

(b) **Buyer Representations and Warranties.** Buyer hereby represents and warrants to Seller, as of the Effective Date and as of the Closing Date, and covenants and agrees as follows:

(i) The execution, delivery and performance by Buyer of its obligations under this Agreement will not conflict with or result in a breach of, or constitute a default under, any of the provisions of any law, governmental rule, regulations, judgment, decree, or order by which Buyer is bound, or by any of the provisions of any contract to which Buyer is bound, or by the organic agreements establishing and regulating Buyer's business affairs.

(ii) Buyer has full power and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement, all consents and approvals necessary therefor have been obtained, and the person executing this Agreement on its behalf has been duly authorized and is empowered to bind Buyer to this Agreement.

(iii) Buyer is currently in compliance with and shall at all times during the term of this Agreement remain in compliance with the regulations of the OFAC of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto.

16. Prorations. Subject to the provisions of Section 8, above, Seller shall be entitled to all income and shall be responsible for all expenses produced from the operation of the Property which are allocable up to (but not including) the Closing Date. Buyer shall be entitled to income and shall be responsible for all expenses which are allocable to the period from and after the Closing Date. Unless otherwise specifically set forth in this Agreement, at the Closing, all items of income and expense shall be prorated in accordance with the foregoing principle.

17. Default and Remedies.

(a) Buyer Default. In the event of a default by Buyer under the terms of this Agreement, Seller shall be entitled, as its sole and exclusive remedy hereunder, to terminate this Agreement and receive the Earnest Money as full liquidated damages for such default of Buyer, whereupon neither Party shall have any further rights or liability to the other Party, except as otherwise expressly provided in this Agreement; provided, however, in the event of any such Buyer default, Seller shall first give Buyer written notice of the occurrence of such default (a "Buyer Default Notice") and Buyer shall have twenty (20) days following its receipt of such Buyer Default Notice in which to cure such default or commence such cure and thereafter diligently pursue it to completion. It is hereby agreed that Seller's damages in the event of a Buyer default hereunder are uncertain and difficult to ascertain, and that the Earnest Money constitutes a reasonable liquidation of such damages and is intended not as a penalty, but as full liquidated damages.

(b) Seller Default. In the event of a default by Seller under the terms of this Agreement, Buyer shall be entitled to pursue all remedies available at law or in equity, including, without limitation, the right to terminate this Agreement and receive a full refund of the Earnest Money, or to seek specific performance of Seller's obligations under this Agreement; provided, however, in the event of any such Seller default, Buyer shall first give Seller written notice of the occurrence of such default (a "Seller Default Notice") and Seller shall have twenty (20) days following its receipt of such Seller Default Notice in which to cure such default or commence such cure and thereafter diligently pursue it to completion.

18. Use of Brokers. Seller and Buyer hereby warrant that neither Party has an obligation to pay an outside brokerage commission for the sale of the Property. Buyer and Seller hereby agree to indemnify, defend and hold harmless the other Party from and against any liability, cost or expense, plus all costs of collection, including litigation expenses and attorneys' fees, as a result of a claim for a commission, fee, or other compensation made by any real estate broker, finder, or other person and asserted against the other Party by reason of an arrangement made or alleged to have been made by the indemnifying Party.

19. Attorneys' Fees. Except as herein specifically provided to the contrary, each of the Parties shall bear its own legal and accounting expenses incurred in connection with the negotiation of this

Agreement and the consummation of the transaction contemplated by this Agreement. In the event that either Party shall bring an action or legal proceeding for an alleged default of any provision of this Agreement or any representation, warranty, covenant, or agreement herein set forth, or to enforce, protect, determine, or establish any term, covenant, or provision of this Agreement or the rights hereunder of either Party, the prevailing Party shall be entitled to recover from the non-prevailing Party, as a part of such action or proceedings, or in a separate action brought for that purpose, reasonable attorneys' fees and costs, expert witness fees and court costs as may be fixed by the court or jury, to the extent permitted by the Kansas Cash Basis Law.

20. Binding Effect. This Agreement, as executed by Buyer and submitted to Seller, constitutes an offer to purchase the Property. If Seller does not execute and deliver this Agreement, without revision, to Buyer within seven (7) Business Days after the date the Seller receives Buyer's execution of this Agreement, Buyer may, in its sole discretion, by delivery of written notice to Seller, revoke Buyer's offer to purchase; in which case, Buyer shall have no further liability or obligation hereunder.

21. [This Paragraph intentionally omitted].

22. Section 1031 Exchange. In the event that either Party elects to structure this transaction as a like-kind exchange pursuant to Section 1031 of the Code, the other Party shall reasonably cooperate upon the request of the electing Party, including prompt execution of such documents as may reasonably be required to effectuate such exchange, provided that: (a) the electing Party shall bear all costs in connection with such exchange and shall indemnify and hold the other Party harmless from and against any cost, claims, expenses, or liabilities (including reasonable attorneys' fees) incurred by the other Party solely as a result of structuring the transaction as a like-kind exchange; and (b) the exchange shall have no material effect on the terms of either Party's rights or obligations under this Agreement. Notwithstanding any other provision of this Agreement to the contrary, Seller agrees that Buyer may assign its rights in this Agreement to a third party as part of any such exchange. Nothing contained herein shall prevent both Parties from electing a like-kind exchange.

23. Force Majeure. Except with regard to the payment of money due, if either Party hereto shall be delayed, hindered in, or prevented from the performance of its obligations hereunder by reason of any occurrence which is not within the reasonable anticipation or control of such Party, including but not limited to, strikes, lockouts, labor troubles, governmental action or inaction, failure of power, riots, insurrection, war, acts of God, unusual weather, or other similar reason, and which occurrence, in any event, is not a result of the intentional act, negligence, or willful misconduct of such Party (each, a "Force Majeure Event"), such Party's performance shall be excused for the period of time equivalent to the delay caused by such Force Majeure Event, provided that such Party gives prompt notice to the other Party of such delay.

24. Independent Contract Consideration. In consideration of Seller's execution of this Agreement, the permission afforded to Buyer to have access to and rights of entry upon the Property, and the ability to market the Property as provided in Section 21, Buyer agrees to pay to Seller the sum of Twenty-Five and No/100 Dollars ($25.00), which amount may be paid out of the Earnest Money, shall be non-refundable and non-applicable to the Purchase Price, and will constitute independent contract consideration for Seller's agreement to enter into this Agreement.

25. Miscellaneous.

(a) This Agreement shall be interpreted and enforced according to the laws of the State of Kansas, without reference to its conflict of laws rules. The venue of any litigation arising out of this Agreement shall lie exclusively with the state or federal court in which district the Property is located.

(b) All headings and section designations of this Agreement are inserted for convenience only and do not form a part of this Agreement or limit, expand, or otherwise alter the meaning of any provisions hereof.

(c) This Agreement, and any amendments hereto, may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document. The Parties agree that signatures transmitted by electronic scan and email (including by way of DocuSign or other similar electronic signature exchange software or service) shall have the legal effect of original signatures. At the request of either Party, the Parties shall promptly exchange executed original counterparts of this Agreement or any amendment hereto.

(d) The provisions of this Agreement are intended to be for the sole benefit of the Parties and their respective successors and assigns, and none of the provisions of this Agreement are intended to be, nor shall they be construed to be, for the benefit of any third party.

(e) If, under any provision of this Agreement: (i) the date any act to be done or action to be taken; or (ii) the last day of any time period, including any notice period; falls on a Saturday, Sunday, a federal legal holiday, or a legal holiday in the State of Kansas (each, a "Non-Business Day"), then such act or action shall be deemed to have been validly done or taken on, or such time period shall be deemed extended to, the next succeeding day which is not a Non-Business Day, and all succeeding time periods shall be deemed extended accordingly. Unless otherwise specified in this Agreement, all references herein to a "day" or "days" shall refer to calendar days. For purposes of this Agreement, the term "Business Day" means any day that is not a Non-Business Day.

(f) Buyer may assign this Agreement and all of its interests herein to an entity related to or affiliated with Buyer or the potential landlord of the lease referred to in Section 4(d)(xiii), above, without obtaining Seller's consent. Upon any assignment, the assignee shall have and be subject to all the rights, benefits, duties and obligations of Buyer hereunder and Buyer named in this Agreement will be relieved of any rights or obligations hereunder.

(g) This Agreement represents the entire agreement between Seller and Buyer covering everything agreed upon or understood in this transaction. There are no oral promises, conditions, representations, understandings, interpretations, or terms of any kind as conditions or inducements to the execution hereof or in effect between the Parties. No change or addition shall be made to this Agreement except by a written agreement duly executed by Seller and Buyer.

(h) The Parties acknowledge that each has been represented by, or has had the opportunity to consult with, legal counsel of its own choosing in this matter, and this Agreement has been arrived at through arms' length negotiation. For purposes of the rule of contract interpretation that construes a document against its drafter, the Parties agree that neither Party nor its counsel shall be considered the drafter hereof.

(i) If any term, covenant, or condition of this Agreement is held to be invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed in accordance with its intent as if such invalid or unenforceable provision had never been contained herein.

(j) No failure by either Party, at any time, to require the performance by the other of any term of this Agreement, shall in any way affect the right of either Party to enforce such terms, nor shall any waiver by either Party of any term hereof be taken or held to be a waiver of any other provision of this Agreement. No waiver of any term or provision of this Agreement shall be effective unless the same is in writing and signed by the Party granting such waiver.

(k) With regard to all matters in this Agreement requiring the consent or approval of either Party, the Parties agree that any such consent or approval shall not be unreasonably withheld, conditioned, or delayed, unless otherwise specifically provided in this Agreement.

(l) All Exhibits to this Agreement are incorporated herein as though fully set forth.

(m) Time is of the essence with regard to the dates and time periods set forth in this Agreement.

(n) For purposes of this Agreement, the term "Effective Date" will mean and refer to the date upon which the latter of the Parties executes this Agreement, as indicated by the respective dates set forth adjacent to each of the Parties' respective signatures to this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties as of the date(s) set forth below, to be effective as of the Effective Date.

SELLER:	**BUYER:**
UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS, a Kansas Municipal Corporation	**SCANNELL PROPERTIES, LLC** an Indiana limited liability company
By: ________________________________	By: ________________________________ Marc D. Pfleging, Manager
Printed: Douglas G. Bach	
Title: County Administrator	Date: __________________________
Date: __________________________	

Index to Exhibits

Exhibit A – Legal Description/Depiction of the Property
Exhibit B – Form of Escrow Agreement
Exhibit C – Form of Environmental Site Assessment Owner's Disclosure

EXHIBIT A
Legal Description/Depiction of the Property

[The legal description shall be provided by the final Survey.]

Parcel No. [Parcel #]

EXHIBIT B
Form of Escrow Agreement

ESCROW AGREEMENT

Escrow Number: ___________________________ **Date:** ______________, 2020

Property Address: N. 99th Street & Leavenworth Road

Parcel No.: [Parcel #]

Deposit Amount: $50,000.00

SCANNELL PROPERTIES, LLC, an Indiana limited liability company, or its assigns (the "Buyer"), and **UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS** a Kansas Municipal Corporation (the "Seller"), are parties to that certain Real Estate Purchase Agreement (the "Agreement") dated as of ____________, 2020, with respect to the above referenced property (the "Property"), which is more particularly described in the Agreement. Buyer has deposited the sum of Fifty Thousand and 00/100 Dollars ($50,000.00) (the "Deposit") with First American Title Insurance Company (the "Title Company") to be held under the terms of the Agreement and the terms of this Escrow Agreement (the "Escrow Agreement"). On or before the Satisfaction Date (as defined in the Agreement), the Deposit shall be refunded by the Title Company to Buyer upon receipt of a written request from Buyer, together with evidence that Buyer has given Seller written notice of termination in accordance with the terms of the Agreement. Following the Satisfaction Date, if the Title Company has not received any written request from Buyer as set forth above, the Deposit shall be distributed to Seller and/or Buyer as directed in the Agreement.

Following the Satisfaction Date, the Title Company is hereby expressly authorized to disregard, in its sole discretion, any and all unilateral notices or warnings given by any of the parties hereto, or by any other person or entity, except as otherwise expressly provided herein, but Title Company is hereby expressly authorized to regard and to comply with and obey any and all orders, judgments or decrees entered or issued by any court with or without jurisdiction, and in case Title Company obeys or complies with any such order, judgment or decree of any court it shall not be liable to any of the parties hereto or any other person, firm or entity by reason of such compliance, notwithstanding any such order, judgment or decree being entered without jurisdiction or being subsequently reversed, modified, annulled, set aside or vacated. In case of any suit or proceeding regarding this escrow, to which Title Company is or may at any time become a party, it shall have a lien on the contents hereof for any and all costs, attorneys' fees, whether such attorneys shall be regularly retained or specially employed, and any other expenses which it may have incurred or become liable for on account thereof, and it shall be entitled to reimburse itself therefor out of said deposit, and the undersigned jointly and severally agree to pay Title Company upon demand all such costs, fees and expenses so incurred.

Except as expressly provided herein, in no case shall the above-mentioned deposits be surrendered except on an order signed by the parties hereto, their respective legal representatives or assigns, or in obedience of the process or order of court as aforesaid.

Unless directed otherwise in writing by Buyer, all deposits made pursuant to this Escrow Agreement shall be invested on behalf of Buyer in investments limited to interest-bearing, federally-insured instruments with a national bank or federal savings bank or in a money market fund authorized to invest solely in direct obligations of the United States of America ("Qualified Investments"). The funds invested in this manner shall have a maturity of 30 days or less. Interest and other earnings on any funds invested hereunder shall be added to the funds held on deposit by Title Company hereunder, and losses, if any, incurred from any such investment shall reduce the balance of the funds on deposits hereunder. Buyer shall provide Title Company with a Form W-9 with its taxpayer identification number and such other investment forms as it may reasonably require. Title Company shall, upon request furnish information concerning its procedures for such investment, but shall not charge or otherwise assess any additional fees for the investment of such funds.

Billing Instructions: Any escrow fees shall be shared equally between Buyer and Seller.

Except as to deposits of funds for which Title Company has received express written direction concerning investment to other handling, the parties hereto agree that the Title Company shall be under no duty to invest or reinvest any deposits at any time held by it thereunder; and, further that Title Company may commingle such deposits with other deposits or with its own funds in the manner provided for the administration of funds held as a fiduciary under applicable law, provided, however, nothing herein shall diminish Title Company's obligation to apply the full amount of the deposits in accordance with the terms of the Agreement.

In the event the Title Company is requested to invest deposits hereunder in Qualified Investments pursuant to this agreement, Title Company shall not be held responsible for any loss of principal or interest which may be incurred as a result of making the investments or redeeming said investment for the purposes of these escrow instructions except to the extent that Title Company negligently or willfully fails to follow such investment directions.

This Escrow Agreement is intended to be executed in triplicate, but may be executed in multiple counterparts. Each such counterpart shall be deemed an original, but all of which together shall constitute one and the same document. The parties agree that, except for notice purposes, signatures transmitted by electronic scan and email shall have the legal effect of original signatures. Upon the request of any party, the parties shall promptly exchange executed original counterparts of this Escrow Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Escrow Agreement has been executed by Seller, Buyer, and the Title Company to be effective as of the date first written above.

SELLER:

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY AND KANSAS CITY, KANSAS [a Kansas Municipal Corporation

By: ___________________________________

Printed: ________________________________

Title: __________________________________

BUYER:

SCANNELL PROPERTIES, LLC
an Indiana limited liability company

By: ___________________________________
Marc D. Pfleging, Manager

TITLE COMPANY:

FIRST AMERICAN TITLE INSURANCE COMPANY

By: ___________________________________

Printed: ________________________________

Title: __________________________________

EXHIBIT C

Environmental Site Assessment Owner's Disclosure

The following information is to be completed by the owner of the property.

LANDOWNER						
Name:			Contact:			
Address:						
City:			State:		Zip Code:	
Phone:		Fax:		Email:		

Site Address:					
City:		State:		Zip Code:	
Site or Facility Description, Assessor's Parcel No. (if undeveloped land):					

SITE INFORMATION

Advise the following characteristics of the site:		Yes	No	Unk	Comments / Details
Property acreage:					
Date property developed:					
Garage?					
Garage floor drains?					
Truck wash area?					
Dock / warehouse floor drains?					
Dry wells?					
Sanitary sewer?					
Storm sewers?					
Septic systems?					
Well water systems?					
Public water?					
Sump systems?					
Oil/water separator systems?					
Service pits?					
Asphalt paving?					
Stone paving?					
Oil/gas spills on the site?					
Underground tanks?					
Aboveground tanks?					
Were tanks removed from site?					
Offsite fill used?					
Radon issues?					
Asbestos containing materials?					
Flood plain?					
Wetlands?					
Other environmental concerns with site?					

SITE INFORMATION	
Advise uses and activities performed onsite:	
Current use of property:	
Past use of property:	

	Yes	No	Unk	Comments / Details
Was used oil ever used for dust control?				
Hazardous wastes generated on site?				
Drums or containers stored onsite?				
Other environmental concerns?				

Indicate adjacent uses of property (i.e., industrial, commercial residential, roads, rail, undeveloped, etc.):	
North	
South	
East	
West	

Advise if the following information is available:	Yes	No	Unk	Comments / Details
Real estate appraisal				
Locator map				
Property survey				
Legal description				
Title commitment				
Geotechnical reports				
Environmental assessment or remediation reports				
Facility plans				
Environmental permits				
Inspection reports or notices of violations				
Public complaints about property				
Other information available?				

Completed by (print):			
Signed by:		Date:	

Staff Request for Commission Action

Tracking No. 20230

Full Commission Meeting Date: 7/30/20

Committee: Economic Development & Finance

Date of Standing Committee Action: 7/6/20 (If none, please explain):

Publication Required: No

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
6/23/2020				Economic Development

Item Description: A resolution adopting the first amendment for the Downtown Campus Redevelopment development agreement to edit the previously determined deadlines to be aligned with planning process.
Action Requested: Adopt resolution
Budget Impact: (if applicable) Amount: Source: Included In Budget: Other (explain):
Attachments List: First Amendment to Downtown Campus Redevelopment Agreement, Resolution Approving First Amendment to Downtown Campus Development Agreement

FIRST AMENDMENT TO DOWNTOWN CAMPUS REDEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO DOWNTOWN CAMPUS REDEVELOPMENT AGREEMENT (this "First Amendment") is made as of the _____ day of _______________, 2020 (the "Effective Date") between the Unified Government of Wyandotte County/Kansas City, Kansas (the "UG") and Lanier United, LLC, a Kansas limited liability company ("Developer").

RECITALS

A. The UG and Developer entered into that certain Downtown Campus Redevelopment Agreement dated as of March 26, 2020 (the "Original Development Agreement") for Developer to design, develop, and construct approximately 90,000 to 110,000 square feet of residential housing, commercial and service-based amenities, and upgraded conference facilities as more fully set forth therein. The Original Development Agreement, as amended by the First Amendment may be referred to herein as the "Agreement." Capitalized terms which are used in this First Amendment but are not otherwise defined herein shall have the meanings assigned to them in the Original Development Agreement.

B. Pursuant to the terms the Original Development Agreement, Closing on the Project Site is to occur on or before July 31, 2020.

C. Developer has been diligently proceeding with its diligence obligations in connection with the Project, including its private financing and its due diligence and design with respect to the Project Site, but certain delays have occurred in the planning process which will make Closing on or before July 31, 2020 impracticable.

D. Accordingly, the UG and Developer, pursuant to Section 10.4 of the Original Development Agreement, hereby desire to amend the Original Development Agreement, all as more particularly set forth below.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the UG and Developer agree as follows:

1. **Modification of Drop Dead Date.** The parties hereby agree that the first sentence of Section 3.2 of the Original Development Agreement shall be deleted in its entirety and replaced with the following:

> In the event that the Closing Conditions set forth in Section 3.1 above are not met or waived on or prior to December 15, 2020 (the "Drop Dead Date"), then either party hereto shall have the right to terminate this Agreement, but such failure shall not be an event of default hereunder; provided, however, that the Drop Dead Date shall be automatically extended to January 15, 2021 without further amendment to this Agreement if Developer does not receive final site plan approvals and any other required approvals for the Improvements on or before December 3, 2020.

2. **Modification of Deadline to Complete Public Infrastructure.** The parties hereby agree that the last sentence of Section 2.5 of the Original Development Agreement shall be deleted in its entirety and replaced with the following:

The UG shall complete the Public Infrastructure on or before the Drop Dead Date.

3. **Miscellaneous**. In connection with this First Amendment, the parties hereby agree as follows:

(a) The parties hereby understand and agree that the Recitals set forth above are hereby incorporated as though more fully set forth herein.

(b) Except as specifically modified by this First Amendment, the Original Development Agreement shall be and remain in full force and effect in accordance with the terms thereof.

(c) It is the intent of the parties that the provisions of the Original Development Agreement, as amended by this First Amendment, shall be enforced to the fullest extent permitted by applicable law. To the extent that the terms set forth in the Original Development Agreement, as amended by this First Amendment, or any word, phrase, clause or sentence is found to be illegal or unenforceable for any reason, such word, phrase, clause or sentence shall be modified, deleted or interpreted in such a manner so as to afford the party for whose benefit it was intended the fullest benefit commensurate with making the Original Development Agreement as modified, enforceable and the balance of the Original Development Agreement shall not be affected thereby, the balance being construed as severable and independent.

(d) The parties hereto declare and represent that no promises, inducements or agreements not herein expressed have been made, that this First Amendment contains the entire agreement between the parties hereto, and that the terms hereof are contractual and not mere recitals.

(e) This First Amendment shall be binding upon and inure to the benefit of the parties hereto, and their successors and assigns.

(f) This First Amendment may be executed in counterparts.

(g) All remedies set forth in in Article 9 of the Original Development Agreement shall be made available for the enforcement of this First Amendment.

(h) This First Amendment shall be construed in accordance with the laws of the State of Kansas.

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

IN WITNESS WHEREOF, the parties have caused this First Amendment to be executed as of the day and year first above written.

UG:

THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By:______________________________________

David Alvey, Mayor/CEO

STATE OF KANSAS)
) SS.
COUNTY OF WYANDOTTE)

This instrument was acknowledged before me on ____________________, 2020, by David Alvey as Mayor/CEO of the Unified Government of Wyandotte County/Kansas City, Kansas.

Printed Name: _______________________________
Notary Public in and for said State
Commissioned in Wyandotte County

My commission expires

____

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

DEVELOPER:

LANIER UNITED, LLC, a Kansas limited liability company

By: ________________________________
Printed Name: ________________________
Title: _______________________________

STATE OF ________________)
) SS.
COUNTY OF ______________)

This instrument was acknowledged before me on ____________________, 2020, by _________________________, as ____________________ of Lanier United, LLC, a Kansas limited liability company.

Printed Name: ________________________
Notary Public in and for said State
Commissioned in ____________ County

My commission expires

____

(Published in *The Wyandotte Echo* on ___________)

RESOLUTION NO. R-____-20

A RESOLUTION ADOPTING THE FIRST AMENDMENT TO DOWNTOWN CAMPUS DEVELOPMENT AGREEMENT.

WHEREAS, on March 26, 2020, the Unified Government of Wyandotte County/Kansas City, Kansas (the "UG") and Lanier United, LLC, a Kansas limited liability company ("Developer"), entered into that certain Downtown Campus Development Agreement (the "Agreement"); and

WHEREAS, pursuant to the terms the Agreement, Closing on the Project Site is to occur on or before July 31, 2020; and

WHEREAS, Developer has been diligently proceeding with its diligence obligations in connection with the Project, but certain delays have occurred in ~~the~~ Developer's submittals to the UG's planning ~~process~~department which will make Closing on or before July 31, 2020 impracticable; and

WHEREAS, the Governing Body has determined that it is advisable to enter into the First Amendment to Downtown Campus Development Agreement with Developer (the "First Amendment"), attached hereto as **Exhibit A**.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS:

Section 1. That the Governing Body hereby approves the First Amendment in substantially the form attached hereto.

Section 2. That the Mayor is hereby authorized to execute in the name of the UG, the First Amendment, and the County Administrator and other officials and representatives of the UG, including special counsel, are hereby further authorized and directed to take such actions and to execute any other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution. The UG Clerk is hereby authorized and directed to publish this Resolution once in *The Wyandotte Echo*.

Section 3. This Resolution shall be effective upon adoption by the Governing Body.

[Remainder of page intentionally left blank; signature page follows.]

ADOPTED BY THE UNIFIED GOVERNMENT BOARD OF COMMISSIONERS THIS _____TH DAY OF _______________, 2020.

____
David Alvey, Mayor/CEO

ATTEST:

____
Unified Government Clerk

(Seal)

EXHIBIT A

First Amendment

[To be attached.]

Staff Request for Commission Action

Tracking No. 20231

Full Commission Meeting Date: 7/30/20
Committee: Economic Development & Finance

Date of Standing Committee Action: 7/6/20 (If none, please explain):

Publication Required: Yes 7/8/2020

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
6/23/2020	Katherine Carttar	x5176	kcarttar@wycokck.org	Economic Development

Item Description:
The Marek at Mission Cliffs Apartment Development is requesting the use of Industrial Revenue Bonds.

Action Requested:
Approval

Budget Impact: (if applicable)
Amount:
Source:
Included In Budget:
Other (explain):

Attachments List:
6-24-20 Executive Summary - The Marek at Mission Cliffs Development Agreement, Resolution of Intent (SPKS Mission Hills, LLC), Development Agreement for the Marek at Mission Cliffs

6/24/20 EXECUTIVE SUMMARY
THE MAREK AT MISSION CLIFFS DEVELOPMENT AGREEMENT

1. **Parties**. The UG and SPKS Mission Hills, LLC, a Kansas limited liability company ("Developer"). Developer is a single-purpose entity formed by Saxon Partners, LLC of Hingham, Massachusetts. Steve Allison from Perry Holdings Development LLC is the Development Director for the project, and has been working on this matter since 2018.

2. **Project Site**. Developer is the owner property located west of the intersection of West Lake Avenue and South Thompson Street in KCK with a property address of 2913 and 2906 West 39th Avenue and 3741 South Thompson Circle (the "Owned Property"). Pursuant to an Option Contract for Real Estate Purchase Agreement dated as of February 19, 2019 between the UG and Developer, Developer has an option to purchase additional property adjacent to the Owned Property (the "Option Property"). Together, the Owned Property and the Option Property constitute the "Project Site" that is to be developed pursuant to this Agreement.

3. **The Project/Timing**. The Project is to be a newly-constructed first-class, market-rate apartment complex with two 4-story, connected high-end apartment buildings consisting of 162 total units (comprised of approximately 80 studio apartments and approximately 82 one-bedroom apartments), including site amenities and related infrastructure. The site amenities will include an outdoor, landscaped park along South Thompson Avenue, including a scenic wind sculpture garden which is designed to be a design feature of the neighborhood, and other large, natural buffer zones between the Project and neighboring single-family homes. Pursuant to Section 6.9 of the Agreement, Developer agrees to substantially complete all of these improvements by December 31, 2022.

4. **Budget/IRB Financing**. The overall project budget is approximately $26,291,506. The UG will provide IRB financing for the project, including a sales tax exemption on construction materials and the parties an agreed-upon 10-year payment-in-lieu-of-tax ("PILOT") pursuant to the specific schedule attached to the Agreement as **Exhibit D**. The PILOT was determined based on a projected per unit value of $162,293.25 with a minimum of 162 units. If the ultimate number of units in the Project is greater than 162, then the amount of the PILOT shall increase based on the per unit value of $162,293.25. Additionally, the amount of the PILOT for years 2 through 10 of the IRB term may be increased annually by the amounts shown on **Exhibit D** if Developer fails to meet its LBE/MBE/WBE Employment Opportunity Goals for the construction of the Improvements.

5. **Construction Provisions**. Developer's construction contracts will provide for a guaranteed maximum price and payment and performance bonds for the Project.

6. **Use and Operation**. During the Term, Developer agrees to operate the Project in a dignified and high quality manner and Developer also generally agrees to the UG's standard terms and conditions regarding maintenance of the Project, compliance with law and timely payment of taxes or PILOTs. Developer also agrees to provide insurance and indemnify the UG.

7. **Assignment and Transfer**. Generally, Developer must have the UG's approval to assign, convey or transfer the project to others prior to Substantial Completion of the Project. However, the parties agree that Developer can and will make leases to its tenants in the ordinary course of business without the UG's consent. Additionally, Developer may assign or transfer to affiliate (a company with the same controlling people or entities), or Developer may terminate the Agreement (and the IRB financing provided hereunder) and freely transfer thereafter.

8. **MBE/WBE/LBE**. Developer has agreed to the following participation goals for construction of the Public Infrastructure Improvements: LBE – 12%; MBE – 6% and (iii) WBE – 4%. As discussed above, failure to meet these goals will result in an increase in the PILOTs as set forth in **Exhibit D**.

RESOLUTION NO. R __-20

RESOLUTION DETERMINING THE INTENT OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, TO ISSUE ITS INDUSTRIAL REVENUE BONDS IN THE AMOUNT OF NOT TO EXCEED $26,300,000 TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING, AND EQUIPPING A COMMERCIAL MULTIFAMILY PROJECT FOR THE BENEFIT OF SPKS MISSION HILLS, LLC, AND ITS SUCCESSORS AND ASSIGNS (THE MAREK AT MISSION CLIFFS)

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government"), desires to promote, stimulate and develop the general welfare and economic prosperity of the Unified Government and its inhabitants and thereby to further promote, stimulate and develop the general welfare and economic prosperity of the State of Kansas; and

WHEREAS, the Unified Government is authorized and empowered under the provisions of K.S.A. 12-1740 to 12-1749d, inclusive (the "Act"), to issue industrial revenue bonds to pay the cost of certain facilities (as defined in the Act) for the purposes set forth in the Act, and to lease such facilities to private persons, firms or corporations; and

WHEREAS, SPKS Mission Hills, LLC, a Delaware limited liability company (the "Company"), has submitted to the Unified Government an Application for the Issuance of Industrial Revenue Bonds (the "Application") requesting that the Unified Government finance the cost of acquiring, constructing and equipping an approximately 162-unit commercial multifamily project located generally west of the intersection of S. Thompson Street and W. Lake Avenue, as more fully described in the Application (collectively, the "Project") through the issuance of its industrial revenue bonds in one or more series in the amount of not to exceed $26,300,000 (the "Bonds"), and to lease the Project to the Company, or its successors and assigns, in accordance with the Act; and

WHEREAS, it is hereby found and determined to be advisable and in the interest and for the welfare of the Unified Government and its inhabitants that the Unified Government finance the costs of the Project by the issuance of the Bonds under the Act in a principal amount of not to exceed $26,300,000, said Bonds to be payable solely out of rentals, revenues and receipts derived from the lease of the Project by the Unified Government to the Company.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, AS FOLLOWS:

Section 1. Approval of Project. The governing body of the Unified Government hereby finds and determines that the acquiring, constructing, and equipping of the Project will promote the general welfare and economic prosperity of the Unified Government, and the issuance of the Bonds to pay the costs of the Project will be in furtherance of the public purposes set forth in the Act. The Project shall be generally located west of the intersection of S. Thompson Street and W. Lake Avenue, in the corporate boundaries of the Unified Government, as further described in the Application.

Section 2. Intent to Issue Bonds. The governing body of the Unified Government hereby determines and declares the intent of the Unified Government to acquire, construct and equip the Project out of the proceeds of the Bonds of the Unified Government in the principal amount of not to exceed $26,300,000, to be issued pursuant to the Act.

Section 3. Provision for the Bonds. Subject to the conditions of this Resolution, the Unified Government expresses its intent to (i) issue the Bonds to pay the costs of acquiring, constructing, improving and equipping the Project, with such maturities, interest rates, redemption terms and other provisions as may be determined by ordinance of the Unified Government; (ii) provide for the lease (with an option to purchase) of the Project to the Company; and (iii) to effect the foregoing, adopt such resolutions and ordinances and authorize the execution and delivery of such instruments and the taking of such action as may be necessary or advisable for the authorization and issuance of the Bonds by the Unified Government and take or cause to be taken such other action as may be required to implement the aforesaid.

Section 4. Conditions to Issuance. The issuance of the Bonds and the execution and delivery of any documents related to the Bonds are subject to: (i) obtaining any necessary governmental approvals; (ii) agreement by the Unified Government, the Company and the purchaser of the Bonds upon (a) mutually acceptable terms for the Bonds and for the sale and delivery thereof, and (b) mutually acceptable terms and conditions of any documents related to the issuance of the Bonds and the Project; (iii) the Company's compliance with the Unified Government's policy relating to the issuance of industrial revenue bonds and ad valorem tax abatement; (iv) the passage and publication of an Ordinance authorizing the issuance of the Bonds; and (v) Company's payment of all of the costs of issuance related to the issuance of the Bonds.

Section 5. Sale of the Bonds. The sale of the Bonds shall be the sole responsibility of the Company; provided, however, arrangements for the sale of the Bonds shall be acceptable to the Unified Government.

Section 6. Limited Obligations of the Unified Government. The Bonds and the interest thereon shall be special, limited obligations of the Unified Government payable solely out of the amounts derived by the Unified Government under a Lease Agreement with respect to the Bonds and as provided herein and are secured by a transfer, pledge and assignment of and a grant of a security interest in the trust estate to the trustee for the Bonds and in favor of the owners of the Bonds, all as provided in the Bond Indenture. The Bonds shall not constitute a general obligation of the Unified Government, the State or of any other political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the Unified Government, the State or of any other political subdivision thereof and shall not be payable in any manner by taxation, but shall be payable solely from the funds provided for as provided in the Bond Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the Unified Government, the State or any other political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

Section 7. Required Disclosure. Any disclosure document prepared in connection with the placement or offering of the Bonds shall contain substantially the following disclaimer:

> NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT, OTHER THAN WITH RESPECT TO INFORMATION CONCERNING THE UNIFIED GOVERNMENT CONTAINED UNDER THE CAPTIONS "THE UNIFIED GOVERNMENT" AND "LITIGATION - THE UNIFIED GOVERNMENT" HEREIN, HAS BEEN SUPPLIED OR VERIFIED BY THE UNIFIED GOVERNMENT, AND THE UNIFIED GOVERNMENT MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

Section 8. Authorization to Proceed. The Company is hereby authorized to proceed with the acquiring, constructing and equipping of the Project, including the necessary planning and engineering for the Project and entering into of contracts and purchase orders in connection therewith, and to advance such funds as may be necessary to accomplish such purposes, and, to the extent permitted by law and upon compliance with the other requirements of this Resolution, the Unified Government will reimburse the Company for all expenditures paid or incurred therefor out of the proceeds of the Bonds.

Section 9. Ad Valorem Tax Abatement. In consideration of the Company's decision to acquire, construct and equip the Project, the Issuer hereby agrees to take all appropriate action to request the Kansas Board of Tax Appeals to approve a 100% ad valorem property tax abatement (not including special assessments and taxes that may not be abated by the Issuer under Kansas law) for all property (including real property, building improvements, machinery and equipment) financed with the proceeds of the Bonds.

In consideration of the Issuer's agreement to request such 100% abatement, the Company will agree to make payments in lieu of tax as set forth on **Exhibit A** hereto, and such amounts shall be set forth in the performance-based tax agreement to be agreed upon and executed by the Issuer and the Company. The Project shall be entitled to a 10-year tax abatement, with the first year of the abatement beginning on the January 1 following the year the bonds are issued. The payments in lieu of tax are subject to adjustment in accordance with the performance-based tax abatement agreement for the Project to be entered into by the Issuer and the Company.

Section 10. No Reliance on Resolution. Kansas law provides that the Unified Government may only issue the Bonds by passage of an Ordinance and compliance with other state law requirements. The Unified Government has not yet passed an Ordinance for the Bonds. This Resolution only evidences the intent of the current governing body to issue the Bonds for the Project. The Company should not construe the adoption of this Resolution as a promise or guarantee that the Ordinance for the Bonds will be issued or that the Project will be approved.

Section 11. Termination of Resolution. This Resolution shall automatically terminate eighteen (18) months from the date of the adoption of this Resolution unless (i) the Bonds have been issued for the Project or (ii) a building permit has been issued by the Unified Government for the Project. The Unified Government, upon the written request of the Company, may extend this time period.

Section 12. Benefit of Resolution. This Resolution will inure to the benefit of the Unified Government and the Company. The Unified Government may, at the prior written request of the Company, assign all or a portion of the Company's interest in this Resolution to another entity, and such assignee will be entitled to the benefits of the portion of this Resolution assigned and the proceedings related hereto.

Section 13. Development Agreement. The Unified Government hereby approves the Development Agreement for The Marek at Mission Cliffs dated as of the date stated therein between the Unified Government and the Company (the "Development Agreement") in substantially the form presented to and reviewed by the governing body of the Unified Government (a copy of which document, upon execution thereof, shall be filed in the office of the Unified Government Clerk), with such changes therein as shall be approved by the officers of the Unified Government executing such documents, such officers' signatures thereon being conclusive evidence of their approval thereof. The Mayor/CEO and the Clerk are hereby authorized to execute and deliver the Development Agreement and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 14. Further Action. Counsel to the Unified Government and Gilmore & Bell, P.C., Bond Counsel for the Unified Government, together with the officers and employees of the Unified Government, are hereby authorized to work with the purchaser of the Bonds, the Company, their respective counsel and others, to prepare for submission to and final action by the Unified Government all documents necessary to effect the authorization, issuance and sale of the bonds and other actions contemplated hereunder.

Section 15. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the governing body of the Unified Government.

[Remainder of page intentionally blank.]

ADOPTED BY THE COMMISSION OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS ON JULY 30, 2020.

By:____________________________________
Mayor/CEO of the Unified
Government of Wyandotte County/
Kansas City, Kansas

[SEAL]

ATTEST:

By: ______________________________
Unified Government Clerk

EXHIBIT A

PAYMENT IN LIEU OF TAX SCHEDULE

Payments in lieu of tax ("PILOTs") shall be determined on a per-apartment-unit basis as further set forth in that certain Development Agreement for The Marek at Mission Cliffs between the Company and the Unified Government (the "Development Agreement").

Below is an approximate PILOT schedule based on 162 apartment units. This PILOT schedule may be adjusted as set forth in the Development Agreement.

Value/Unit	# Units	Projected Value	2020 Mill Rate	PILOT	Per Door Taxes
$162,293.25	162	$13,673,400	181.771	$297,000	$1,833.33

	With L/M/W		Without L/M/W	
Year*	Per Unit	Annual PILOT Payment	Per Unit	Annual PILOT Payment
1	$900	$297,000	$945.00	$311,850.00
2	$918	$302,940	$963.90	$318,087.00
3	$936	$308,999	$982.80	$324,448.95
4	$955	$315,179	$1,002.75	$330,937.95
5	$974	$321,482	$1,022.70	$337,556.10
6	$994	$327,912	$1,043.70	$344,307.60
7	$1,014	$334,470	$1,064.70	$351,193.50
8	$1,034	$341,160	$1,085.70	$358,218.00
9	$1,054	$347,983	$1,106.70	$365,382.15
10	$1,076	$354,942	$1,129.80	$372,689.10
	Total:	**$3,252,067**		**$3,414,670.35**

* Year 1 refers to the first calendar year following issuance of the bonds.

DEVELOPMENT AGREEMENT
FOR
THE MAREK AT MISSION CLIFFS

between the

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

and

SPKS MISSION HILLS, LLC

DATED AS OF ____________________, 2020

DEVELOPMENT AGREEMENT
(The Marek at Mission Cliffs)

THIS DEVELOPMENT AGREEMENT FOR THE MAREK AT MISSION CLIFFS (the "Agreement") is made as of the ____ day of ______________________, 2020 (the "Effective Date") between the Unified Government of Wyandotte County/Kansas City, Kansas (the "UG"), and SPKS Mission Hills, LLC, a Delaware limited liability company ("Developer").

RECITALS:

A. Developer is the owner of certain real property generally located west of the intersection of West Lake Avenue and South Thompson Street in Kansas City, Kansas with a property address of 2913 and 2906 West 39th Avenue and 3741 South Thompson Circle, Kansas City, Kansas, as legally described on **Exhibit A-1** attached hereto (the "Owned Property"). Pursuant to that certain Option Contract for Real Estate Purchase Agreement dated as of February 19, 2019, as amended by that certain First Amendment dated as of February 18, 2020 (as amended, the "Option Contract") between the UG and Developer, Developer has an option to purchase certain real property adjacent to the Owned Property, as legally described on **Exhibit A-2** attached hereto (the "Option Property"), which is currently owned by the UG. The Owned Property and the Option Property are collectively referred to herein as the "Project Site", which Project Site is generally depicted on **Exhibit A-3** attached hereto.

B. Developer wishes to design, develop, and construct a first-class, market-rate apartment complex and related amenities (the "Project", as further defined in Section 2.2 below) on the Project Site.

C. The UG recognizes that Wyandotte County's consumer demand for first-class, market rate rental living units is currently underserved by the existing inventory, particularly in the vicinity of the University of Kansas Medical Center ("KU Med"). The lack of sufficient living units causes many people who work at or near KU Med to live outside Wyandotte County, which limits the County's ability to capitalize on the opportunity to attract residents to the County from other parts of the Kansas City metropolitan area. The UG further recognizes the demand for apartments that are in close proximity to KU Med that would be convenient to the medical staff at KU Med, including without limitation: nurses, medical technicians, post-graduate medical residents, post-graduate fellows, medical researchers, administrative staff employees, and physicians.

D. Development of the Project should attract new residents to the community, stimulate the economy of Wyandotte County through additional real property taxes, sales taxes, and other indirect spending at other nearby businesses when residents visit the surrounding businesses; and provide a work force for KU Med and other Wyandotte County employers, all of which would promote the public good, health, and welfare within Wyandotte County.

E. The parties agree that the Project is not financially feasible without the public-private partnership as set forth in this Agreement, and therefore the parties wish to enter into this Agreement to provide the necessary financing for the Project.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the UG and Developer hereby agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Interpretation. In this Agreement, unless a clear contrary intention appears:

(a) the singular number includes the plural number and vice versa;

(b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;

(c) reference to any gender includes each other gender;

(d) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;

(e) reference in this Agreement to any article, section, appendix, annex, schedule or exhibit means such article or section thereof or appendix, annex, schedule or exhibit thereto;

(f) each of the items or agreements identified on the attached Index of Exhibits are deemed part of this Agreement to the same extent as if set forth herein;

(g) "hereunder", "hereof", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular article, section or other provision thereof;

(h) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and

(i) relative to the determination of any period of time, "from" means "from and including" and "to" means "to but excluding."

1.2 Accounting Terms. Unless expressly otherwise provided, accounting terms shall be construed and interpreted, and accounting determination and computations shall be made, in accordance with GAAP.

1.3 Legal Representation of the Parties. This Agreement was negotiated by the parties hereto with the benefit of legal representation and any rules of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party shall not apply to any construction or interpretation hereof or thereof.

1.4 Definitions. All capitalized terms used in this Agreement shall have the meanings ascribed to them in Annex 1, attached hereto and made a part hereof, or as otherwise provided herein.

ARTICLE 2
THE PROJECT

2.1 Undertaking of Developer. Developer hereby agrees, subject to the terms and conditions hereinafter provided, to develop, construct, complete, and operate the Project. The performance of all activities by Developer hereunder shall not be as an agent of the UG, except as otherwise specifically provided herein.

2.2 Development of the Project Site. The UG and Developer hereby agree that the Project shall be as described below. Developer hereby contemplates that all buildings, parking structures and other improvements constituting the Project, as specifically described in this Section 2.2 (the "Improvements"), shall be developed, constructed, completed, and operated on the Project Site in substantial accordance and compliance with the terms and conditions of this Section 2.2, the Project Site Plan attached hereto as **Exhibit B**, and the final site plan approval from the UG's Board of Commissioners (the "Development Plan"). On and subject to the terms and provisions set forth in this Agreement, Developer shall have the sole right to, and shall be responsible for, design, construction, equipment and completion of the Improvements, and shall operate and use the Improvements in the manner described herein, all in accordance with the terms of this Section 2.2 and all other Applicable Laws and Requirements. The parties further agree as follows:

(a) The Project shall be designed, developed and constructed as a first-class, market-rate apartment complex which shall, at minimum, include the following Improvements: two 4-story, connected high-end apartment buildings, renting for a blended rate of approximately $1.85 per square foot, and consisting of 162 total units (comprised of approximately 80 studio apartments and approximately 82 one-bedroom apartments), including site amenities and related infrastructure. Project amenities shall include (i) a centrally located, single-story clubhouse between the two apartment buildings with health and fitness facilities, expansive living/communal areas, work-study spaces, a catering kitchen area and an outdoor bocce court, barbeque and fire pit and common area patio space; (ii) in-unit washer/dryer, refrigerator, oven/range, dishwasher and microwave; (iii) underground parking and enclosed bicycle storage rooms; (iv) elevator-serviced buildings with secure access and conditioned interior corridors; and (v) an outdoor, landscaped park along South Thompson Avenue, including a scenic wind sculpture garden which is designed to be a design feature of the neighborhood, and other large, natural buffer zones between the Project and neighboring single-family homes.

(b) Developer recognizes, stipulates and agrees that its signage shall be subject to all Applicable Laws and Requirements, and any special use permits granted by the UG's Board of Commissioners. The UG hereby agrees that it will, to the extent possible, expedite the consideration of Developer's proposed signage and cooperate with Developer to reasonably accommodate Developer's signage requirements.

(c) The Project shall include underground and surface parking improvements, including a number of carports on the surface parking (the "Parking Improvements"), which Parking Improvements shall contain the number of spaces required by the Applicable Laws and Requirements.

(d) Developer's plans for landscaping on the Project Site shall be considered in accordance with all Applicable Laws and Requirements and approval thereof by the UG will not be unreasonably withheld.

(e) Developer's design, development and construction of the Improvements shall, in all respects, comply with the Plans and Specifications (as defined in Section 6.2).

(f) The Project described in this Section 2.2 shall not be amended or modified without (i) the prior written consent of the UG, which consent shall not be unreasonably withheld, and (ii) full compliance with all Applicable Laws and Requirements.

2.3 General Agreements. Developer agrees to promptly and completely perform each and all of its duties and obligations under this Agreement and the other Transaction Documents. The UG agrees to promptly and completely perform each and all of its duties and obligations under this Agreement and the other Transaction Documents.

ARTICLE 3
CONDITIONS

3.1 Conditions. The issuance and delivery to Developer of any public financing contemplated under the terms of this Agreement shall be subject to the following conditions precedent (the "Public Financing Conditions"):

(a) Developer shall close on its acquisition of the Option Property pursuant to the Option Contract;

(b) Developer shall have obtained preliminary site plan and final plan approval for the Development Plan and any other required approvals for the Project as required by all Applicable Laws and Requirements; and

(c) The governing body of the UG shall have approved a Resolution of Intent for the IRB Financing described in Section 4.1 below.

3.2 Termination. In the event that Developer fails to meet the Public Financing Conditions set forth in Section 3.1 above, on or prior to September 1, 2021, then either party hereto shall have the right to terminate this Agreement, but any failure to meet any such conditions shall not be an event of default hereunder. Upon any such termination of this Agreement, (i) this Agreement shall terminate, and (ii) except as specifically set forth herein, the parties hereto shall have no further duty, obligation, or liability each to the other hereunder, and without limiting the generality of the foregoing, Developer shall be solely liable and responsible for all costs and expenses incurred by it with respect to this Agreement and the transactions contemplated hereby, and except for the fees and expenses of the UG to be paid for by Developer pursuant to the provisions of this Agreement and that certain Funding Agreement dated as of May 7, 2020, the UG shall be solely liable and responsible for all costs and expenses incurred by it with respect to this Agreement and the transactions contemplated hereby.

3.3 Satisfaction of Conditions. Upon satisfaction of the Public Financing Conditions set forth in Section 3.1 above, the UG shall, at the request of Developer, issue a certificate or a letter confirming and agreeing that the Public Financing Conditions have been fully satisfied for purposes of this Agreement, and the parties agree that such Public Financing Conditions shall be deemed to be fully satisfied for all purposes of this Agreement thereafter.

ARTICLE 4
FINANCING — SOURCE OF FUNDS

4.1 Public Financing; Source of Funds. Reference is hereby made to the Total Project Costs and the Total Project Budget attached hereto as **Exhibit C**, and by this reference made a part hereof. The Total Project Costs shall be paid in accordance with the procedures and requirements set forth herein.

(a) Industrial Revenue Bonds. Developer has requested industrial revenue bond ("IRB") financing in order to pay certain project costs pursuant to K.S.A. 12-1741 *et seq.* Subject to all Applicable Laws and Requirements and subject further to compliance by Developer with all of the UG's requirements for the issuance of IRBs, the parties hereby agree that Developer may use

IRB financing to obtain an exemption on sales taxes for construction materials for the Project. However, the parties hereby understand and agree that IRB financing shall not be used for abatement of ad valorem property taxes for the Project or the Project Site, subject to the terms set forth in Section 4.1(b) below.

(b) The parties hereby understand and agree that the IRBs shall be issued on or after the date of Substantial Completion of the Improvements (but in no event later than January 1, 2023) and shall mature and be redeemed ten (10) years after such issuance, and that during the term of the IRBs, Developer shall pay a 100% payment-in-lieu-of-tax ("PILOT") pursuant to the schedule attached hereto as **Exhibit D**. The parties acknowledge that the PILOT was determined based on a projected per-unit value of $162,293.25, with a minimum of 162 units. If the ultimate number of units in the Project shall be greater than 162, then the amount of the PILOT payment shall necessarily increase based on the per unit value of $162,293.25. Additionally, the parties hereby understand and agree that the amount of the PILOT for years 2 through 10 of the IRB term may be increased in accordance with **Exhibit D** based on whether or not the Developer fully complies with the terms and conditions of Section 8.2 (LBE/MBE/WBE Employment Opportunity Goals) hereof, with respect to the Improvements.

ARTICLE 5
Reserved.

ARTICLE 6
CONSTRUCTION OF IMPROVEMENTS AND INFRASTRUCTURE IMPROVEMENTS

6.1 Architect. Developer shall select such architects, engineers and other design professionals and consultants as are necessary to provide construction documents and construction oversight services for the Improvements. All agreements respecting architectural and engineering services shall be between Developer and such Persons, and a copy of each such agreement shall be timely provided to the UG upon a request for the same.

6.2 Design and Plans and Specifications. Developer shall, as soon as practicable, provide the UG with plans and specifications for the Improvements (the "Plans and Specifications"), which Plans and Specifications shall include cost estimates for the Improvements, the design of which is compatible with the Development Plan and all Applicable Laws and Requirements. Developer recognizes, stipulates and agrees that the Plans and Specifications will be presented to and subject to approval by the appropriate Government Authorities. Without the prior written approval of the appropriate Government Authorities, there shall be no Material Changes to the Plans and Specifications subsequent to the initial approval.

6.3 General Contractor and Construction Documents. Developer shall select a general contractor (the "General Contractor") for the Improvements. Developer represents that its construction documents relative to the Improvements (the "Construction Documents") will require and provide for: (a) the design, development, construction, equipping and completion of the Improvements in accordance with the Development Plan, the Plans and Specifications, and all Applicable Laws and Requirements; (b) a guaranteed maximum price; (c) guaranteed Substantial Completion not later than the Completion Date set forth in Section 6.9 (with liquidated damages for failure); and (d) surety of performance and labor and material payment bonds in the full amount of the Construction Documents. Developer shall, as soon as practicable, provide the UG with a copy of the Construction Documents.

6.4 Changes or Amendments. Developer shall promptly deliver to the UG copies of all change orders or other changes or amendments to the Construction Documents. Developer agrees with the UG that

(a) it will perform its duties and obligations under the Construction Documents and (b) enforce the obligations of all other parties thereunder.

6.5 Responsibility for Design and Construction. Developer shall, subject to the terms of this Agreement and the Development Plan, have the sole right, and the responsibility, to design, manage, operate and construct the Project. Developer shall receive no separate fee from the UG for acting as construction manager or developer of the Project.

6.6 Payment and Performance Bonds. The General Contractor shall be required under the Construction Documents to furnish and maintain in full force and effect performance and labor and material payment bonds in the full amount of the Total Project Costs, as set forth in the Construction Documents. Said bonds shall be in form and substance and issued by a corporate surety satisfactory to Developer and the UG.

6.7 Permits and Reviews. Developer hereby recognizes, stipulates and agrees (a) that in the design, construction, completion, use or operation of the Improvements, Developer or its General Contractor shall procure and pay for any and all permits, licenses or other forms of authorizations that are, from time to time, required; and (b) that nothing herein shall be construed as any release by the UG of the responsibility of Developer to comply with, and satisfy the requirements of, all Applicable Laws and Requirements.

6.8 Periodic Meetings with Developer. From the Effective Date until Substantial Completion of the Improvements, Developer hereby agrees to meet with the UG at such intervals as Developer, the UG, and any such designee of the UG shall mutually agree or reasonably request, and not more frequently than monthly, to review and discuss the design, development and construction of the Improvements and the Project.

6.9 Completion Date. Developer hereby agrees that, subject only to Force Majeure, Developer shall Substantially Complete construction of the Improvements described in Section 2.2(a) on or before December 31, 2022.

ARTICLE 7
USE AND OPERATION

7.1 Term. The Term of this Agreement shall commence on the Effective Date and shall expire on that date which is ten (10) years after the Effective Date (the "Term").

7.2 Use and Operation. Developer covenants that at all times during the Term, it will, at its expense:

(a) Use the Project only for the Permitted Uses.

(b) Conduct its business at all times in a dignified quality manner and in conformity with the first-class industry standards and in such manner as to help establish and maintain a high reputation for the Project.

7.3 Development Plan. During the Term, Developer agrees that it shall perform and comply with each and all of the terms and provisions of the Development Plan and not suffer or permit any default or breach of any such terms or provisions of the Development Plan.

7.4 Maintenance and Use. During the Term, Developer shall cause the Project, and all parts thereof, the Project Site and all other of its property used or useful in the conduct of its business and operations on the Project Site, to be maintained, preserved and kept in good repair and working order and in a safe condition, consistent at all times with other first-class apartment space in the greater metropolitan Kansas City area, and will make all repairs, renewals, replacements and improvements necessary for the safe, efficient, and advantageous conduct of its business and operations on the Project Site. Developer may make additions, alterations and changes to the Project so long as such additions, alterations and changes are made in compliance with all Applicable Laws and Requirements and the Development Plan, and as long as the same do not materially adversely affect Developer's ability to perform its obligations under this Agreement. Developer agrees to set aside on its books such reserves for future maintenance and capital expenditures.

7.5 Compliance. Developer shall conduct its affairs and carry on its business and operations in such a manner as to comply with all Applicable Laws and Requirements, and to observe and conform to all valid orders, regulations or requirements (including, but not limited to, those relating to safety and health) of any Government Authorities applicable to the conduct of its business and operations and the ownership of the Project; provided, however, that nothing contained in this Agreement shall require Developer to comply with, observe and conform to any such law, order, regulation or requirement of any Government Authorities so long as the validity thereof shall be contested by Developer in good faith by appropriate proceedings, and provided that Developer shall have set aside on its books adequate reserves in accordance with GAAP or secured adequate bonding with respect to such contest and such contest shall not materially impair the ability of Developer to meet its obligations under this Agreement. Developer agrees to promptly pay any and all fees and expenses associated with any safety, health or other inspections required under this Agreement or imposed by Applicable Laws and Requirements, unless contested in good faith with the assurances provided in the preceding sentence.

7.6 Payment of Taxes and Other Charges. During the Term, Developer shall pay or cause to be paid as they become due and payable all taxes, assessments and other governmental charges lawfully levied, assessed or imposed upon Developer or the Project, or any part thereof, or upon any income therefrom, including, but not limited to, any taxes, assessments, PILOTs or other governmental charges levied, assessed or imposed on the Project, the Project Site, and/or the Improvements. Ad valorem property taxes shall be due in arrears, with half due on December 20th and half due on May 10th of each year in which said amount is required to be paid, and will be considered delinquent if not paid by such dates of each such year or as otherwise determined by Applicable Laws and Requirements. The obligation to make ad valorem property tax payments shall be a covenant running with the land and shall create a lien in favor of the UG on each such tax parcel as constituted from time to time and shall be enforceable against Developer and its successors and assigns in ownership of property on the Project Site. Notwithstanding the foregoing, Developer hereby covenants and agrees not to contest the assessed value of, or the taxes on, the Project, the Project Site, and/or the Improvements during the Term of this Agreement. Additionally, Developer hereby understands and agrees that if Developer shall fail to timely pay its ad valorem property taxes as set forth herein, then Developer's access to the IRB financing described in Article 4 hereof shall be suspended until such taxes are paid in full.

7.7 Payment of Obligations. During the Term, Developer shall promptly pay or otherwise satisfy and discharge all of its obligations and all demands and claims against it as and when the same become due and payable, unless the validity, amount or collectability thereof is being contested in good faith or unless the failure to comply or contest would not materially impair its ability to perform its obligations under this Agreement nor subject any material part of the Project to loss or forfeiture.

7.8 Liens and Encumbrances. During the Term, except for a Permitted Encumbrances and/or a Permitted Mortgage, Developer shall not create or incur or permit to be created or incurred, or to exist any mortgage, lien, security interest, charge or encumbrance upon the Project, or any part thereof, and shall promptly cause to be discharged, challenged or terminated all mortgages, liens, security interests, charges and encumbrances that are not Permitted Encumbrances or a Permitted Mortgage. Notwithstanding the foregoing, any Permitted Mortgage shall be subject to the terms and conditions of this Agreement, including without limitation, Section 7.2 of this Agreement.

7.9 Licenses and Permits. During the Term, Developer shall procure and maintain all licenses and permits, and allow all inspections and/or investigations required by Applicable Laws and Requirements or otherwise necessary in the operation of its business and affairs in, on or about the Project;

7.10 Insurance. During the Term, Developer shall maintain or cause to be maintained insurance with respect to the Project and operations covering such risks that are of an insurable nature and of the character customarily insured against by organizations operating similar properties and engaged in similar operations (including but not limited to property and casualty, worker's compensation, general liability and employee dishonesty) and in such amounts as, in the reasonable judgment of the UG, are adequate to protect Developer, the UG and the Project, but in no event in an amount less than that required by the Insurance Specifications attached hereto as **Exhibit E**, and made a part hereof, or as otherwise required by the terms of the Transaction Documents. Each policy or other contract for such insurance shall (i) name the UG as an additional insured (with respect to liability insurance and only in an amount equal to Five Hundred Thousand Dollars ($500,000)); and (ii) contain an agreement by the insurer that, notwithstanding any right of cancellation reserved to such insurer, such policy or contract shall continue in force for at least thirty (30) days after written notice of cancellation to Developer and each other insured, additional insured, loss payee and mortgage payee named therein. The rights of the UG to any insurance proceeds shall be subject and subordinate to the rights of any Permitted Mortgagee.

7.11 Damage, Destruction or Condemnation.

(a) In the event of damage to or destruction of any portion of the Improvements resulting from fire or other Casualty during the Term, or in the event any portion of the Improvements is condemned or taken for any public or quasi-public use or title thereto is found to be deficient during the Term, the net proceeds of any insurance relating to such damage or destruction, the net proceeds of such condemnation or taking, or the net proceeds of any realization on title insurance shall be paid into and used in accordance with a construction escrow agreement for restoration, repair and/or replacement of the Project which is satisfactory to the UG, Developer and any Permitted Mortgagee ("Casualty Escrow").

(b) If at any time during the Term title to the whole or substantially all of the Improvements shall be taken in condemnation proceedings or by right of eminent domain, Developer, at its sole discretion, may terminate this Agreement as of the date of such taking. For purposes of this Section 7.11(b), "substantially all of the Improvements" shall be deemed to have been taken if the UG and Developer, each acting reasonably and in good faith, determine that the untaken portion of the Project, including the Parking Improvements, cannot be practically and economically used by Developer for the purposes and at the times contemplated by this Agreement.

(c) In the event of condemnation of less than the whole or substantially all of the Improvements during the Term, Developer, at its sole cost and expense, shall commence and thereafter proceed as promptly as possible to repair, restore and replace the remaining part of the Project, as nearly as possible, to their former condition, and shall be entitled to draw upon the Casualty Escrow for payment of said costs.

7.12 Indemnity. Developer shall pay and indemnify and save the UG and its governing body members, directors, officers, employees and agents harmless from and against all loss, liability, damage or expense arising out of (a) the acquisition of the Project Site; (b) the design, construction and completion of the Project by Developer; (c) the use or occupation of the Project by Developer or anyone acting by, through or under it; (d) damage or injury of whatsoever kind or character occurring after Closing, to Persons or property occurring or allegedly occurring in, on or about the Project; (e) any breach, default or failure to perform by Developer under this Agreement (following the expiration of any cure period); and (f) any act by an employee of the UG at the Project Site which are within or under the control of Developer or pursued for the benefit of or on behalf of Developer. Developer shall also pay and indemnify and save the UG and its governing body members, directors, officers, employees and agents harmless of, from and against, all costs, reasonable counsel fees, expenses and liabilities incurred by them or by Developer in any action or proceeding brought by reason of any such claim, demand, expense, penalty or fine. If any action or proceeding is brought against the UG or its governing board members, directors, officers, employees or agents by reason of any such claim or demand, Developer, upon notice from the UG, covenants to resist and defend such action or proceeding on demand of the UG or its governing body members, directors, officers, employees or agents. Notwithstanding the foregoing, no party benefited by this indemnity shall be indemnified against liability for damage arising out of bodily injury to Persons or damage to property caused by the said party's own respective willful and malicious acts or omissions or gross negligence. The foregoing covenants contained in this Section 7.12 shall be deemed continuing covenants, representations and warranties for the benefit of the UG and any successors and assigns of the UG, and shall survive the termination, satisfaction or release of this Agreement, or any other instrument.

7.13 Prohibition on Sales, Etc. Except for Permitted Encumbrances and a Permitted Mortgage, and as otherwise provided herein, during the Term, Developer will not, without the prior written consent of the UG, (a) assign, sell, lease, mortgage or otherwise transfer the Project Site, the Improvements or equipment that comprise the Project or any part thereof or any interest therein; (b) merge with or into another corporation or sell or transfer to another corporation substantially all of its assets; or (c) assign this Agreement. Any such assignment, sale, lease, mortgage, merger or other transfer which is consented to by the UG shall be an "Approved Assignment" and the assignee, purchaser, lessee, mortgagee or transferee shall be an "Assignee." The UG shall have the right to grant or withhold its consent to any of the aforesaid in its reasonable discretion after inquiry and delivery of information to the UG as to whether the proposed Assignee has sufficient financial wherewithal and experience to successfully complete the Project according to the terms hereof. If there is an Approved Assignment, the Assignee shall assume and agree to pay and perform each and all of terms and provisions hereof. Notwithstanding the foregoing, the parties hereby agree that, subject always to the terms of this Agreement:

(a) Developer may, in the ordinary course of its business, but without the prior written approval of the UG, or notice to the UG, make leases of the residential units within the Project; and

(b) Developer may, without prior written approval of the UG, transfer all or a portion of the Project, and/or all or any portion of Developer's rights and/or obligations under this Agreement, to a transferee entity provided that the Controlling Person or Entity of such transferee entity is also the Controlling Person or Entity of Developer, and provided that such transferee entity: (i) assumes or guarantees all of Developer's obligations under this Agreement with respect to all portions of the Project or this Agreement so transferred to such transferee entity, and (ii) remains liable jointly and severally with Developer therefor (an "Affiliate Transfer"). Developer shall deliver to the UG notice of any Affiliate Transfer at least ten (10) days prior to such transfer. For purposes hereof, the term "Controlling Person or Entity" with respect to any entity means a Person or entity who, under Applicable Laws and Requirements, possesses all authority and power necessary to lawfully act on behalf of and bind such entity, over the objection of all other holders of any other interest in such entity, to fulfill the obligations of Developer under this Agreement; and

(c) Developer may, upon written notice to the UG, terminate this Agreement and thereafter may freely sell, assign, transfer or mortgage. Upon any such termination, the UG may terminate the IRB financing.

7.14 Access. During the Term, Developer hereby recognizes, acknowledges and agrees that the UG, and its duly authorized representatives and agents, shall have the right to enter the Project at reasonable times and upon reasonable notice, to substantiate compliance with this Agreement or, to the extent Developer has failed to cure any breach within applicable notice and cure periods, to cure any defaults under this Agreement. In exercising its rights hereunder, the UG shall use reasonable efforts to avoid unreasonable interference with the operation of the Project. Except as otherwise provided in this Agreement, the UG shall pay all costs it incurs under this provision. Nothing contained in this Section 7.14 shall restrict or impede the right of the UG to enter the Project pursuant to any Applicable Laws and Requirements.

7.15 Environmental Matters. Developer hereby agrees that by Closing on the transactions contemplated by this Agreement, Developer shall assume responsibility for the costs of any remediation of any environmental conditions upon the Project Site. Further, Developer shall not store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance in, upon, under, over or from the Project in violation of any Environmental Regulation; shall not permit any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom in violation of any Environmental Regulations; shall cause all Hazardous Substances to be properly removed therefrom and properly disposed of in accordance with all applicable Environmental Regulations; shall not install or permit to be installed any underground storage tank therein or thereunder in violation of any Environmental Regulation; and shall comply with all other Environmental Regulations which are applicable to the Project. Developer shall indemnify the UG against, shall hold the UG harmless from, and shall reimburse the UG for, any and all claims, demands, judgments, penalties, fines, liabilities, costs, damages and expenses, including court costs and attorneys' fees incurred by the UG (prior to trial, at trial and on appeal) in any action against or involving the UG, resulting from any breach of the foregoing covenants or from the discovery of any Hazardous Substance, in, upon, under or over, or emanating from, the Project, whether or not Developer is responsible therefor, it being the intent of Developer and the UG that the UG shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or clean-up of, or otherwise with respect to, Hazardous Substances, which arises subsequent to Closing. The foregoing covenants contained in this Section 7.15 shall be deemed continuing covenants, representations and warranties for the benefit of the UG and any successors and assigns of the UG, and shall survive the termination, satisfaction or release of this Agreement, or any other instrument. Any amounts covered by the foregoing indemnification shall bear interest from the date incurred at the Prime Rate plus 2%, or, if less, the maximum rate permitted by law, and shall be payable on demand.

7.16 Power of the UG. Notwithstanding anything set forth herein to the contrary, no provision contained herein shall in any manner diminish or usurp the inherent rights and powers of the UG to act in its capacity as a public body. Further, nothing herein shall relieve Developer from complying with all Applicable Laws and Requirements.

ARTICLE 8
SPECIAL PROVISIONS

8.1 Special Agreements of Developer.

(a) Developer recognizes, stipulates and agrees that it will actively market and advertise the Project in the Kansas City metropolitan area and regionally.

(b) During the Term, Developer agrees to actively participate in the civic, charitable, educational, philanthropic and economic development of the Kansas City, Kansas/Wyandotte County community in activities of its choice.

8.2 LBE/MBE/WBE Employment Opportunity Goals. Developer agrees to comply with the goals set forth on **Exhibit F,** attached hereto and made a part hereof, in order to identify and provide employment opportunities for local businesses and contractors, women and local minority owned businesses. In the event Developer shall fail to meet the LBE/MBE/WBE goals set forth on **Exhibit F** for the Project, then the PILOTs shall be increased as set forth in **Exhibit D** hereof.

ARTICLE 9
DEFAULT AND REMEDIES

9.1 Default Provisions. Developer shall be in default under this Agreement if:

(a) Developer fails to make any of the payments of money required by the terms of this Agreement or any of the Transaction Documents, and Developer fails to cure or remedy the same within twenty (20) days after the UG has given Developer written notice specifying such default; or

(b) Developer fails to keep or perform any covenant or obligation herein contained on Developer's part to be kept or performed, and Developer fails to remedy the same within sixty (60) days after the UG has given Developer written notice specifying such failure and requesting that it be remedied; provided, however, that if any event of default shall be such that it cannot be corrected within such period, it shall not constitute an event of default if corrective action is instituted by Developer within such period and diligently pursued until the default is corrected; or

(c) Developer or any Affiliate shall file a voluntary petition under any bankruptcy law or an involuntary petition under any bankruptcy law is filed against any such party in a court having jurisdiction and said petition is not dismissed within sixty (60) days; or Developer or any Affiliate generally is not paying its debts as such debts become due; or Developer or any Affiliate makes an assignment for the benefit of its creditors; or a custodian, trustee or receiver is appointed or retained to take charge of and manage any substantial part of the assets of Developer or any Affiliate, and such appointment is not dismissed within sixty (60) days; or any execution or attachment shall issue against Developer whereupon the Project, or any part thereof, or any interest therein of Developer under this Agreement shall be taken and the same is not released prior to judicial sale thereunder (each of the events described in this subparagraph being deemed a default under the provisions of this Agreement); or

(d) Developer breaches the representations and warranties set forth in this Agreement and fails to cure or correct the same within thirty (30) days of written notice from the UG.

In the event of such default, the UG may take such actions, or pursue such remedies, as exist hereunder, or at law or in equity, and Developer covenants to pay and to indemnify the UG against all reasonable costs and charges, including attorneys' fees, lawfully and reasonably incurred by or on behalf of the UG in connection with the enforcement of such actions or remedies.

9.2 Rights and Remedies. Upon the occurrence and continuance of a Developer default, the UG shall have the following rights and remedies, in addition to any other rights and remedies provided under this Agreement or by law:

(a) Whenever any default by Developer shall have occurred and be continuing, subject to applicable cure periods as set forth above, the UG may (i) terminate the IRB financing set forth in Section 4.1, and/or (ii) terminate this Agreement, and/or (iii) exercise any remedies provided to the UG under the Transaction Documents. The rights and remedies reserved by the UG hereunder and those provided by law shall be construed as cumulative and continuing rights, no one of which shall be exhausted by the exercise of any one or more of such rights or remedies on any one or more occasions.

(b) The UG may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce and compel the specific performance of the duties and obligations of the Developer as set forth in this Agreement, to enforce or preserve any other rights or interests of the UG under this Agreement or otherwise existing at law or in equity and to recover any damages incurred by the UG resulting from such Developer default. Without limiting the foregoing, the Developer shall not be compelled by specific performance to construct the Project, the Improvements.

(c) In the event of such default by Developer, the UG may take such actions, or pursue such remedies, as exist hereunder or at law or in equity and Developer covenants to pay and to indemnify the UG against all reasonable costs and charges, including attorneys' fees, lawfully and reasonably incurred by or on behalf of the UG in connection with the enforcement of such actions or remedies.

(d) The rights and remedies reserved by the UG hereunder and those provided by law shall be construed as cumulative and continuing rights, no one of which shall be exhausted by the exercise of any one or more of such rights or remedies on any one or more occasions. If a default by Developer occurs under this Agreement and is continuing, the UG may take whatever action at law or in equity as may appear necessary or desirable to enforce performance and observance by Developer of any provision of this Agreement. The UG shall be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Agreement, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity. Failure by the UG to enforce any such rights shall not be deemed a waiver thereof.

9.3 Default by the UG. The UG shall be in default under this Agreement if the UG fails to keep or perform any covenant or obligation herein contained on the UG's part to be kept or performed, and the UG fails to remedy the same within thirty (30) days after Developer has given the UG written notice specifying such failure and requesting that it be remedied; provided, however, that if any event of default shall be such that it cannot be corrected within such period, it shall not constitute an event of default if corrective action is instituted by the UG within such period and diligently pursued until the default is corrected. If a default by the UG occurs under this Agreement and is continuing, Developer may take whatever action at law or in equity as may appear necessary or desirable to enforce performance and observance by the UG of any provision of this Agreement, however, the UG's liability for monetary amounts shall be limited to the actual amount, if any, in question, and under no circumstances shall the UG be liable for any remote or consequential damages. Developer shall be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Agreement, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceedings in equity. Under no circumstances shall the UG be liable for remote or consequential damages.

ARTICLE 10
MISCELLANEOUS

10.1 Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the non-defaulting party may nevertheless accept from the other any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such default or defaults which were in existence at the time such payment or payments or performance were accepted by it.

10.2 Force Majeure. In the event either party hereto shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of acts of God, strikes, lockouts, unavailability of sufficient trade laborers, materials, or financing due to global pandemic, such as COVID-19, failure of power or other insufficient utility service, riots, insurrection, environmental remediation required by the appropriate Government Authorities, discovery of cultural, archeological or paleontological resources or endangered species, any lawsuit seeking to restrain, enjoin, challenge or delay construction, failure of the UG to timely approve the Plans and Specifications, the Construction Documents, war terrorism or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement ("Force Majeure"), then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 10.2 shall not be applicable to delays resulting from the inability of a party to obtain financing or to proceed with its obligations under this Agreement because of a lack of funds.

10.3 Covenants of Parties.

(a) Representations and Warranties of Developer. Developer represents and warrants to the UG as follows:

(i) Organization. Developer is a limited liability company duly formed and validly existing under the laws of the State of Delaware. Developer is duly authorized to conduct business in each other jurisdiction in which the nature of its properties or its activities requires such authorization. Developer shall (1) preserve and keep in full force and effect its corporate or other separate legal existence, and (2) remain qualified to do business and conduct its affairs in the State and each jurisdiction where ownership of its property or the conduct of its business or affairs requires such qualification.

(ii) Authority. The execution, delivery and performance by Developer of this Agreement are within Developer's powers and have been duly authorized by all necessary action of Developer.

(iii) No Conflicts. Neither the execution and delivery of this Agreement, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene the organizational documents of Developer or any provision of law, statute, rule or regulation to which Developer is subject, or to any judgment, decree, license, order or permit applicable to Developer, or will conflict or be inconsistent with, or will result in any breach of any of the terms of the covenants, conditions or provisions of any indenture, mortgage, deed of trust, agreement or other instrument to which Developer is a party, by which Developer is bound, or to which Developer is subject.

(iv) No Consents. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the due execution and delivery by Developer of this Agreement. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the performance by Developer of this Agreement or the consummation of the transactions contemplated hereby except for zoning, building and other customary permits to be obtained from the UG or other Government Authorities.

(v) Valid and Binding Obligation. This Agreement is the legal, valid and binding obligation of Developer, enforceable against Developer in accordance with the terms hereof.

(b) Representations and Warranties of the UG. The UG represents and warrants to the Developer as follows:

(i) Authority. The execution, delivery and performance by the UG of this Agreement are within its powers and have been duly authorized by all necessary action.

(ii) No Conflicts. Neither the execution and delivery of this Agreement, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene the ordinances, rules, regulations of the UG or the laws of the State nor result in a breach, conflict with or be inconsistent with any terms, covenants, conditions or provisions of any indenture, agreement or other instrument by which the UG is bound or to which the UG is subject.

(iii) No Consents. Other than the Board of Commissioners' approval of this Agreement on or before the Effective Date, no consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the due execution and delivery by the UG of this Agreement. Except as set forth in Section 3.1(c) hereof, no consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the performance by the UG of this Agreement or the consummation of the transactions contemplated hereby.

(iv) Valid and Binding Obligation. This Agreement is the legal, valid and binding obligation of the UG enforceable against the UG in accordance with its terms.

10.4 Amendments. This Agreement may be amended, changed or modified only by a written agreement duly executed by the UG and Developer.

10.5 Construction and Enforcement. This Agreement shall be construed and enforced in accordance with the laws of the State.

10.6 Invalidity of Any Provisions. If for any reason any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

10.7 Headings. The Article and Section headings shall not be treated as a part of this Agreement or as affecting the true meaning of the provisions hereof.

10.8 Execution of Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

10.9 Time. Time is of the essence in this Agreement.

10.10 Consents and Approvals. Wherever in this Agreement it is provided that the UG or Developer shall, may or must give its approval or consent, the UG or Developer shall not, unless specifically herein provided otherwise, unreasonably withhold, condition, delay or refuse to give such approvals or consents. It is agreed, however, that the sole right and remedy for Developer or the UG in any action concerning the other's reasonableness will be action for declaratory judgment and/or specific performance, and in no event shall either such party be entitled to claim damages of any type or nature in any such action.

10.11 Notices. All notices required or desired to be given hereunder shall be in writing and all such notices and other written documents required or desired to be given hereunder shall be deemed duly served and delivered for all purposes if (i) delivered by nationally recognized overnight delivery service; (ii) delivered by electronic mail (with follow up within one (1) business day by United States Mail or by nationally recognized overnight delivery service); or (iii) delivered in person, in each case if addressed to the parties set forth below:

To the UG as follows:

The Unified Government Clerk
The Unified Government of Wyandotte County/Kansas City, Kansas
701 N. 7th Street, Suite 323
Kansas City, Kansas 66101
Telephone: 913-573-5260
Email: bcobbins@wycokck.org

with a copy to:

Chief Counsel
The Unified Government of Wyandotte County/Kansas City, Kansas
701 N. 7th Street, Suite 961
Kansas City, Kansas 66101
Telephone: 913-573-5060
Email: kjmoore@wycokck.org

And a copy to:

Douglas G. Bach
County Administrator
Unified Government of Wyandotte County/Kansas City, Kansas
701 N. 7th Street, 9th Floor

Kansas City, Kansas 66101
Telephone: 913-573-5030
Email: dbach@wycokck.org

And a copy to:

Todd A. LaSala, Esq.
Stinson LLP
1201 Walnut Street, Suite 2900
Kansas City, Missouri 64106
Telephone: 816-842-8600
Email: todd.lasala@stinson.com

To Developer as follows:

Donald S. Smith, Manager
SPKS Mission Hills, LLC
c/o Saxon Partners, LLC
25 Recreation Park Drive, Suite 204
Hingham, Massachusetts 02043
Office: 781-875-3304
Cell: 617-750-9399
E-mail: dsmith@saxon-partners.com

with a copy to:

Stephen Allison, Project Director
SPKS Mission Hills, LLC
c/o Saxon Partners, LLC
25 Recreation Park Drive, Suite 204
Hingham, Massachusetts 02043
Cell: 617-877-6342
E-mail: steve@perryholdings.com

with a copy to:

David L. Arons, Esq.,
Saxon Partners, LLC
25 Recreation Park Drive, Suite 204
Hingham, Massachusetts 02043
Office: 781-875-3317
Cell: 617-943-0925
E-mail: darons@saxon-partners.com

All notices given by: (i) nationally recognized overnight delivery service, or (ii) electronic mail, followed up by regular United States mail or nationally recognized overnight delivery service in accordance with the above procedures, shall be deemed duly given one business day after they are so delivered. All notices given in person shall be deemed duly given when delivered.

10.12 Entire Agreement. Together with the Exhibits hereto, this Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes and replaces all prior oral or written agreements concerning the subject matter hereof.

10.13 Run with the Land. This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective heirs, successors and assigns and shall run with the land. However, Developer shall remain liable in the event of a violation of any of the terms or restrictions set forth in Sections 7.8 and 7.13 hereof. At Closing, the parties shall record a memorandum describing this Agreement in the land records of Wyandotte County, Kansas.

10.14 Electronic Storage. The parties agree that the transactions described herein may be conducted and related documents may be received, sent or stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Remainder of page intentionally left blank. Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

UG:

THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By:____________________________________
David Alvey, Mayor/CEO

STATE OF KANSAS)
) SS.
COUNTY OF WYANDOTTE)

This instrument was acknowledged before me on ____________________, 2020, by David Alvey as Mayor/CEO of the Unified Government of Wyandotte County/Kansas City, Kansas.

____
Printed Name: ___________________________
Notary Public in and for said State
Commissioned in ____________ County

My commission expires

____

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

DEVELOPER:

SPKS MISSION HILLS, LLC

By:_____________________________________
Name:___________________________________
Title:____________________________________

STATE OF _________________)
) SS.
COUNTY OF _______________)

This instrument was acknowledged before me on ____________________, 2020 by _________________________, as ____________________ of SPKS Mission Hills, LLC, a ___________ limited liability company.

____
Printed Name: ____________________________
Notary Public in and for said State
Commissioned in ____________ County

My commission expires:

____

INDEX OF EXHIBITS

EXHIBIT A-1

The Owned Property - Legal Description

TRACT 1:

A TRACT OF LAND IN THE NORTHEAST AND NORTHWEST QUARTERS OF SECTION 34 TOWNSHIP 11 SOUTH, RANGE 25 EAST OF THE SIXTH PRINCIPAL MERIDIAN, ALSO KNOWN AS BEING PARTS OF LOTS 30, 31, 32, 33, 34, 39, 50 AND 51 AND ALL OF LOTS 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 52, 53, 54, 55, 56, AND 57 ON RAINBOW PARK A RECORDED SUBDIVISION, AND ALSO PARTS OF LOTS 2, 3, AND 4, BLOCK 1, ROSEDALE LAND CO'S SECOND ADDITION TO THE TOWN OF ROSEDALE A RECORDED SUBDIVISION, BOTH RECORDED IN THE REGISTER OF DEEDS OFFICE, WYANDOTTE COUNTY, KANSAS BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

NOTE: FOR COURSE ORIENTATION, THE BEARINGS IN THIS DESCRIPTION ARE ORIENTED TO GRID NORTH, KANSAS STATE PLANE COORDINATE SYSTEM, NORTH ZONE, AS DETERMINED BY GLOBAL POSITIONING SYSTEM OBSERVATION.

BEGINNING AT THE SOUTHWEST CORNER OF COMMON TRACT 1 ON MISSION CLIFFS 2ND ADDITION A RECORDED PLAT IN THE REGISTER OF DEEDS OFFICE OF WYANDOTTE COUNTY, KANSAS; THENCE NORTH 87° 52' 43" EAST 441.37 FEET, ON THE SOUTH LINE OF SAID COMMON TRACT 1, AND LOTS 15 AND 16 ON SAID MISSION CLIFFS 2ND ADDITION TO A POINT BEING THE SOUTHEAST CORNER OF SAID LOT 16; THENCE SOUTH 02° 07' 17" EAST 166.00 FEET ON THE WEST LINE OF LOTS 19, AND 20 ON SAID MISSION CLIFFS 2ND ADDITION TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF 39TH W AVENUE; THENCE NORTH 87° 52' 43" EAST 112.00 FEET ON THE SOUTH RIGHT-OF-WAY LINE OF 39TH W AVENUE TO A POINT ON THE WEST RIGHT-OF WAY LINE OF THOMPSON STREET; THENCE SOUTH 02° 07' 17" EAST 215.00 FEET ON THE WEST RIGHT-OF-WAY LINE OF THOMPSON STREET; THENCE SOUTH 87° 52' 43" WEST 5.00 FEET; THENCE SOUTH 02° 07' 17" EAST 10.00 FEET; THENCE SOUTH 87° 52' 43" WEST 390.18 FEET; THENCE SOUTH 01° 24' 26" EAST 300.24 FEET; THENCE SOUTH 88° 35' 33" WEST 135.59 FEET; THENCE NORTH 55° 07' 34" WEST 170.59 FEET; THENCE NORTH 23° 56' 34" WEST 334.23 FEET; THENCE NORTH 54° 14' 32" WEST 243.72 FEET; THENCE NORTH 01° 24' 26" WEST 141.60 FEET TO THE POINT OF BEGINNING.

TRACT 2:

COMMON TRACT 1 ON MISSION CLIFFS 2ND ADDITION A RECORDED PLAT IN THE REGISTER OF DEEDS OFFICE OF WYANDOTTE COUNTY, KANSAS AS DOCUMENT 2006R-9717 AND BOOK 42, PAGE 20, IN THE NORTHEAST AND NORTHWEST QUARTERS OF SECTION 34, AND THE SOUTHEAST QUARTER OF SECTION 27 ALL IN TOWNSHIP 11 SOUTH, RANGE 25 EAST OF THE SIXTH PRINCIPAL MERIDIAN IN KANSAS CITY, WYANDOTTE COUNTY, KANSAS BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

NOTE: FOR COURSE ORIENTATION, THE BEARINGS IN THIS DESCRIPTION ARE ORIENTED TO GRID NORTH, KANSAS STATE PLANE COORDINATE SYSTEM, NORTH ZONE, AS DETERMINED BY GLOBAL POSITIONING SYSTEM OBSERVATION.

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 34, SAID CORNER BEING MONUMENTED BY A ONE-HALF INCH REINFORCING BAR FOUND; THENCE SOUTH 87° 55' 05" WEST 2008.79 FEET, ON THE NORTH LINE OF SAID SECTION 34, TO ITS INTERSECTION WITH THE WEST RIGHT-OF-WAY LINE OF MINNIE STREET, AS NOW ESTABLISHED, TO THE POINT OF BEGINNING OF COMMON TRACT 1 HEREIN DESCRIBED; THENCE SOUTH 01° 40' 59" EAST 143.28 FEET ON THE WESTERN MOST LINE OF SAID MISSION CLIFFS 2ND ADDITION PLAT; THENCE SOUTH 87° 52' 43" WEST 101.81 FEET; THENCE NORTH 02° 09' 54" WEST 14.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 250.00 FEET; THENCE NORTHWESTERLY ON SAID CURVE AN ARC LENGTH OF 172.62 FEET, SAID CURVE HAVING A

CHORD BEARING OF NORTH 21° 56' 45" WEST AND A CHORD DISTANCE OF 169.21 FEET; THENCE NORTH 41° 43' 36" WEST 112.14 FEET; THENCE NORTH 31° 15' 07" WEST 79.40 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 170.00 FEET; THENCE NORTHWESTERLY, WESTERLY, AND SOUTHWESTERLY ON SAID CURVE AN ARC LENGTH OF 362.41 FEET, SAID CURVE HAVING A CHORD BEARING OF SOUTH 87° 40' 31" WEST AND A CHORD DISTANCE OF 297.58 FEET; THENCE SOUTH 26° 36' 08" WEST 18.91 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 400.00 FEET; THENCE SOUTHWESTERLY ON SAID CURVE AN ARC LENGTH OF 200.41 FEET, SAID CURVE HAVING A CHORD BEARING OF SOUTH 12° 14' 58" WEST AND A CHORD DISTANCE OF 198.32 FEET; THENCE SOUTH 02° 06' 13" EAST 234.47 FEET; THENCE SOUTH 87° 52' 43" WEST 209.86 FEET; THENCE NORTH 01° 24' 26" WEST 258.39 FEET ON THE WEST LINE OF SAID MISSION CLIFFS 2ND ADDITION PLAT; THENCE NORTH 87° 47' 06" EAST 200.00 FEET ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 27 TO THE SOUTH QUARTER CORNER OF SAID SECTION 27; THENCE NORTH 02° 04' 55" WEST 172.86 FEET ON THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 27; THENCE NORTH 39° 00' 25" EAST 286.00 FEET; THENCE SOUTH 50° 59' 35" EAST 220.74 FEET; THENCE SOUTH 29° 34' 55" EAST 109.21 FEET; THENCE NORTH 60° 25' 05" EAST 20.00 FEET; THENCE SOUTH 29° 34' 55" EAST 21.31 FEET; THENCE NORTH 87° 55' 05" EAST 117.05 FEET; THENCE SOUTH 29° 34' 55" EAST 154.23 FEET; THENCE NORTH 87° 55' 05" EAST 12.44 FEET ON THE NORTH LINE OF SAID SECTION 34 TO THE POINT OF BEGINNING.

EXHIBIT A-2

The Option Property – Legal Description

SEC-34 TWP-11 RNG-25, S34, T11, R25, ACRES 4.180000, 54, 55

N1/2, SW1/4, NW1/4, NE1/4; 5.00 AC LESS .358AC CONTG 4.642AC

LESS PART CONDEMNED

(Property ID No. 105-068-34-0-10-06-025.00-0)

EXHIBIT A-3

The Project Site – Map

EXHIBIT B

Project Site Plan

EXHIBIT C

Total Project Budget

Land Costs	Budget
Land Costs	$ **800,000**
NOTE	
Professional Fees	Budget
Architect Costs - Preliminary Design	$ 63,000
Architect Costs - CD's	$ 202,500
Structural Engineer - Preliminary Design	$ 22,200
Structural Engineer - CD's	$ 44,500
MEP - Preliminary Design	$ 8,800
MEP - CD's	$ 26,400
Civil Engineering Costs - Preliminary Development Plan	$ 25,000
Surveying (ALTA TOPO PLAT)	$ 20,000
Civil Engineering - CD's Final Development Plan	$ 150,000
Geotech	$ 25,000
NAHB Verification/Expense Fee	$ 43,440
Landscape Design	$ 20,000
Traffic Study	$ 5,000
Total Bidding & Negotiating	$ 35,000
Total Construction Administration	$ 124,000
Water Feature Design	$ -
Special Inspections	$ 75,000
Phase I Study	$ 2,000
Reimbursable Expenses	$ 20,000
Interior Design - Lowery	$ 42,000
Allocated Contingency	$ -
Professional Fees	$ **953,840**
FF&E	Budget
TV / Computers / Keytrack / Copy	$ 35,000
Kitchen	$ -
Office Supply Inventory	$ -
Fitness Room Equipment	$ 60,000
Telephone System and IT	$ -
Artwork in Buildings	$ 10,000
Model Units Décor Studio	$ 25,000
Model Units Décor 1-Bedroom	$ 35,000
Club House Décor	$ 225,000

Marketing and Jobsite Trailer	$ 50,000
Total FF&E Costs	$ **440,000**
Start Up Costs	Budget
Application / Platting Fees	$ 10,000
Land Disturbance	$ 1,500
Excise Tax / Impact Fee	$ -
Permit Costs	$ 90,000
Sewer Improvement Fees	$ -
Sewer Tap Fee	$ -
Water Tap and Improvement Fee	$ 40,000
BPU Water Main Extension	$ 35,000
BPU Electric Costs	$ 125,000
Bond Issuance Cost Fees	$ 80,000
Google Fiber Installation	$ -
Allocated Contingency	$ -
Total Start Up Costs	$ **381,500**
Construction Costs	Budget
General Conditions	$ -
Sitework	$ -
Concrete	$ -
Masonry	$ -
Metals	$ -
Light Gage structure	$ -
Millwork	$ -
Moisture/Thermal Protection	$ -
Doors & Windows	$ -
Drywall and Framing	$ -
Finishes	$ -
Specialties	$ -
Cabinets, Countertops, and Appliances	$ -
Furnishings	$ -
Special Construction	$ -
Conveying Systems	$ -
Mechanical	$ -
Electrical	$ -
Clubhouse & Pool	$ -
Builder's Insurance	$ -
Builder's Overhead and Profit	$ -
Sales Tax Deduct	$ -
Estimated Total Construction Contract	$ **21,247,000**
FINAL CONSTRUCTION CONTRACT	

Allocated Contingency	
Construction Costs	**$ 21,247,000**
Contingency / Development Fees / Interest Costs	Budget
Interest Carry	$ 495,000
Operating Deficit	$ 286,000
Loan Closing Costs	$ -
3rd Party Reports	$ 24,450
Title Insurance Costs	$ 31,045
Construction Inspection Fee	$ 18,450
Legal Closing Costs	$ 16,907
Recording Fees	$ 6,132
Loan Fees & Costs	$ 110,000
Construction Negotiation Costs	$ 3,000
Legal Services (Construction Contract, Development Agreements, etc.)	$ 75,000
Easement Purchase/Seller Engineering Costs	$ -
Contingency	$ 637,410
Total Contingency / Development Fees / Interest Costs	$ **1,703,394**
Total Development Costs	$ 25,523,734
Development Fee	$ 765,772
Total Development Costs	$ 26,291,506

EXHIBIT D

PILOT Schedule

Value/Unit	# Units	Projected Value	2020 Mill Rate	PILOT	Per Door Taxes
$162,293.25	162	$13,673,400	181.771	$297,000	$1,833.33

	With L/M/W		Without L/M/W	
Year	Per Unit	Annual PILOT Payment	Per Unit	Annual PILOT Payment
1	$900	$297,000	$945.00	$311,850.00
2	$918	$302,940	$963.90	$318,087.00
3	$936	$308,999	$982.80	$324,448.95
4	$955	$315,179	$1,002.75	$330,937.95
5	$974	$321,482	$1,022.70	$337,556.10
6	$994	$327,912	$1,043.70	$344,307.60
7	$1,014	$334,470	$1,064.70	$351,193.50
8	$1,034	$341,160	$1,085.70	$358,218.00
9	$1,054	$347,983	$1,106.70	$365,382.15
10	$1,076	$354,942	$1,129.80	$372,689.10
	Total:	**$3,252,067**		**$3,414,670.35**

EXHIBIT E

Insurance Specifications

1. Worker's Compensation. Developer may self-insure, to the extent allowed by applicable law. The self-insured retention shall be that which is standard in the industry. Developer will then purchase excess Worker's Compensation Insurance with statutory limits over the self-insured retention. If self-insurance is not available under applicable state law, coverage will be purchased in accordance with the statutory requirements.

2. Comprehensive General Liability. Developer will purchase and maintain with primary limits of $3,000,000.

3. Automobile Liability. Developer will purchase and maintain with primary limits of $1,000,000.

4. Excess Liability. Developer will purchase and maintain excess liability insurance in an amount not less than $5,000,000.

5. Special Perils Form Property Insurance. Developer will purchase on a replacement cost basis. Deductibles and limits will be standard to those in the industry, and the policy shall include an "Agreed Amount" endorsement. Earthquake and flood insurance (if required and if available at a reasonable cost), along with fired vessel, boiler and machinery, and underground collapse may be required by the UG as additional perils.

EXHIBIT F

LBE/MBE/WBE PARTICIPATION AGREEMENT
THE MAREK AT MISSION CLIFFS APARTMENTS
(CONSTRUCTION OF IMPROVEMENTS)

THIS LBE/MBE/WBE PARTICIPATION AGREEMENT (the "Agreement"), by and between the Unified Government of Wyandotte County/Kansas City, Kansas (the "UG") and SPKS Mission Hills, LLC (the "Developer"), sets forth procedures and goals for the utilization of local business, minority and women enterprises in connection with the development of a 330 unit, multifamily residential project in Kansas City, Kansas (the "Project"), as defined below.

I. SCOPE

A. These procedures are applicable to the construction of the Project, as further described in that certain Development Agreement between the UG and Developer, dated ________________, 2020 (the "Development Agreement"), whether performed by or on behalf of Developer, including, but not limited to, all aspects of Construction of the Project and related facilities including labor, materials and supplies, and construction related services whether undertaken by or on behalf of Developer, but not including Specialized Services.

II. DEFINITIONS

A. "Construction" means all aspects of the construction including labor, materials and supplies, and construction related services, whether performed or contracted for by or on behalf of Developer.

B. "Contractor" means the Proposer selected by the Developer for the Project.

C. "Local Business Enterprise" (or "LBE") means a business headquartered or which maintains a Substantial Local Office that performs the significant functions of the business in Wyandotte County or a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and whose day-to-day management is under the control of an individual residing in Wyandotte County. There is no formal certification process for LBE designation and it is determined and assigned based upon the criteria referenced in this definition and payment of all applicable Wyandotte County taxes and/or licensing fees.

D. "Minority Business Enterprise" (or "MBE") means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of a person who is a member of an American ethnic minority group including African-American, Asian-Indian, Asian-Pacific, Hispanic and Native American.

E. "Project" means the Construction of a new apartment complex and as legally described in Exhibit 1 to this Agreement.

F. "Proposer" means a construction firm that submits a proposal in response to a solicitation for proposals issued by Developer with respect to the Construction of the Project or with respect to the annual operations of the Project.

G. "Specialized Services" means expertise, services, or products that are only available through sole source providers or national vendors, or are unique to the business of the Project.

H. **"Substantial Local Office"** means an office operated and financially supported by a firm that has sufficient space, staff and equipment to carry on the local business of the firm and that is engaged in significant, on-going local involvement with the business community in Wyandotte County, KS. The term "Substantial Local Office" shall specifically exclude any office that has been established for the sole purpose of participating in a specific Project.

I. **"Women Business Enterprise" (or "WBE")** means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of one or more women who are U.S. citizens or legal resident aliens.

III. GOALS FOR LBE/MBE/WBE PARTICIPATION.

Developer and its Contractor will meet the LBE/MBE/WBE participation percentage goals listed in the below chart based upon the total cost of the Project. In no event shall Developer be required to incur higher costs as a result of its commitment to attempt to meet such goals. These goals are based upon a disparity study performed for the Kansas City metropolitan area for LBE, MBE, and WBE participation. These goals are not quotas or set asides.

Business Category	Participation Percentage Goal – Percentage of Total Construction Cost for the Project
LBE	12%
MBE	6%
WBE	4%

It is the intent of the UG to give preference to the utilization of LBEs so long as all other factors relating to the award of an individual contract are equal. If the factors relating to an award of an individual contract are equal, the Developer shall give preference to the utilization of LBEs over the utilization of MBEs and WBEs.

IV. ELIGIBILITY FOR CREDIT

A. Only LBE businesses that are qualified and/or MBE or WBE businesses that are certified or undergoing certification by the Kansas Department of Commerce, the City of Kansas City, Missouri, the State of Missouri, the Missouri Department of Transportation, the MidAmerica Minority Business Development Council, and/or the Women's Business Enterprise National Council or any other applicable or appropriate public or private entity or other entity mutually acceptable to the UG and the Developer (each, an "approved" business) may be counted towards the participation goals in Section III above.

B. In the event that a contract has been awarded on the Project to an approved LBE, MBE, or WBE business, and such LBE, MBE or WBE business later becomes unapproved prior to the completion and acceptance of all the work to be provided under such contract, then Developer shall receive credit towards the goal for only that portion of work performed or services provided up to the point such business becomes unapproved.

V. CONSTRUCTION UTILIZATION

A. The goals set forth in Section III may be met by the expenditure of dollars with approved LBE, MBE and/or WBE businesses, contractors, labor suppliers, regular dealers, manufacturers, material suppliers, subcontractors, software vendors, consultants, other Construction-related products, suppliers, and/or services, or through joint ventures with approved LBEs, MBEs or WBEs. The participation of certified LBE, MBE and/or WBE Proposers may count toward a goal for which they qualify.

B. A joint venture involving an approved LBE, MBE, and/or WBE as a partner may be counted towards the applicable goal only to the extent of the dollar amount for which the approved LBE, MBE, and/or WBE is responsible; provided that if the LBE, MBE, and/or WBE is the majority partner in such joint venture, then the entire joint venture contract amount shall be counted, less any work subcontracted to the non LBE, MBE, and/or WBE joint venture partner. To receive credit, the approved LBE, MBE, and/or WBE must be responsible for a clearly defined portion of the work, profits, risks, assets, and liabilities of the joint venture.

C. Participation by a certified MBE owned by a minority woman may be counted as MBE participation or as WBE participation; however, this participation cannot be counted both for MBE and WBE participation. However, a certified MBE or WBE that also qualifies as an LBE may also be counted towards the LBE goal. For additional clarification purposes, a qualified LBE, which also certified as an MBE or WBE, shall be counted toward both the LBE and the MBE or WBE goals in the Developer's sole discretion.

D. The LBE, MBE, or WBE must be responsible for the execution of a distinct element of the work by actually performing, managing, or supervising its function in the work identified in the agreement with such LBE, MBE or WBE. Brokering is not credited.

VI. CONTRACT AWARD COMPLIANCE PROCEDURES

A. Solicitation Documents. The solicitation documents, for each contract for which goals are established, shall contain a description of the requirements set forth in this Agreement and the LBE, MBE, and WBE goals. Upon request by the UG, Developer shall submit the solicitation documents and the bid list to the UG.

B. Subcontractor Relations - Documentation of Subcontracting Agreements. All subcontracting services for LBE, MBE and/or WBE businesses shall be evidenced by an agreement which shall include the scope of work to be performed and the amount to be paid for performance of the work. Unit price subcontracts are acceptable if appropriate to the type of work being performed.

VII. UG'S ASSISTANCE TO PROJECT

The UG shall use its best efforts to provide assistance to Developer and its agents so that Developer may fulfill its participation goals as set forth in this Agreement. The Developer assumes all responsibility for its efforts in meeting the goals and complying with the procedures and processes set forth herein. Examples of such assistance by the UG include but are not limited to:

A. providing information and technical assistance regarding this Project to the Developer and its agents including the Contractor and any other contractors, subcontractors, LBEs, MBEs, WBEs, officials and other interested persons;

B. developing and maintaining a registry of approved LBE, MBE and WBE businesses;

C. assisting with identifying potential LBEs, MBEs, and WBEs and reviewing their qualifications to participate in the Project;

D. updating the Developer and its agents on current or proposed affirmative action legislation enacted by the UG that may affect the Project;

E. frequently reviewing Developer and the Contractor and any other contractor or subcontractor performance and LBE, MBE, and/or WBE participation on the Project;

F. providing advice relative to utilization and compliance matters;

G. conducting compliance reviews and audits of LBE, MBE, and WBE and participation;

H. assisting the Developer and its agents in addressing issues related to the goals and procedures set forth in this Agreement;

I. reviewing complaints from LBEs, MBEs, WBEs, and any other interested persons regarding these goals and procedures with Developer and its agents; and

J. assisting in the Developer's development of forms to document compliance with these procedures.

VIII. DEVELOPER COMPLIANCE; RECORDS AND REPORTS.

A. Records. Developer shall maintain those records as may reasonably be required to demonstrate compliance with the goals and procedures set forth in this Agreement. These records shall be made available to the UG at Developer's offices during business hours and upon reasonable advance notice.

B. Construction Utilization Plan Reports. Developer shall provide the UG with information sufficient to document the participation under this Agreement, which may include periodically providing the Construction Utilization Plan as set forth on Exhibit 2. Such information may include for each LBE, MBE, or WBE whose participation is utilized by Developer to be applied to the goals set forth herein: business name and address of each LBE, MBE, and/or WBE; and a brief description of the work to be performed by each such LBE, MBE and/or WBE.

C. Remedies. If, after review of the Developer's construction and related reports by the Unified Government Contract Compliance Department, the UG determines that the participation goals contained in this Agreement have not been met, then the UG shall have such remedies as set forth in Section 8.2 of the Development Agreement. The UG shall also have the right to renegotiate LBE, MBE, and WBE goals for future construction projects.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS	**SPKS MISSION HILLS, LLC**
By: ______________________	By: ______________________
Douglas G. Bach	Name: ______________________
County Administrator	Title: ______________________
Date: ______________________	Date: ______________________

EXHIBIT 1
Legal Description -- Link

EXHIBIT 2

Construction Utilization Plan

ANNEX 1
DEFINITIONS

"Affiliate" means any person, entity, or group of persons or entities which controls Developer, which Developer controls, or which is under common control with Developer. As used herein, the term "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management and policies, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" means this Development Agreement for The Marek at Mission Cliffs by and between the UG and Developer.

"Applicable Laws and Requirements" shall mean any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, authorization, directive, requirement or decision of or agreement with or by Government Authorities, and all requirements of any insurers. Applicable Laws and Requirements shall include, without limitation, the Development Plan, the Kansas Cash Basis Law (K.S.A. 10-1100 *et seq.*) and Budget Law (K.S.A. 79-2925 *et seq.*).

"Approved Assignment" means any assignment, sale, lease, mortgage, merger or other transfer which is consented to by the UG pursuant to Section 7.13.

"Assignee" means the assignee, purchaser, lessee, mortgagee, or transferee of an Approved Assignment pursuant to Section 7.13.

"Casualty" means any fire, storm, earthquake, tornado, flood or natural disaster or other sudden, unexpected or unusual cause of damage or destruction.

"Casualty Escrow" means the net proceeds of any insurance relating to damage or destruction of any portion of the Improvements, the net proceeds of condemnation or taking of any portion of the Improvements, or the net proceeds of any realization on title insurance paid into, and used in accordance with, a construction escrow agreement for restoration, repair and/or replacement of the Project which is satisfactory to the UG, Developer, and Permitted Mortgagee, as described in Section 7.11(a).

"Closing" means the date on which Developer shall close on the acquisition of the Project Site.

"Completion Date" means the applicable date identified for completion of construction of the Improvements, as described in Section 6.9.

"Construction Documents" means the Developer's construction documents relative to the Improvements, as described in Section 6.3.

"Developer" means SPKS Mission Hills, LLC, a Delaware limited liability company.

"Development Plan" means the plan for the Improvements agreed to by Developer and the UG, as described in Section 2.2.

"Effective Date" means the date of this Agreement first above written.

"Environmental Regulation" means any and all present and future laws, statutes, ordinances, rules, regulations and orders of any Government Authorities having jurisdiction over the parties hereto or any portion of the Project Site and pertaining to the protection of human health, hazardous substances, pollution, or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, and as the same may be further amended from time to time (hereinafter collectively called "CERCLA").

"Force Majeure" is defined in Section 10.2.

"GAAP" means generally accepted accounting principles.

"General Contractor" means the general contractor(s) selected by Developer for the Improvements, as described in Section 6.3.

"Government Authorities" shall mean any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, county, district, municipality, city or otherwise), whether now or hereafter in existence.

"Hazardous Substance" means any substance that is defined or listed as a hazardous or toxic substance and which is regulated as such or may form the basis of liability under any present or future Environmental Regulations, or that is otherwise prohibited or subject to investigation or remediation under any present or future Environmental Regulations because of its hazardous, toxic, or dangerous properties, including, without limitation, (i) any substance that is a "hazardous substance" under CERCLA, and (ii) petroleum, natural gas, natural gas liquids, liquefied natural gas, and synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas), only to the extent that the constituents of such synthetic gas are released or threatened to be released into the environment.

"Improvements" means those certain improvements to be developed, constructed, completed, and operated on the Project Site, as described in Section 2.2.

"Insurance Specifications" means the insurance requirements on Developer in connection with the Project, as generally described in Section 7.10 and more fully set forth in **Exhibit E**.

"IRB" means industrial revenue bond financing pursuant to K.S.A. 12-1741 *et seq.*

"KU Med" means the University of Kansas Medical Center.

"Material Changes" means any substantial change to any agreement, plan or other document referred to herein, which change would require changes to Developer's permits or approval of the appropriate Government Authorities or is required by Applicable Laws and Requirements.

"Option Contract" means that certain Option Contract for Real Estate Purchase Agreement dated as of February 19, 2019 (as amended) between the UG and Developer, as described in Recital A.

"Option Property" means the real property currently owned by the UG, which Developer has an option to purchase pursuant to the Option Contract, as described in Recital A and legally described on **Exhibit A-2**.

"Owned Property" means the real property currently owned by Developer which is generally located west of the intersection of West Lake Avenue and South Thompson Street in Kansas City, Kansas, as described in Recital A and legally described on **Exhibit A-1**.

"Parking Improvements" means any parking improvements provided for in Section 2.2(c).

"Permitted Encumbrances" means any liens, restrictions, claims, easements, rights-of-way, encroachments, reservations, or other matters or encumbrances affecting the Project Site, which are acceptable to Developer in its sole discretion.

"Permitted Mortgage" means any mortgage placed on the Project Site or any part thereof in connection with any construction or permanent financing of the Project.

"Permitted Mortgagee" means the holder of the Permitted Mortgage.

"Permitted Uses" means multi-family residential apartment buildings, including amenities and related infrastructure, as described in Section 2.2.

"Person" shall mean any natural person, firm, partnership, association, corporation, limited liability company, trust, entity, public body or government or other entity.

"PILOT" means the payment-in-lieu-of-taxes to be paid by Developer pursuant to the PILOT Schedule attached hereto as **Exhibit D**, as described in Section 4.1(b).

"Plans and Specifications" means those plans and specifications for the Improvements, as described in Section 6.2.

"Prime Rate" means the rate of interest announced from time to time by Security Bank of Kansas City, or any successor to it. If such bank, or any successor to it, ceases to announce a prime rate, the UG shall designate a reasonably comparable financial institution for purposes of determining the Prime Rate.

"Project" means the design, development, and construction of certain Improvements on the Project Site for use as apartment buildings and related amenities, as described in Recital B and Section 2.2.

"Project Site" means the Owned Property and the Option Property, as described in Recital A, legally described on **Exhibit A-1** and **Exhibit A-2**, and generally depicted on **Exhibit A-3**.

"Public Financing Conditions" means the conditions precedent to the issuance and delivery to Developer of any public financing contemplated under the terms of the Agreement, as described in Section 3.1.

"State" means the State of Kansas.

"Substantial Completion" or **"Substantially Complete"** means the stage in the progress of the construction of the Project, or as to any particular portion thereof, when construction is sufficiently complete so that the Project or such particular portion can be occupied or utilized for its intended use (which shall be evidenced by the receipt a temporary certificate of occupancy).

"Term" means the term of this Agreement, as described in Section 7.1.

"Transaction Documents" means the lease, along with any bond trust indentures, bond purchase agreements, tax compliance agreements, financing agreements, and other similar documents executed and delivered by the parties in connection with the IRB financing.

"Total Project Budget" means the budget attached hereto as **Exhibit C.**

"Total Project Costs" means the costs of acquiring, designing, developing, constructing and completing the Project, as more particularly set forth in the Total Project Budget attached hereto as **Exhibit C**.

"UG" means the Unified Government of Wyandotte County/Kansas City, Kansas.

Staff Request for Commission Action

Tracking No. 20232

Full Commission Meeting Date: 7/30/20 and public hearing 8/13/20

Committee: Economic Development & Finance

Date of Standing Committee Action: 7/6/20 (If none, please explain):

Publication Required: Yes

Date:	Contact Name:	Contact Phone:	Contact Email:	Department/Division:
6/23/2020	Katherine Carttar	x5176	kcarttar@wycokck.org	Economic Development

Item Description:
The Yards II Apartment and Riverfront Development Plan to request the establishment of the Riverfront TIF District to build a 200+ unit luxury apartment complex and allow for future riverfront development.

Action Requested:
Approve

Budget Impact: (if applicable)
Amount:
Source:
Included In Budget:
Other (explain):

Attachments List:
6-24-20 Executive Summary - The Yards II DA, Resolution Approving Yards II Development Agreement, Development Agreement (the Yards II), Resolution calling TIF PH (UG Yards II)

6/24/20 EXECUTIVE SUMMARY
THE YARDS II DEVELOPMENT AGREEMENT

1. **Parties**. The UG and KC The Yards 2, LLC, an Indiana limited liability company ("Developer"), which is a single-purpose entity owned by Flaherty & Collins Properties, a multi-family developer headquartered in Indianapolis.

2. **The Project Site**. The Project Site is approximately three acres of real property generally located west of State Line Road, east of the Kansas River, north of Kansas Avenue, and south of Interstate 670 in the West Bottoms in Kansas City, Kansas. Developer has an option to acquire the Project Site with the current owner of the land.

3. **The Project**. The Project is to be designed, constructed and developed as a first-class mixed use development consisting of the following components:

(a) a first-class luxury apartment building which is of the same or better quality than the Yards Apartment Building (located at 1660 Genesee Street in Kansas City, Missouri), renting for a market rate comparable to similar multi-family offerings (with a blended rate of approximately $1.73 per square foot), and consisting of approximately 225-240 total units, approximately 65% to 70% of which are expected to be one-bedroom units, and approximately 30% to 35% of which are expected to be a mix of two-bedroom and three-bedroom units, and including site amenities and related infrastructure. Project amenities shall include: (i) health and fitness facilities, (ii) outdoor kitchen and grills, and patio space; (iii) in-unit washer/dryer, refrigerator, oven/range, and microwave; (iv) elevator-service, secure access and conditioned interior corridors; and a (v) dog park; and

(b) The first floor of the building may include approximately 6,000 square feet of retail space (the "Retail Space") for retail, restaurant and entertainment uses. The UG and Developer agree that Developer is not required to construct the Retail Space within the Project, but if Developer does complete construction of the Project and the Retail Space is not included therein, the UG terminate the CID which is otherwise provided for in this Agreement.

4. **Timing**. Developer will commence construction on or before December 31, 2023 and Developer will complete the Project by December 31, 2025 at the latest.

5. **Incentive Financing Provided**. The UG is offering the following incentives to stimulate the development of the Project:

(a) Tax Increment Financing ("TIF") District. The Agreement will provide for formation of a Riverfront TIF District that encompasses all of the Project Site, as well as other Project Areas south of the Project along the banks of the Kansas River. This Agreement will only govern and control the development of Project Area 1 of the Riverfront TIF District – which is the location of the Project Site. Developer will be reimbursed on a pay-as-you-go basis (no bonds) with incremental real property taxes from the TIF District which are equal to 100% of the increase in property taxes for Project Area 1 for up to the maximum 20 years of TIF collection period. The TIF financing is only for reimbursement of the costs of acquisition of the Project Site, construction of site improvements and other TIF-eligible expenses, as well as interest on approved but not yet reimbursed TIF eligible expenses at a rate equal to 6.25% per annum. The TIF financing would also be limited in the following ways:

(i) the maximum amount of all TIF reimbursements to Developer is capped at $11,000,000 (the "TIF Cap"); and

(ii) the TIF collection period ends on the earlier of the date that Developer has been reimbursed for all TIF eligible expenses in an amount equal to the TIF Cap or 20 years from the date that the Commission approves the TIF project plan;

(iii) reimbursement would be paid on a 50/50 basis between private funds and the available incentive proceeds to ensure that at all times, the UG will not have paid more TIF proceeds to Developer than the amount of project costs paid by private funds; and

(iv) In addition to the other limitations described above, upon completion of the Project, the TIF Cap shall be reduced if and to the extent that the TIF Eligible Expenses, including interest reimbursed to Developer from Project Area 1, and CID Eligible Expenses shall be more than 23% of the total costs of the Project (including the Private Funds for the Project). In other words, if and to the extent that the TIF Eligible Expenses, including interest, and CID Eligible Expenses combined shall be more than 23% of the total Project Costs, then the TIF Cap shall be reduced so that public incentives provided to the Project shall not be more than 23% of the total Project Costs.

(b) CID Sales Tax. The Agreement will provide for a community improvement district (a "CID") on the Project Site (and not including the rest of the Riverfront TIF District) with a 1% add-on CID sales tax tangible sales or services which are taxable within the CID. If (and only if) the Developer designs and builds the retail components of the Project described in Section 3(b) above, the revenues from this CID Sales Tax will be available to Developer to be used for pay-as-you-go financing (no bonds) for site improvement and hard construction costs within the CID. The CID would be limited in the following ways:

(i) the maximum amount of CID reimbursements to Developer would be capped at $285,000 (the "CID Cap");

(ii) the CID collection period ends on the earlier of the date that Developer has been reimbursed for all CID eligible expenses in an amount equal to the CID Cap or date which is twenty-two (22) years from the date that the CID Sales Tax is first imposed; and

(iii) reimbursement would be paid on a 50/50 basis between private funds and the available incentive proceeds to ensure that at all times, the UG will not have paid more CID proceeds to Developer than the amount of project costs paid by private funds.

6. **Industrial Revenue Bonds ("IRBs").** The Agreement will provide for IRB financing for Developer to obtain an exemption on sales taxes for construction materials, equipment and furnishings for the Project, but not for abatement of ad valorem property taxes.

7. **Term/Use and Operation**. The term of this Agreement runs for the later of (a) the life of the CID, (b) the life of the TIF District, or (c) 20 years after the date of the Agreement. During the term, Developer has agreed to all of the UG's standard use and operation requirements in Article 7, including restrictions on uses (6.2(c)), compliance with law (6.5), payment of taxes (6.6), insurance (6.10), and indemnification (6.12).

8. **MBE/WBE/LBE**. Developer has agreed to the following participation goals for construction of the Project:

	Construction	Professional Services
LBE	18%	18%
MBE	15%	13%
WBE	7%	8%

If, upon completion of Project, Developer shall have failed to use best efforts to meet the LBE/MBE/WBE goals, then the UG shall have the right to reduce the CID Cap and TIF Cap by 2.5% for each of Construction and Professional Services.

9. **Assignment/Transfer**. In general, Section 6.13 provides that Developer cannot sell, mortgage or transfer the site or the Project without UG approval, which approval would be at the UG's reasonable discretion. However, the UG does agree that Developer may make leases to tenants in the multi-family part of the Project and/or tenants in the retail portions of the Project. Developer may also make assignments to affiliates.

10. **Default**. The default provisions are generally consistent with other development agreements.

RESOLUTION NO. R-____-20

A RESOLUTION ADOPTING THE DEVELOPMENT AGREEMENT (THE YARDS II).

WHEREAS, KC THE YARDS 2, LLC, an Indiana limited liability company ("Developer") plans to design, develop, construct and complete a first-class apartment complex and related amenities (the "Project"), on approximately three (3) acres of real property generally located west of State Line Road, east of the Kansas River, north of Kansas Avenue, and south of Interstate 670 in the historic West Bottoms in Kansas City, Kansas (the "Project Site"); and

WHEREAS, development of the Project should attract new residents to the community, stimulate the economy of Wyandotte County through additional real property taxes, sales taxes, and other indirect spending at other nearby businesses when residents visit the surrounding businesses, and provide a work force for Wyandotte County employers, all of which would promote the public good, health, and welfare within Wyandotte County; and

WHEREAS, the Governing Body has determined that it is advisable to enter into the Development Agreement (The Yards II) with Developer (the "Development Agreement"), attached hereto as **Exhibit A**.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS:

Section 1. That the Governing Body hereby approves the Development Agreement in substantially the form attached hereto.

Section 2. That the Mayor is hereby authorized to execute in the name of the UG, the Development Agreement, and the County Administrator and other officials and representatives of the UG, including special counsel, are hereby further authorized and directed to take such actions and to execute any other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 3. This Resolution shall be effective upon adoption by the Governing Body.

[Remainder of page intentionally left blank; signatures follow.]

ADOPTED BY THE UNIFIED GOVERNMENT BOARD OF COMMISSIONERS THIS _____TH DAY OF _______________, 2020.

____
David Alvey, Mayor/CEO

ATTEST:

____
Unified Government Clerk

(Seal)

<u>EXHIBIT A</u>

Development Agreement

[To be attached.]

DEVELOPMENT AGREEMENT
(THE YARDS II)

This DEVELOPMENT AGREEMENT (this "Agreement") is made as of the ______ day of ______________, 2020 (the "Effective Date") by and between the Unified Government of Wyandotte County/Kansas City, Kansas (the "UG"), and KC THE YARDS 2, LLC, an Indiana limited liability company ("Developer").

RECITALS

A. Developer wishes to design, develop, and construct a first-class apartment complex and related amenities (the "Project," as further defined below in Section 2.2) on approximately three (3) acres of real property generally located west of State Line Road, east of the Kansas River, north of Kansas Avenue, and south of Interstate 670 in the historic West Bottoms in Kansas City, Kansas (the "Project Site"), as legally described on **Exhibit A-1** and generally depicted on **Exhibit A-2**, as attached hereto.

B. Developer does not yet own the Project Site, but has the right to acquire the Project Site and shall, upon closing, have all rights to occupy and develop the same as set forth herein.

C. The UG recognizes that Wyandotte County's consumer demand for new, upscale rental living units is currently underserved by the existing inventory, particularly in this part of Wyandotte County, and the lack of sufficient high-end living units causes many people who work nearby to live outside Wyandotte County, which limits Wyandotte County's ability to capitalize on the opportunity to attract residents to the County from other parts of the Kansas City metropolitan area.

D. Development of the Project should attract new residents to the community, stimulate the economy of Wyandotte County through additional real property taxes, sales taxes, and other indirect spending at other nearby businesses when residents visit the surrounding businesses, and provide a work force for Wyandotte County employers, all of which would promote the public good, health, and welfare within Wyandotte County.

E. The UG has the authority to create a tax increment financing ("TIF") district pursuant to K.S.A. 12-1770 *et seq.*, as amended from time to time (the "TIF Act"), for the purpose of financing certain economic development projects. On _______________, 2020, the UG found the Project Site, and other property adjacent thereto, to be an eligible area under the TIF Act as an enterprise zone designated prior to July 1, 1992, and the UG approved the creation of a TIF district pursuant to the TIF Act (the "TIF District") through the adoption of Ordinance No. O-____-____ (the "TIF District Ordinance"). A copy of the TIF District Ordinance is attached hereto as **Exhibit B**. A legal description of the boundaries of the TIF District is attached hereto as **Exhibit C-1**, and a map generally depicting the boundaries of the TIF District is attached hereto as **Exhibit C-2**.

F. The TIF District includes four (4) separate and distinct project areas (each a "Project Area" and collectively, the "Project Areas"). The Project comprises "Project Area 1". The TIF District Ordinance calls for the other Project Areas to provide for future development of retail, restaurant, entertainment, residential, and any other commercial uses (including but not limited to office, non-profit, governmental or community use). Development of the other Project Areas is not governed by the terms and conditions of this Agreement.

G. The UG will hold a public hearing in connection with Developer's proposed Redevelopment Project Plan for Project Area 1 of the TIF District (the "Project Plan"), pursuant to the TIF Act. If the UG approves and adopts the Project Plan through the adoption of an ordinance pursuant to the TIF Act (the "TIF Project Plan Ordinance"), a copy of the TIF Project Plan Ordinance will be attached hereto as **Exhibit D**. The Project Plan will provide, among other things, for the collection of Incremental Real Property Taxes (defined below in Section 4.2(a)(i)) within Project Area 1 of the TIF District to be disbursed to and used by Developer and the UG on a pay-as-you-go basis to reimburse certain TIF Eligible Expenses (defined below in Section 4.2).

H. The UG also has the authority to create a community improvement district (a "CID") pursuant to K.S.A. 12-6a26 *et seq*., as amended from time to time (the "CID Act") for the purpose of financing certain economic development projects. Under the CID Act, the owners of the land within the boundaries of a proposed CID may petition the UG to request the creation of a CID and to impose an additional CID sales tax on the sale of tangible personal property at retail or the rendering or furnishing of services which are taxable within the boundaries of the CID in order to pay for or reimburse the costs of a portion of a CID project.

I. On or about ____________, 2020, the owner(s) of the Project Site submitted a petition (the "CID Petition") to the UG requesting the formation of a CID encompassing a portion of the Project Site (the "CID"). The Retail Space described in Section 2.2(b) would be located within the CID. A copy of the CID Petition is attached hereto as **Exhibit E**. A legal description of the boundaries of the CID is attached hereto as **Exhibit E-1**, and a map generally depicting the boundaries of the CID is attached hereto as **Exhibit E-2**.

J. On _____________, 2020, the UG approved the creation of the CID pursuant to the CID Act through the passage of Ordinance No. O-____-____ (the "CID Ordinance"). As contemplated in the CID Petition, the CID Ordinance calls for the imposition of a CID sales tax of one percent (1.0%) within the CID (the "CID Sales Tax") to be collected and disbursed by the UG on a pay-as-you-go basis to reimburse certain CID Eligible Expenses (defined in Section 4.4 below). The CID Ordinance specifies that the CID Sales Tax is to commence on _____________, 20___, or such other date mutually agreed to by Developer, and/or the owners collectively of more than fifty-five percent (55%) of land area and owners of more than fifty-five percent (55%) of the assessed value of land area within the CID, and the UG in accordance with the CID Act. The CID Ordinance is attached hereto as **Exhibit F**.

K. In connection with the Project, Developer has also requested industrial revenue bond ("IRB") financing in order to pay certain project costs pursuant to K.S.A. 12-1741 *et seq.* Pursuant to the terms and conditions set forth in Section 4.11 below, the parties hereby agree that Developer may use IRB financing for the limited purpose of obtaining an exemption on sales taxes for construction materials, equipment and furnishings for the portions of the Project located within the Project Site, and not for abatement of ad valorem property taxes on the Project Site.

L. The parties agree that the Project is not financially feasible without the public-private partnership as set forth in this Agreement, and therefore the parties wish to enter into this Agreement to provide the necessary financing for the Project.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the UG and Developer hereby agree as follows:

ARTICLE 1. DEFINITIONS AND INTERPRETATION

1.1 Interpretation. In this Agreement, unless a clear contrary intention appears:

(a) the singular number includes the plural number and vice versa;

(b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;

(c) reference to any gender includes each other gender;

(d) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;

(e) reference in this Agreement to any article, section, appendix, annex, schedule or exhibit means such article or section thereof or appendix, annex, schedule or exhibit thereto;

(f) each of the items or agreements identified on the attached Index of Exhibits are deemed part of this Agreement to the same extent as if set forth herein;

(g) "hereunder", "hereof", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular article, section or other provision thereof;

(h) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and

(i) relative to the determination of any period of time, "from" means "from and including" and "to" means "to but excluding."

1.2 Accounting Terms. Unless expressly otherwise provided, accounting terms shall be construed and interpreted, and accounting determination and computations shall be made, in accordance with GAAP.

1.3 Legal Representation of the Parties. This Agreement was negotiated by the parties hereto with the benefit of legal representation and any rules of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party shall not apply to any construction or interpretation hereof or thereof.

1.4 Definitions. All capitalized terms used in this Agreement shall have the meanings ascribed to them in Annex 1 attached hereto and made a part hereof, or as otherwise provided herein.

ARTICLE 2. THE PROJECT

2.1 Undertaking of Developer. Developer hereby agrees, subject to the terms and conditions hereinafter provided, to develop, construct, complete and operate the Project. The performance of all activities by Developer hereunder shall not be as an agent of the UG, except as otherwise specifically provided herein.

2.2 Development of the Project Site. The UG and Developer hereby agree that the Project shall be as described below. Developer contemplates that all buildings, parking structures and other improvements constituting the Project, as specifically described in this Section 2.2 (the "Improvements"), shall be developed, constructed, completed, and operated on the Project Site in substantial accordance and compliance with the terms and conditions of this Section 2.2 and the final site plan approval from the UG's Planning Commission (the "Development Plan"). On and subject to the terms and provisions set forth in this Agreement, Developer shall have the sole right to, and shall be responsible for, design, construction, equipment and completion of the Improvements, and shall operate and use the Improvements in the manner described herein, all in accordance with the terms of this Section 2.2 and all other Applicable Laws and Requirements. The parties further agree as follows:

(a) The Project shall be designed, developed and constructed as a first-class luxury apartment building and shall, at minimum, include the following Improvements: a high-end apartment building, of the same or better quality than the Yards Apartment Building (located at 1660 Genesee Street in Kansas City, Missouri), renting for market rents typical and comparable to other high end, luxury apartments (with a blended rate of approximately $1.73 per square foot), and consisting of approximately 225-240 total units, approximately 65% to 70% of which are expected to be one-bedroom units, and approximately 30% to 35% of which are expected to be a mix of two-bedroom and three-bedroom units, and including site amenities and related infrastructure. Project amenities shall include: (i) health and fitness facilities, (ii) outdoor kitchen and grills, and patio space; (iii) in-unit washer/dryer, refrigerator, oven/range, and microwave; (iv) elevator-service, secure access and conditioned interior corridors; and a (v) dog park. The management/leasing office for the Project will be located in the Yards Phase I building located at 1660 Genessee Street in Kansas City, Missouri.

(b) The first floor of the building may include approximately 6,000 square feet of retail space (the "Retail Space") for retail, restaurant and entertainment uses, subject always to the restrictions set forth in Section 6.2(c) below. The UG and Developer agree that Developer is not required to construct the Retail Space within the Project, but if Developer does complete construction of the Project and the Retail Space is not included therein, the UG terminate the CID which is otherwise provided for in this Agreement.

(c) Developer recognizes, stipulates and agrees that its signage shall be subject to all Applicable Laws and Requirements, and any special use permits granted by the UG's Board of Commissioners. The UG hereby agrees that it will, to the extent possible, expedite consideration of Developer's proposed signage and cooperate with Developer to reasonably accommodate Developer's signage requirements.

(d) The Project shall include parking improvements containing at least the number of spaces required by the Applicable Laws and Requirements (the "Parking Improvements").

(e) Developer's plans for landscaping on the Project Site shall be considered in accordance with all Applicable Laws and Requirements and approval thereof by the UG will not be unreasonably withheld.

(f) Developer's design, development and construction of the Improvements shall in all respects comply with the Plans and Specifications.

(g) The Project described in this Section 2.2 shall not be amended or modified without (i) the prior written consent of the UG, which consent shall not be unreasonably withheld, and (ii) full compliance with all Applicable Laws and Requirements.

2.3 General Agreements. Developer agrees to promptly and completely perform each and all of its duties and obligations under this Agreement and the other Transaction Documents. The UG agrees to promptly and completely perform each and all of its duties and obligations under this Agreement and the other Transaction Documents.

ARTICLE 3. CONDITIONS

3.1 Public Financing Conditions. The issuance and delivery to Developer of any public financing contemplated under the terms of this Agreement shall be subject to the following conditions precedent (the "Public Financing Conditions"):

(a) Financing Plan. Developer shall secure and provide evidence of immediately available private funds which, when added to the TIF Proceeds (defined below in Section 4.2(a)(iii)), the CID Proceeds (defined below in Section 4.4(b) and the benefits of the IRBs (defined below in Section 4.11), are sufficient to complete the Improvements. Developer shall provide evidence of such private funds in form and substance verifiable and approved by the UG's County Administrator in his sole discretion, in the form of: (x) cash funds held in a bank account; or (y) private equity and/or a closed loan from a financial institution that is ready, willing and able to provide construction draws for the Project, subject only to normal and customary draw conditions that are approved by the UG;

(b) Closing. Developer shall close on its acquisition of the Project Site;

(c) Project Plan Approval. The UG's Board of Commissioners shall have approved the Project Plan by approval of the TIF Project Plan Ordinance described in Recital G above, or Developer shall have waived this requirement in writing;

(d) IRBs. The UG's Board of Commissioners shall have approved a Resolution of Intent for the IRB financing described in Section 4.11 below, or Developer shall have waived this requirement in writing;

(e) CID. The UG's Board of Commissioners shall have approved the Pay-As-You-Go CID Financing described in Section 4.4 below by adoption of the CID Ordinance, or Developer shall have waived this requirement in writing; and

(f) Final Site Plan Approval. Developer shall have obtained all final site plan approvals and any other required approvals for the Improvements as required by all Applicable Laws and Requirements.

(The Public Financing Conditions set out in Section 3.1 (c), (d), (e) and (f) above shall collectively be referred to as the "Developer's Public Financing Conditions". The Public Financing Conditions set out in Section 3.1 (a) and (b) above shall collectively be referred to as the "UG's Public Financing Conditions".)

Where approval of the UG is required for the various conditions set forth in this Section 3.1, such approval shall be granted or withheld by the County Administrator in his sole, but reasonable discretion.

3.2 Termination.

(a) By the UG. In the event that the UG's Public Financing Conditions are not met or waived on or prior to March 1, 2021 (the "UG's Conditions Date"), then the UG shall have the right to terminate this Agreement, but such failure shall not be an event of default hereunder. Upon any such termination of this Agreement, the parties hereto shall have no further duty, obligation, or liability each to the other hereunder, except for those provisions that are specifically set forth herein to survive termination of this Agreement, and without limiting the generality of the foregoing, Developer shall be solely liable and responsible for all of its costs and expenses incurred by it with respect to this Agreement and the transactions contemplated hereby, and except for the fees and expenses of the UG to be paid for by Developer pursuant to that certain Funding Agreement dated as of March 17, 2020, as amended, and the provisions of this Agreement, the UG shall be solely liable and responsible for all costs and expenses incurred by it with respect to this Agreement and the transactions contemplated hereby.

(b) By Developer. In the event that the Developer's Public Financing Conditions are not met or waived on or prior to March 1, 2021 (the "Developer's Conditions Date"), then the Developer shall have the right to terminate this Agreement, but such failure shall not be an event of default hereunder. Upon any such termination of this Agreement, the parties hereto shall have no further duty, obligation, or liability each to the other hereunder, except for those provisions that are specifically set forth herein to survive termination of this Agreement, and without limiting the generality of the foregoing, Developer shall be solely liable and responsible for all of its costs and expenses incurred by it with respect to this Agreement and the transactions contemplated hereby, and except for the fees and expenses of the UG to be paid for by Developer pursuant to that certain Funding Agreement dated as of March 17, 2020, as amended, and the provisions of this Agreement, the UG shall be solely liable and responsible for all costs and expenses incurred by it with respect to this Agreement and the transactions contemplated hereby.

ARTICLE 4. FINANCING — SOURCE OF FUNDS

4.1 Public Financing; Source of Funds. Reference is hereby made to the Total Project Budget attached hereto as **Exhibit G**, and by this reference made a part hereof. The costs of the Project (the "Project Costs") will be funded in part by public incentives, including the TIF Proceeds, IRBs and CID Proceeds, as well as private equity and debt. Developer, using private equity and debt (the "Private Funds"), will initially advance all of the costs for the design, development and construction of the Project. Subject to the terms and conditions of this Agreement, Developer shall be reimbursed for certain TIF Eligible Expenses from and to the extent of the TIF Proceeds collected during the Term (defined below in Section 6.1) and Developer shall be reimbursed for certain CID Eligible Expenses from and to the extent of the CID Proceeds collected during the Term.

4.2 TIF District. It is contemplated by the parties that the Project Costs shall be funded in part by TIF Proceeds. Developer has identified certain Project Costs which may be reimbursed with TIF Proceeds if and to the extent that such Project Costs are related to site improvement and the design and construction costs located within Project Area 1 of the TIF District, all as specifically identified on **Exhibit G** attached hereto, along with Interest (defined below in Section 4.3), and eligible for payment or reimbursement pursuant to the TIF Act (the "TIF Eligible Expenses"). In connection with the TIF District, the parties hereby agree as follows:

(a) Collection of TIF Revenues. For a period of twenty (20) years from the approval of the Project Plan, the UG shall collect Incremental Real Property Taxes as set forth below, unless the TIF District shall be earlier terminated pursuant to the express terms of this Agreement.

(i) Incremental Real Property Taxes. Subject to the terms and conditions of this Agreement and the TIF District Ordinance, the UG herby agrees that the TIF Eligible Expenses may be financed and reimbursed with Pay-Go TIF Financing (defined below in Section 4.2(b)) from the Incremental Real Property Taxes collected within the TIF District. Pursuant to the provisions of the Project Plan and the TIF Act, including, but not limited to, Section 12-1775(a) of the TIF Act, all real property located within the TIF District is subject to assessment for annual Real Property Taxes. Real Property Taxes shall be due in arrears, with half due on December 20th and half due on May 10th of each year in which said amount is required to be paid, and will be considered delinquent if not paid by such dates of each such year or as otherwise determined by Applicable Laws and Requirements. The obligation to pay Real Property Taxes shall be a covenant running with the land and shall create a lien in favor of the UG on each such tax parcel as constituted from time to time and shall be enforceable against Developer and its successors and assigns in ownership of property in the TIF District. Pursuant to the TIF Act, TIF increment will be collected from the entire TIF District; provided however, that for purposes hereof, the "Incremental Real Property Taxes" means an amount equal to the amount of Real Property Taxes collected from within Project Area 1 of the TIF District that exceeds the amount of Real Property Taxes collected from the Base Year Assessed Valuation of the real property within Project Area 1 of the TIF District, but only to the extent such funds are actually collected and allocated to the TIF District pursuant to the TIF Act. For purposes hereof, the term "Base Year Assessed Valuation" means the assessed valuation of all real properties on the date of publication of the TIF District Ordinance.

(ii) Project Area 1 TIF Fund. During the TIF Collection Period (defined below in Section 4.2(b)(i)), all Incremental Real Property Taxes shall be deposited into a separate fund (the "Project Area 1 TIF Fund"), which shall be established and administered by the UG in compliance with this Agreement and all Applicable Laws and Requirements.

(iii) TIF Proceeds. The revenues received from the Incremental Real Property Taxes, less the TIF Administrative Fee (defined below in Section 4.2(d)), constitute the "TIF Proceeds". The TIF Proceeds shall be used to reimburse Developer for the TIF Eligible Expenses, subject to the limitations in the TIF Act and provided that none of the TIF Proceeds shall be used to pay for anything other than the TIF Eligible Expenses as identified on **Exhibit G** and Interest as described in Section 4.3 below without the prior approval of the UG, in its sole discretion.

(b) Pay-Go TIF Financing. Subject to the terms and conditions of this Agreement, the parties hereby agree that the TIF Proceeds shall be disbursed by the UG to Developer from the Project Area 1 TIF Fund on a pay-as-you-go basis ("Pay-Go TIF Financing") to reimburse Developer for TIF Eligible Expenses, if and to the extent that: (1) there are sufficient TIF Proceeds in the Project Area 1 TIF Fund, (2) Developer has fully satisfied all of the conditions set forth in Section 4.5, (3) Developer has not already been reimbursed for TIF Eligible Expenses in an amount equal to the TIF Cap (as defined below in Section 4.2(b)(ii), and (4) the Term has not yet expired. The parties further agree as follows:

(i) TIF Collection Period. The Incremental Real Property Taxes shall be collected for a period that commences on the date that the Project Plan is approved by the UG's Board of Commissioners up to and concluding upon that date which is the earlier of: (a) the date that Developer has been reimbursed for all TIF Eligible Expenses by Pay-Go TIF Financing in an amount equal to the TIF Cap, or (b) twenty (20) years from the date that the Project Plan was approved (the "TIF Collection Period"). At the end of the TIF Collection Period, the parties understand and agree that the Developer shall have no further access to such Incremental Real Property Taxes to reimburse or pay for TIF Eligible Expenses.

(ii) TIF Cap. The TIF Proceeds available to Developer for reimbursement of TIF Eligible Expenses, including Interest (as defined in Section 4.3 below), through Pay-Go TIF Financing shall in no event exceed $11,000,000 (the "TIF Cap"). The TIF Cap shall, for all purposes set forth herein, operate as a cap on the use of TIF Proceeds for reimbursement to Developer of any of Developer's TIF Eligible Expenses, including Interest. Upon the expiration of the TIF Collection Period, , the parties understand and agree that Developer's access to the Pay-Go TIF Financing shall thereafter terminate.

(iii) Conditions for Reimbursement. Developer shall not receive any reimbursements from Pay-Go TIF Financing unless and until the conditions precedent set forth in Section 4.5 have been fully satisfied or waived by the UG, upon which satisfaction or waiver Developer shall be reimbursed from Pay-Go TIF Financing as provided in this Agreement.

(c) No TIF Bonds. Developer hereby understands and agrees that all reimbursements to Developer hereunder shall be made only from Pay-Go TIF Financing, and nothing in this Agreement shall in any way obligate the UG to issue bonds or other obligations to reimburse Developer for the TIF Eligible Expenses or any other Project Costs.

(d) TIF Administrative Fee. A portion of the Incremental Real Property Taxes shall be used to pay an administrative fee in an amount equal to 1% of such Incremental Real Property Taxes (the "TIF Administrative Fee"). The TIF Administrative Fee shall be due and payable on the date the Incremental Real Property Taxes are received by the UG. Developer hereby understands and agrees that such TIF Administrative Fee shall be withheld by the UG prior to depositing the TIF Proceeds into the Project Area 1 TIF Fund. As and when there are sufficient TIF Proceeds to pay the TIF Administrative Fee, the TIF Administrative Fee shall have first priority to available Incremental Real Property Taxes.

4.3 Interest on TIF Project Costs. Upon Substantial Completion of the Project and the UG's approval of a Certificate of Expenditures (defined below in Section 4.6(a)) for all of the TIF Eligible Expenses related to the Project, interest shall accrue on approved but not yet reimbursed TIF Eligible Expenses at a rate equal to 6.25% per annum ("Interest"). The UG's obligation to reimburse Interest shall be absolutely non-recourse to the UG and in no event shall this provision (or anything else in this Agreement) obligate the UG to reimburse Interest to Developer in excess of the TIF Cap or from any source of funds other than TIF Proceeds from Project Area 1 of the TIF District which are available from time to time, subject always to any default of Developer and the UG's rights and remedies hereunder. The parties further agree that Developer's right to Interest begins to accrue upon the UG's approval of the respective Certificate of Expenditures.

4.4 CID. If and to the extent that Developer shall construct the Retail Space described in Section 2.2(b) above, the parties agree that the Project shall be funded in part by CID Proceeds. Developer has identified certain Project Costs which may be reimbursed with CID Proceeds (as defined below) if and to the extent that such Project Costs are eligible for payment or reimbursement pursuant to the CID Act (the "CID Eligible Expenses"). In connection with the CID, the parties hereby agree as follows:

(a) CID Sales Tax. Subject to the terms and conditions of this Agreement and the CID Ordinance, the UG hereby agrees that the CID Eligible Expenses may be financed and reimbursed with Pay-As-You-Go CID Financing (defined below in Section 4.4(c)) from the imposition of the CID Sales Tax in the amount of one percent (1%) on the sale of tangible personal property at retail or rendering or furnishing of services which are taxable pursuant to the Kansas Retailers' Sales Tax Act (K.S.A. 79-3601 *et seq.*) from only those revenues received from within the CID. Developer agrees to provide to the Kansas Department of Revenue (the "DOR") a list of tenants within the CID within the timeframes required by the DOR, so that the DOR can notify tenants within the CID of their requirement to collect the CID Sales Tax. At the time the list of tenants is provided to the DOR, Developer shall also provide a copy to the UG.

(b) CID Fund/CID Proceeds. During the existence of the CID, the resulting revenue from the imposition of the CID Sales Tax shall be collected and deposited into separate fund (the "CID Fund"), which shall be established and administered by the UG in compliance with this Agreement and all Applicable Laws and Requirements. Following the payment of the CID Administrative Fee (as defined below), the proceeds of CID Sales Tax in the CID Fund (the "CID Proceeds") shall be used to pay or reimburse Developer for the CID Eligible Expenses, subject to the limitations in the CID Act.

(c) Pay-As-You-Go CID Financing. The parties hereby agree that the proceeds from the CID Proceeds shall be disbursed by the UG to Developer quarterly from the CID Fund on a pay-as-you-go basis ("Pay-As-You-Go CID Financing") to reimburse Developer for the CID Eligible Expenses, if and to the extent that: (1) there is sufficient CID Proceeds in the CID Fund, (2) Developer has fully satisfied all of the conditions as set forth in Section 4.5 below, and (3) the CID Collection Period has not yet expired. The parties further agree as follows:

(i) CID Collection Period. The CID Sales Tax shall be collected within the CID for a period that commences on the date that the CID Sales Tax is first imposed within the CID up to and concluding upon the earlier of that date which is twenty-two (22) years from the date that the CID Sales Tax is first imposed, the date CID Proceeds equal to the CID Cap have been disbursed to Developer, or the termination of this Agreement, whichever is earlier (the "CID Collection Period"). At the end of the CID Collection Period, the parties understand and agree that the CID shall thereafter terminate, the CID Sales Tax shall terminate and no longer be levied or collected within the CID, and the UG shall promptly take any action required to so terminate the CID and the CID Sales Tax.

(ii) CID Cap. The CID Proceeds available to Developer for reimbursement of CID Eligible Expenses shall in no event exceed $285,000 (the "CID Cap"). The CID Cap shall, for all purposes set forth herein, operate as a cap on the use of CID Proceeds for reimbursement of any and all CID Eligible Expenses. Once Developer has received an amount equal to the CID Cap for reimbursement of CID Eligible Expenses through Pay-As-You-Go CID Financing, the parties understand and agree that the CID shall thereafter terminate, and the CID Sales Tax shall terminate and no longer be levied or collected within the CID.

(iii) Conditions for Reimbursement. Developer shall not receive any reimbursements from Pay-As-You-Go CID Financing unless and until the conditions precedent set forth in Section 4.5 have been fully satisfied or waived by the UG, upon which satisfaction or waiver Developer shall be reimbursed from Pay-As-You-Go CID Financing as provided in this Agreement.

(d) CID Administrative Fee. A portion of the CID Sales Taxes shall be used to pay an administrative fee in an amount equal to 5% of such CID Taxes (the "CID Administrative Fee"). The CID Administrative Fee shall be due and payable on the date the CID Sales Taxes are received by the UG. Developer hereby understands and agrees that such CID Administrative Fee shall be withheld by the UG prior to depositing the CID Proceeds into the CID Fund. As and when there are sufficient TIF Proceeds to pay the CID Administrative Fee, the CID Administrative Fee shall have first priority to available CID Sales Taxes.

(e) No CID Bonds. Developer hereby understands and agrees that all reimbursements to the Developer for CID Eligible Expenses hereunder shall be made only from Pay-As-You-Go CID Financing, and nothing in this Agreement shall in any way obligate the UG to issue bonds or other obligations to reimburse Developer for the CID Eligible Expenses or any other Project Costs.

(f) Contingent Nature of CID. Developer understands and agrees that the CID approved by the UG pursuant to the CID Ordinance is hereby expressly conditioned upon Developer's construction and completion of the Retail Space described in Section 2.2(b) above contemporaneously with the initial construction of the Project. If Developer does not complete the Retail Space and receive a certificate of occupancy for the Retail Space described in Section 2.2(b) above by the Completion Date (as defined herein) , the UG shall have the right to unilaterally terminate the CID and Developer shall have no further rights to the CID, the CID Sales Tax or the CID Proceeds described in this Section 4.4.

4.5 Conditions Precedent to Reimbursements. Developer hereby understands and agrees that even when TIF Proceeds and/or CID Proceeds have begun to be collected by the UG, the UG will hold and not disburse to Developer any reimbursements for TIF Eligible Expenses from Pay-Go TIF Financing or CID Eligible Expenses from Pay-As-You-Go CID Financing, unless and until the conditions precedent set forth below have been fully satisfied as determined by UG in its sole reasonable discretion:

(a) The UG has approved Certificate(s) of Expenditures for such CID Eligible Expenses and TIF Eligible Expenses as applicable to the cost being certified;

(b) Developer shall have achieved Substantial Completion of the Project; and

(c) Developer shall be in full compliance with the terms and conditions of this Agreement and shall not be in default hereunder, nor shall there be conditions, actions or omissions of Developer which will, with the passage of time, become occurrences of default hereunder.

4.6 Certificate(s) of Expenditures for Reimbursement from TIF and CID. The parties hereby agree as follows:

(a) Certificate of Expenditures. In order to receive payment or reimbursement for TIF Eligible Expenses from Pay-Go TIF Financing or CID Eligible Expenses from Pay-As-You-Go CID Financing, Developer shall submit a certificate of expenditures in the form attached hereto as **Exhibit H** (each, a "Certificate of Expenditures") attesting to the expenditure of Project Costs in accordance with the procedure set forth below. Developer may submit a separate Certificate of Expenditures each month, but no more than one time per month, for the Project Area 1 TIF Fund and CID Fund. Project Costs may only be identified as reimbursed from the Project Area 1 TIF Fund or CID Fund, but not both. Additionally, Developer shall require that no transferee, purchaser, or lessee of any portion of the Project Site otherwise provide Certificate(s) of Expenditures to the UG, except through Developer or except as otherwise approved by the UG and Developer.

(b) Procedures for Certification of Expenditures. The UG or a representative of the UG shall review the Certificate(s) of Expenditures to be made in connection with the Project Costs for approval or denial of the same as follows:

(i) Developer shall submit to the UG a Certificate of Expenditures setting forth the amount for which certification is sought and identification of the relevant Project Costs for payment of such TIF Eligible Expenses from Pay-Go TIF Financing. Developer shall certify to the UG that it shall only use the TIF Proceeds for the TIF Eligible Expenses described in the Certificate of Expenditures thereon.

(ii) Developer shall submit to the UG a Certificate of Expenditures setting forth the amount for which certification is sought and identification of the relevant Project Costs for payment of such as CID Eligible Expenses from Pay-As-You-Go CID Financing. Developer shall certify to the UG that it shall only use the CID Proceeds for the CID Eligible Expenses described in the Certificate of Expenditures.

(iii) Each Certificate of Expenditures shall be accompanied by an accounting of the Private Funds paid to date, along with supporting documentation therefor, unless previously submitted.

(iv) Each Certificate of Expenditures shall be accompanied by such bills, contracts, invoices, lien waivers and other evidence as the UG shall reasonably require to document appropriate payment.

(v) The Certificate of Expenditures shall be accompanied by a report regarding any LBE/MBE/WBE participation associated with the costs requested for payment or reimbursement in the Certificate of Expenditures.

(vi) The UG reserves the right to, at reasonable times and upon reasonable notice, have its engineer or other agents, consultants or employees inspect all the items set forth in this Section 4.6 as reasonably necessary to determine that the expenses therein are valid, eligible and properly incurred and constitute TIF Eligible Expenses and/or CID Eligible Expenses.

(vii) The UG shall have sixty (60) calendar days after receipt of any Certificate of Expenditures to review and respond by written notice to Developer. If the UG disapproves of the Certificate of Expenditures, the UG shall notify Developer in writing of the reason for such disapproval within such sixty (60) day period, in which event Developer shall have the right to revise and re-submit the Certificate of Expenditures to address the UG's reason for disapproval, and the UG will review and approve the revised Certificate of Expenditures within thirty (30) calendar days after receipt of the re-submitted Certificate of Expenditures. Approval of any Certificate of Expenditures will not be unreasonably withheld, conditioned, or delayed.

(c) Third Party Oversight/Management. The parties hereby understand and agree that the process to approve Certificate(s) of Expenditures and properly disburse the TIF Proceeds and CID Proceeds is important to the UG and Developer for various reasons. Accordingly, the parties hereby understand and agree that the UG may retain outside third party representatives to manage and/or provide oversight to this process and Developer hereby agrees to fully cooperate with any such third party representatives in this process and to pay the UG's costs for retaining such third parties.

4.7 50/50 Limitation. The TIF Proceeds and (if applicable) CID Proceeds available to Developer for reimbursement of TIF Eligible Expenses and CID Eligible Expenses shall be limited to an amount which is equal to one half (1/2) of the amount of Project Costs which have been paid by Private Funds. In other words, the reimbursement of TIF Eligible Expenses from Pay-Go TIF Financing and reimbursement of CID Eligible Expenses from Pay-As-You-Go CID Financing shall be paid on a 50/50 basis between Private Funds and the total of TIF Proceeds and CID Proceeds available to Developer, and there shall not at any time during the Term be more Project Costs paid with a combination of TIF Proceeds and CID Proceeds than the amount of Project Costs paid by Private Funds (the "50/50 Limitation"). However, the parties understand and agree that for purposes of this provision, the portion of Private Funds which are spent on legal fees, developer fees, and contingency shall not be included in the calculation of Private Funds for purposes of calculating the 50/50 Limitation. The following is offered as an illustrative example of the 50/50 Limitation using only TIF (and not CID), provided however that if Developer completes the Retail Space and has CID Eligible Expenses and CID Proceeds, TIF and CID shall be combined as compared with the Private Funds for Project Costs in the examples below:

(a) If at a given point in time, Developer has incurred Project Costs (including any TIF Eligible Expenses) equal to $200 (none of which has been reimbursed with TIF Proceeds), then Developer's maximum reimbursement for TIF Eligible Expenses from Pay-Go TIF Financing is $100.

(b) However, the parties further understand and agree that if at a given point in time, Developer has incurred $225 of Project Costs, of which $125 are TIF Eligible Expenses and $100 are not TIF Eligible Expenses (and are not legal fees, developer fees, and/or contingency), then: (i) at that particular time, no more than $100 of TIF Eligible Expenses may be reimbursed with TIF Proceeds, but (ii) if Developer later incurs an additional $25 of Project Costs which are paid with Private Funds, then the remaining $25 of TIF Eligible Expenses may be reimbursed with TIF Proceeds. Payment of Project Costs from Private Funds shall be evidenced to the UG as set forth in Section 4.6 above.

4.8 Percentage Limitation. In addition to the TIF Cap, CID Cap and the 50/50 Limitation, the parties hereby agree that upon completion of the Improvements and submittal of the final Certificate of Expenditures by Developer pursuant to Section 4.6 above, the TIF Cap shall be reduced if and to the extent that the TIF Eligible Expenses, including Interest reimbursed to Developer from the Project Area 1 TIF Fund, and CID Eligible Expenses shall be more than 23% of the total Project Costs (including the Private Funds therefor). In other words, if and to the extent that the TIF Eligible Expenses, including Interest, and CID Eligible Expenses combined shall be more than 23% of the total Project Costs, then Developer hereby agrees that the TIF Cap shall be proportionately reduced so that the TIF Eligible Expenses, including Interest, and CID Eligible Expenses reimbursed to Developer from the Project Area 1 TIF Fund and CID Fund shall not collectively be more than 23% of the total Project Costs.

4.9 Reimbursement Priority. All payments or reimbursements of whatever kind from the UG to Developer under this Agreement shall be made in the following priority:

(a) First, to the UG, to the extent permitted by Applicable Laws and Requirements, as payments by Developer for any amounts due and owing to the UG; provided, however, that the UG shall first provide Developer with advance written notice specifying the amount(s) in question, and afford Developer a period of ten (10) days following its receipt of such notice in which to pay such amount(s) from Private Funds, including, without limitation: (i) all amounts delinquently due or owing, including all taxes, fees, or fines and including any interest and penalty thereon, by Developer to the UG under this Agreement, under any other agreement between Developer and the UG, or under any Applicable Laws and Requirements; (ii) all actual out of pocket costs incurred (and any interest or penalty thereon) by the UG in entering into, operating under, or enforcing this Agreement, including reasonable attorneys' fees, and all costs of pursuit of Developer (or any Affiliate); (iii) indemnification of the UG for any indemnity obligation owed by Developer (or any Affiliate) to the UG, and any interest or penalty thereon; and (iv) any reimbursement due to the UG on account of any prior overpayment or over-reimbursement to Developer under this Agreement, under any other agreement between Developer and the UG, or under any Applicable Laws and Requirements; and

(b) Second, to Developer for actual amounts to which Developer is entitled by the other provisions of this Agreement.

4.10 Line Items. The parties hereby agree that increases or decreases in line item amounts in the columns labeled "TIF Eligible Expenses" in the Total Project Budget as set forth on **Exhibit G** may be made by Developer as long as: (a) no such increase represents more than a 15% change per line item, unless otherwise approved by the County Administrator or his or her designee; and (b) prior to requesting reimbursement for any such line item change(s), Developer provides the County Administrator's office with a modified Total Project Budget reflecting such change(s).

4.11 IRBs. Developer has requested IRB financing ("IRBs") in order to pay certain Project Costs pursuant to K.S.A. 12-1741 *et seq.* Subject to all Applicable Laws and Requirements and subject further to compliance by Developer with all of the UG's requirements for the issuance of IRBs, the parties hereby agree that Developer may use IRB financing to obtain an exemption on sales taxes for construction materials, equipment and furnishings for the Project. However, the parties hereby understand and agree that IRB financing shall not be used for abatement of ad valorem taxes for the Project or the Project Site. Developer agrees to pay all costs and expenses related to the issuance of the IRBs, including without limitation the UG's IRB issuance fees.

ARTICLE 5. CONSTRUCTION OF IMPROVEMENTS

5.1 Architect. Developer shall select such architects, engineers and other design professionals and consultants as are necessary to provide construction documents and construction oversight services for the Improvements. All agreements respecting architectural and engineering services shall be between Developer and such Persons, and a copy of each such agreement shall be timely provided to the UG upon a request for the same.

5.2 Design and Plans and Specifications. Developer shall, as soon as practicable, provide the UG with plans and specifications for the Improvements (the "Plans and Specifications"), which Plans and Specifications shall include cost estimates for the Improvements, the design of which is compatible with the Development Plan, the Project Plan and all Applicable Laws and Requirements. Developer recognizes, stipulates and agrees that the Plans and Specifications will be presented to and subject to approval by the appropriate Government Authorities in accordance with Applicable Laws and Requirements. Without the prior written approval of the appropriate Government Authorities, there shall be no Material Changes to the Plans and Specifications subsequent to the initial approval.

5.3 General Contractor and Construction Documents. Developer shall select one or more general contractors (the "General Contractor") for the Improvements. Developer represents that its construction documents relative to the Improvements (the "Construction Documents") will require and provide for (a) the design, development, construction, equipping and completion of the Improvements (or applicable portion thereof) in accordance with this Agreement, the Development Plan, the Project Plan, the Plans and Specifications, and all Applicable Laws and Requirements; and (b) a commercially reasonable payment structure acceptable to Developer. Developer shall, as soon as practicable, provide the UG with a copy of the Construction Documents.

5.4 Changes or Amendments. Developer shall promptly deliver to the UG copies of all change orders or other changes or amendments to the Construction Documents that constitute a Material

Change. Developer agrees with the UG that it will: (a) perform its duties and obligations under the Construction Documents in all material respects, and (b) enforce the obligations of all other parties thereunder.

5.5 Terms and Requirements for Improvements. The contracts for all Improvements in the Project shall comply with all Applicable Laws and Requirements. Any Material Changes to the Improvements require the prior approval of the UG in accordance with Applicable Laws and Requirements. The UG, or its designee, shall have the right to inspect, observe, and oversee the construction of the Improvements in order to ascertain and determine whether the requirements of this Agreement have been met. Developer shall obtain the UG's approval of all change orders relating to the Improvements that result in a Material Change.

5.6 Responsibility for Design and Construction. Developer shall, subject to the terms of this Agreement, the Development Plan and the Project Plan, have the sole right and the responsibility to design, manage, construct and operate the Project. Developer shall receive no separate fee from the UG for acting as construction manager or developer of the Project.

5.7 Payment and Performance Bonds. If required by Applicable Laws and Requirements for the Improvements, the General Contractor shall be required under the Construction Documents to furnish and maintain in full force and effect performance and labor and material payment bonds in the full amount of the project cost, as set forth in the Construction Documents. The bonds shall be in form and substance and issued by a corporate surety reasonably satisfactory to Developer, Developer's lender, and the UG.

5.8 Permits and Reviews. Developer hereby recognizes, stipulates and agrees that: (a) in the design, construction, completion, use or operation of the Improvements, Developer, or its General Contractor, shall procure and pay for any and all permits, licenses or other forms of authorizations that are, from time to time, required by Applicable Laws and Requirements; and (b) nothing herein shall be construed as any release by the UG of the responsibility of Developer to comply with and satisfy the requirements of all Applicable Laws and Requirements.

5.9 Periodic Meetings with Developer. From the Effective Date until Substantial Completion of the Project, Developer hereby agrees to meet with the UG at such intervals as Developer, the UG and any such designee of the UG shall mutually agree or reasonably request, and not more frequently than monthly, to review and discuss the design, development and construction of the Improvements and the Project.

5.10 Commencement Date and Completion Date. Developer hereby agrees that, subject only to Force Majeure (defined below in Section 9.2), Developer shall commence construction on the Project on or before that date which is December 31, 2023 (the "Commencement Date"). Developer further agrees that, subject only to Force Majeure, Developer shall achieve Substantial Completion on or before December 31, 2025 (the "Completion Date").

ARTICLE 6. USE AND OPERATION

6.1 Term. The Term of this Agreement shall commence on the Effective Date and shall expire on that date which is the later of: (a) the last day of the TIF Collection Period, or (b) the last day of the CID Collection Period, or (c) twenty (20) years from the Effective Date of this Agreement (the "Term").

6.2 Use and Operation. Developer covenants that at all times during the Term, it will, at its expense:

(a) Use the Project only as a first-class luxury multi-family apartment building as described in Section 2.2(a) above with first-floor Retail Space as described in Section 2.2(b) above (the "Permitted Use").

(b) Conduct its business at all times in a dignified quality manner and in conformity with first-class industry standards and in such manner as to help establish and maintain a high reputation for the Project.

(c) Additionally, Developer hereby understands and agrees that the nature of the retail uses within the CID and TIF District are critical to the UG's creation of same. Accordingly, the parties hereby agree that the following uses shall be prohibited within the TIF District, except as otherwise provided herein or with the prior written approval of the UG:

(i) Any use which is offensive by reason of odor, fumes, dust, smoke, noise, or pollution, or which constitutes a nuisance or is hazardous by reason of fire or explosion, or injurious to the reputation of the Project, as determined by the UG and Developer in their reasonable discretion.

(ii) A car wash facility.

(iii) A facility primarily used as a storage warehouse operation, mini-warehouse, or freight terminal.

(iv) A facility for the assembling, manufacturing, refining, or smelting, drilling, mining, exploring or the producing of oil, gases or other minerals.

(v) Any use which involves the long-term raising, breeding, and keeping of any animals or poultry, except for pets permitted in accordance with Developer's leasing policy for the residential units within the Project.

(vi) Salvage or reclamation yards and the storage of inoperative vehicles.

(vii) Any pawn shop or "second hand" store; provided, however, that the foregoing restriction shall not in any way prohibit the operation of high quality antique or so-called vintage stores.

(viii) Any mobile home park, camp ground, trailer court, or labor camp; provided, however, that the foregoing restriction shall not be applicable to: (1) the temporary use of construction trailers during periods of construction, reconstruction or maintenance; or (2) trailers, delivery trucks or recreational vehicles of invitees, guests, and participants of the Project.

(ix) Any dumping, disposing, incineration or reduction of garbage; provided, however, that this prohibition shall not be applicable to garbage compactors located near the rear of any building within the TIF District, or elsewhere within TIF District subject to the approved final Development Plan, the Project Plan, and in compliance with all Applicable Laws and Requirements.

(x) Any fire sale, bankruptcy sale (unless pursuant to a court order) or auction house operation (but this provision shall not restrict the absolute freedom of an owner of any portion within the TIF District to determine its own selling prices nor shall it preclude second-hand sales or the conduct of periodic seasonal sales, promotional or clearance sales, all of which are specifically permitted).

(xi) Any central laundry, or laundromat; provided, however, this prohibition shall not be applicable to a drop-off and pickup facility, or a central laundry or laundromat that complies with Environmental Regulations and other Applicable Laws and Requirements.

(xii) Any automobile, truck or equipment dealerships of any kind, including without limitation, facilities with permanent sales, leasing or displays of any automobile, truck, trailer or recreational vehicle, except for in conjunction with promotions, displays, and other marketing activities (subject to Applicable Laws and Requirements).

(xiii) Any body shop repair operation, engine repair or vehicle repair facility for all vehicles, including motorcycles, unless ancillary to new vehicle sales (if such new vehicle sales are entirely interior or are approved by the UG under subparagraph (xii) above).

(xiv) Any mortuary or funeral home.

(xv) Any establishment selling or exhibiting pornographic materials or which sells drug-related paraphernalia or which exhibits either live or by other means to any degree, nude or partially clothed dancers or wait staff and/or any massage parlors or similar establishments; except that this provision shall not be deemed to preclude the operation within the TIF District of either a nationally or regionally recognized high-quality book store, or a drug store or pharmacy, or a department within a retail store offering for sale its usual or customary inventory of books, magazines and/or related pharmaceutical materials.

(xvi) A nightclub, which shall be deemed to mean any bar, club or other establishment that derives 70% or more of its gross receipts from the sale of alcoholic beverages; provided that this restriction is not intended to prohibit a high-quality brewery, distillery or restaurant.

(xvii) Any store selling tobacco products, CBD products, electronic or vapor smoking devices or paraphernalia; provided that this restriction is not intended to prohibit a grocery store, drug store, high-quality and reputable gas station or convenience store, or other businesses where such products are sold but are not relevant to the business's primary source of revenue.

(xviii) Any hookah bars or other establishment with a primary focus on smoking.

(xix) Pay-day or title loan facilities.

(xx) Any seasonal tax preparation facilities; provided, however, for purposes of clarity, nothing herein is intended to prohibit independent certified public accountants with office space in the Project.

(xxi) Any store or business that uses "street marketing" of any kind, including without limitation, inflatable signs or characters, people dressed in costume, holding signs or wearing sandwich-boards or otherwise advertising directly to pedestrians or vehicular traffic.

(xxii) Any precious metals facilities, except for and excluding high quality jewelry stores that purchase precious metals as an ancillary part of their business operations.

(xxiii) A flea market.

(xxiv) Any use not permitted by the applicable zoning ordinance of the UG.

The foregoing list of prohibited uses is not intended to supplant the requirements and/or prohibition of uses stated within the UG's Code of Ordinances. The UG's Board of Commissioners may grant variances to the restrictions set forth in this Section 6.2(c) from time to time in its sole and absolute discretion. At Closing, or within thirty (30) days thereafter, Developer and the UG shall execute a document which shall memorialize the restrictions set forth in this Section 6.2(c) and record the same against the real property within TIF District, which restrictions shall be effective and run with the land for the Term of this Agreement. The UG shall consent to additional reasonable development, use and maintenance covenants for the Project Site to ensure the ongoing, high-quality use of the Project.

6.3 Development Plan. During the Term, Developer agrees that it shall perform and comply with each and all of the terms and provisions of the Development Plan, and not suffer or permit any default or breach of any such terms or provisions of the Development Plan.

6.4 Maintenance and Use. During the Term, Developer shall cause the Project, and all parts thereof, the Project Site and all other of its property used or useful in the conduct of its business and operations on the Project Site, to be maintained, preserved and kept in good repair and working order and in a safe condition, consistent at all times with other similarly situated first-class residential space in the greater metropolitan Kansas City area, and will make all repairs, renewals, replacements and improvements necessary for the safe, efficient, and advantageous conduct of its business and operations on the Project Site. Developer may make additions, alterations and changes to the Project so long as such additions, alterations and changes are made in compliance with all Applicable Laws and Requirements, the Development Plan, and the Project Plan, and as long as the same do not materially adversely affect Developer's ability to perform its obligations under this Agreement. Developer agrees to set aside on its books such reasonable reserves for future maintenance and capital expenditures.

6.5 Compliance. Developer shall conduct its affairs and carry on its business and operations in such a manner as to comply with all Applicable Laws and Requirements, and to observe and conform to all valid orders, regulations or requirements (including, but not limited to, those relating to safety and health) of any Government Authorities applicable to the conduct of its business and operations and the ownership of the Project; provided, however, that nothing contained in this Agreement shall require Developer to comply with, observe and conform to any such law, order, regulation or requirement of any Government Authorities so long as the validity thereof shall be contested by Developer in good faith by appropriate proceedings, and provided that Developer shall have set aside on its books adequate reserves in accordance with GAAP or secured adequate bonding with respect to such contest and such contest shall not materially impair the ability of Developer to meet its obligations under this Agreement. Developer agrees to promptly pay any and all fees and expenses associated with any safety, health or other inspections required under this Agreement or imposed by Applicable Laws and Requirements, unless contested in good faith with the assurances provided in the preceding sentence.

6.6 Payment of Taxes and Other Charges. During the Term, Developer and each successor owner within the Project shall pay or cause to be paid as they become due and payable all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon parcels owned by Developer or upon any income therefrom, including, but not limited to, any taxes, assessments, or other governmental charges levied, assessed or imposed on the Project, the Project Site, and/or the Improvements. Ad valorem property taxes shall be due in arrears, with half due on December 20th and half due on May 10th of each year in which such amount is required to be paid, and will be considered delinquent if not paid by such dates of each such year or as otherwise determined by Applicable Laws and Requirements. The obligation to make ad valorem property tax payments shall be a covenant running with the land and shall create a lien in favor of the UG on each such tax parcel as constituted from time to time and shall be enforceable against Developer or each relevant successor parcel owner. Additionally, Developer hereby understands and agrees that if Developer shall fail to timely pay its ad valorem property taxes for a parcel, then Developer's access to the Pay-Go TIF Financing, Pay-As-You-Go CID Financing and the IRB financing for the Project shall be suspended until such taxes are paid in full. Nothing herein is intended to restrict Developer's right to file property tax appeals as long as such taxes are paid under protest when the subject property taxes are due and owing during the pendency of an appeal.

6.7 Payment of Obligations. During the Term, Developer shall promptly pay or otherwise satisfy and discharge all of its obligations and all demands and claims against it as and when the same become due and payable, unless the validity, amount or collectability thereof is being contested in good faith or unless the failure to comply or contest would not materially impair its ability to perform its obligations under this Agreement nor subject any material part of the Project to loss or forfeiture.

6.8 Liens and Encumbrances. During the Term, except for a Permitted Mortgage, Developer shall not create or incur or permit to be created or incurred or to exist any mortgage, lien, security interest, charge or encumbrance upon the Project, or any part thereof, and shall promptly cause to be discharged, challenged or terminated all mortgages, liens, security interests, charges and encumbrances that are not Permitted Encumbrances or a Permitted Mortgage. Notwithstanding the foregoing, any Permitted Mortgage shall be subject to the terms and conditions of this Agreement, including without limitation, Section 6.2 of this Agreement.

6.9 Licenses and Permits. During the Term, Developer shall procure and maintain all licenses and permits, and allow all inspections and/or investigations required by Applicable Laws and Requirements or otherwise necessary in the operation of its business and affairs in, on or about the Project.

6.10 Insurance. During the Term, Developer shall maintain or cause to be maintained insurance with respect to the portions of the Project which it owns and operates covering such risks that are of an insurable nature and of the character customarily insured against by organizations operating similar properties and engaged in similar operations (including but not limited to property and casualty, worker's compensation, general liability and employee dishonesty) and in such amounts as, in the reasonable judgment of Developer, are adequate to protect Developer, the UG and the Project, but in no event in an amount less than that required by the Insurance Specifications attached hereto as **Exhibit I**, and made a part hereof, or as otherwise required by the terms of the Transaction Documents. Each policy or other contract for such insurance shall: (i) name the UG as an additional insured (with respect to liability insurance and only in an amount equal to Five Hundred Thousand Dollars ($500,000)), and (ii) contain an agreement by the insurer that, notwithstanding any right of cancellation reserved to such insurer, such policy or contract shall continue in force for at least thirty (30) days after written notice of cancellation to Developer and each other insured, additional insured, loss payee and mortgage payee named therein. The rights of the UG to any insurance proceeds shall be subject and subordinate to the rights of any Permitted Mortgagee.

6.11 Damage, Destruction or Condemnation. The parties hereby agree as follows:

(a) In the event of damage to or destruction of any portion of the Improvements resulting from fire or other Casualty during the Term, or in the event any portion of the Improvements is condemned or taken for any public or quasi-public use or title thereto is found to be deficient during the Term, the net proceeds of any insurance relating to such damage or destruction, the net proceeds of such condemnation or taking, or the net proceeds of any realization on title insurance shall be paid into, and used in accordance with, a construction escrow agreement satisfactory to the UG and Developer ("Casualty Escrow").

(b) If, at any time during the Term, the Improvements or any part thereof shall be damaged or destroyed by a Casualty (the "Damaged Facilities"), Developer shall proceed as promptly as possible to repair, restore and replace the Damaged Facilities as nearly as possible to their condition immediately prior to the Casualty and shall be entitled to draw upon the Casualty Escrow for payment of such costs.

(c) If at any time during the Term, title to the whole or substantially all of the Improvements shall be taken in condemnation proceedings or by right of eminent domain, Developer, at its sole discretion, may terminate this Agreement as of the date of such taking. For purposes of this Section 6.11(c), "substantially all of the Improvements" shall be deemed to have been taken if the UG and Developer, each acting reasonably and in good faith, determine that the untaken portion of the Project, including the Parking Improvements, cannot be practically and economically used by Developer for the purposes and at the times contemplated by this Agreement.

6.12 Indemnity. Developer shall pay and indemnify and save the UG and its governing body members, directors, officers, employees and agents harmless from and against all loss, liability, damage or expense arising out of: (a) the acquisition of the Project Site; (b) the design, construction and completion of the Project by Developer; (c) the use or occupation of the Project by Developer or anyone acting by, through or under it; (d) damage or injury, actual or claimed, of whatsoever kind or character occurring after Closing, to persons or property occurring or allegedly occurring in, on or about the Project; (e) any breach, default or failure to perform by Developer under this Agreement following any notice and cure period provided herein; (f) any act by an employee of the UG at the Project Site which are within or under the control of Developer or pursued for the benefit of or on behalf of Developer; and (g) any claims or challenges related to the legality of the approval of, or terms contained in the planning, zoning, platting or other governmental approvals necessary for this Project, this Agreement, the Development Plan, the CID, the Project Plan, the TIF District, the formation of the CID and TIF District and collection of the Incremental Real Property Taxes and the terms thereof, and of the public financing structure contemplated by this Agreement. Developer shall also pay and indemnify and save the UG and its governing body members, directors, officers, employees and agents harmless of, from and against, all costs, reasonable counsel fees, expenses and liabilities incurred by them or by Developer in any action or proceeding brought by reason of any such claim, demand, expense, penalty or fine. If any action or proceeding is brought against the UG or its governing board members, directors, officers, employees or agents by reason of any such claim or demand, Developer, upon notice from the UG, covenants to resist and defend such action or proceeding on demand of the UG or its governing body members, directors, officers, employees or agents. Notwithstanding the foregoing, no party benefited by this indemnity shall be indemnified against liability for damage arising out of bodily injury to persons or damage to property caused by such party's own respective willful and malicious acts or omissions or gross negligence. The foregoing covenants contained in this Section 6.12 shall be deemed continuing covenants, representations and warranties for the benefit of the UG and any successors and assigns of the UG, and shall survive the termination, satisfaction or release of this Agreement.

6.13 Prohibition on Sales, Etc. Except for Permitted Encumbrances and a Permitted Mortgage, which are hereby permitted without any further approval of the UG, and except as otherwise provided herein, during the Term, Developer will not, without the prior written consent of the UG: (a) assign, sell, lease, mortgage or otherwise transfer the Project Site, the Improvements or equipment that comprise the Project or any part thereof or any interest therein; (b) merge with or into another corporation or sell or transfer to another corporation substantially all of its assets; or (c) assign this Agreement. Any such assignment, sale, lease, mortgage, merger or other transfer which is consented to by the UG shall be an "Approved Assignment" and the assignee, purchaser, lessee, mortgagee or transferee shall be an "Assignee". The UG shall have the right to grant or withhold its consent to any of the aforesaid in its reasonable discretion after inquiry and delivery of information to the UG as to whether the proposed Assignee has sufficient financial wherewithal and experience to successfully complete the Project according to the terms hereof. If there is an Approved Assignment, the Assignee shall assume and agree to pay and perform each and all of the terms and provisions hereof. Notwithstanding the foregoing, the parties hereby agree as follows:

(a) Developer may, subject always to the terms of this Agreement, in the ordinary course of its business, but without the prior written approval of the UG, make leases of the residential units within the Project;

(b) Developer may, subject always to the terms of this Agreement, in the ordinary course of its business, but without any further approval of the UG, make leases of portions of the Retail Space to reputable retail tenants (the foregoing shall not include long-term ground leases, which shall require UG approval);

(c) Without any further approval of the UG, Developer may transfer all or a portion of the Project, and/or all or any portion of Developer's rights and/or obligations under this Agreement, to a transferee entity provided that the Controlling Person or Entity of such transferee entity is also the Controlling Person or Entity of Developer, and provided that such transferee entity: (i) assumes or guarantees all of Developer's obligations under this Agreement with respect to all portions of the Project or this Agreement so transferred to such transferee entity, and (ii) remains liable jointly and severally with Developer therefor (an "Affiliate Transfer"). Developer shall deliver to the UG notice of any Affiliate Transfer within fifteen (15) days following such transfer. For purposes hereof, the term "Controlling Person or Entity" with respect to any entity means a Person or entity who, under Applicable Laws and Requirements, possesses all authority and power necessary to lawfully act on behalf of and bind such entity, over the objection of all other holders of any other interest in such entity, to fulfill the obligations of Developer under this Agreement;

6.14 Utilities. During the Term, all utility and utility services used by Developer in, on or about the Project shall be paid (or caused to be paid) for by Developer, and Developer shall, at no cost to the UG, procure any and all permits, licenses or authorizations necessary in connection therewith.

6.15 Access. During the Term, Developer hereby recognizes, acknowledges and agrees that the UG, and its duly authorized representatives and agents, shall have the right to enter the Project at reasonable times and upon reasonable notice, to substantiate compliance with this Agreement or, to the extent Developer has failed to cure any breach within applicable notice and cure periods, to cure any defaults under this Agreement. In exercising its rights hereunder, the UG shall use reasonable efforts to avoid unreasonable interference with the construction and operation of the Project. Except as otherwise provided in this Agreement, the UG shall pay all costs it incurs under this provision. Nothing contained in this Section 6.15 shall restrict or impede the right of the UG to enter the Project pursuant to any Applicable Laws and Requirements.

6.16 Environmental Matters. Developer hereby agrees that Developer has sole responsibility for the costs of any remediation of any environmental conditions upon the Project Site. Further, Developer shall not store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance in, upon, under, over or from the Project in violation of any Environmental Regulation; shall not permit any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom in violation of any Environmental Regulations; shall cause all Hazardous Substances to be properly removed therefrom and properly disposed of in accordance with all applicable Environmental Regulations; shall not install or permit to be installed any underground storage tank therein or thereunder in violation of any Environmental Regulation; and shall comply with all other Environmental Regulations which are applicable to the Project. Developer shall indemnify the UG against, shall hold the UG harmless from, and shall reimburse the UG for, any and all claims, demands, judgments, penalties, fines, liabilities, costs, damages and expenses, including court costs and attorneys' fees incurred by the UG (prior to trial, at trial and on appeal) in any action against or involving the UG, resulting from any breach of the foregoing covenants or from the discovery of any Hazardous Substance, in, upon, under or over, or emanating from, the Project, whether or not Developer is responsible therefor, it being the intent of Developer and the UG that the UG shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or clean-up of, or otherwise with respect to, Hazardous Substances, which arises subsequent to Closing. The foregoing covenants contained in this Section 6.16 shall be deemed continuing covenants, representations and warranties for the benefit of the UG and any successors and assigns of the UG, and shall survive the termination, satisfaction or release of this Agreement, or any other instrument. Any amounts covered by the foregoing indemnification shall bear interest from the date incurred at the Prime Rate plus 2%, or, if less, the maximum rate permitted by law, and shall be payable on demand.

6.17 Power of the UG. Notwithstanding anything set forth herein to the contrary, no provision contained herein shall in any manner diminish or usurp the inherent rights and powers of the UG to act in its capacity as a public body. Further, nothing herein shall relieve Developer from complying with all Applicable Laws and Requirements.

ARTICLE 7. SPECIAL PROVISIONS

7.1 Special Agreements of Developer.

(a) Developer recognizes, stipulates and agrees that it will actively market and advertise (or cause to be actively marketed and advertised) the Project in the Kansas City metropolitan area and regionally.

(b) During the Term, Developer agrees to actively participate in the civic, charitable, educational, philanthropic and economic development of the Kansas City, Kansas/Wyandotte County community in activities of its choice. Without limiting the generality of the foregoing, Developer specifically agrees that during the Term, Developer shall be an active, dues-paying member in good standing with the KCK Area Chamber of Commerce and the Wyandotte Economic Development Council. Developer further agrees to encourage its retail tenants and transferees, if any, to join and become dues-paying members of the Wyandotte Economic Development Council.

(c) Developer agrees to including within the name, branding and signage for the Project, the words "Kansas City, Kansas", "KCK" and/or "Wyandotte County" in order to publicly identify the Project as a facility which is located in Kansas City, Kansas/Wyandotte County.

7.2 LBE/MBE/WBE Employment Opportunity Goals. Developer agrees to use its Best Efforts to comply with the goals set forth in **Exhibit J** (as the term "Best Efforts" is defined therein), attached hereto and made a part hereof, in order to identify and provide employment opportunities for local businesses and contractors, women and local minority owned businesses.

ARTICLE 8. DEFAULT AND REMEDIES

8.1 Default Provisions. Developer shall be in default under this Agreement if:

(a) Developer fails to make any of the payments of money to the UG required by the terms of this Agreement or any of the Transaction Documents, and Developer fails to cure or remedy the same within twenty (20) days after the UG has given Developer written notice specifying such default; or

(b) Developer fails to keep or perform any covenant or obligation herein contained on Developer's part to be kept or performed, and Developer fails to remedy the same within sixty (60) days after the UG has given Developer written notice specifying such failure and requesting that it be remedied; provided, however, that if any event of default shall be such that it cannot be corrected within such period, it shall not constitute an event of default if corrective action is instituted by Developer within such period and diligently pursued until the default is corrected; or

(c) Developer or any Affiliate shall file a voluntary petition under any bankruptcy law or an involuntary petition under any bankruptcy law is filed against any such party in a court having jurisdiction and said petition is not dismissed within sixty (60) days; or Developer or any Affiliate generally is not paying its debts as such debts become due; or Developer or any Affiliate makes an assignment for the benefit of its creditors; or a custodian, trustee or receiver is appointed or retained to take charge of and manage any substantial part of the assets of Developer or any Affiliate and such appointment is not dismissed within sixty (60) days; or any execution or attachment shall issue against Developer whereupon the Project, or any part thereof, or any interest therein of Developer under this Agreement shall be taken and the same is not released prior to judicial sale thereunder (each of the events described in this subparagraph being deemed a default under the provisions of this Agreement);

(d) Developer breaches the representations and warranties set forth in this Agreement and fails to cure or correct same within fifteen (15) days following Developer's receipt of written notice from the UG specifying such breach;

In the event of such default, the UG may take such actions, or pursue such remedies, as exist hereunder, or at law or in equity, and Developer covenants to pay and to indemnify the UG against all reasonable costs and charges, including attorneys' fees, lawfully and reasonably incurred by or on behalf of the UG in connection with the enforcement of such actions or remedies, provided that the UG is the prevailing party in such actions.

8.2 Rights and Remedies. Upon the occurrence and continuance of a Developer default, subject to any applicable notice and cure periods as described in Section 8.1 above, the UG shall have the following rights and remedies, in addition to any other rights and remedies provided under this Agreement or by law:

(a) Whenever any default by Developer shall have occurred and be continuing, subject to applicable cure periods as set forth above, the UG may: (i) refuse to approve any further Certificate of Expenditures or make any further reimbursements of TIF Eligible Expenses and/or CID Eligible Expenses unless and until such default is cured by Developer; (ii) terminate and/or refuse to approve any further IRB financing; (iii) terminate Developer's access to the Pay-Go TIF Financing and/or Pay-As-You-Go CID Financing; (iv) terminate this Agreement, and/or (v) use any remedies provided to the UG under the Transaction Documents. The rights and remedies reserved by the UG hereunder and those provided by law shall be construed as cumulative and continuing rights, no one of which shall be exhausted by the exercise of any one or more of such rights or remedies on any one or more occasions.

(b) The UG may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce and compel the specific performance of the duties and obligations of Developer as set forth in this Agreement, to enforce or preserve any other rights or interests of the UG under this Agreement or otherwise existing at law or in equity and to recover any damages incurred by the UG resulting from such Developer default.

(c) In the event of such default by Developer, the UG may take such actions, or pursue such remedies, as exist hereunder or at law or in equity and Developer covenants to pay and to indemnify the UG against all reasonable costs and charges, including attorneys' fees, lawfully and reasonably incurred by or on behalf of the UG in connection with the enforcement of such actions or remedies.

(d) The rights and remedies reserved by the UG hereunder and those provided by law shall be construed as cumulative and continuing rights, no one of which shall be exhausted by the exercise of any one or more of such rights or remedies on any one or more occasions. If a default by Developer occurs under this Agreement and is continuing, the UG may take whatever action at law or in equity as may appear necessary or desirable to enforce performance and observance by Developer of any provision of this Agreement. The UG shall be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Agreement, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity. Failure by the UG to enforce any such rights shall not be deemed a waiver thereof.

(e) Notwithstanding the foregoing or anything in this Agreement to the contrary, the parties hereby expressly acknowledge and agree that, under no circumstances, will Developer ever be liable for any remote or consequential damages including without limitation lost tax revenues, arising out of or in any way related to this Agreement.

8.3 <u>Default by the UG</u>. The UG shall be in default under this Agreement if the UG fails to keep or perform any covenant or obligation herein contained on the UG's part to be kept or performed, and the UG fails to remedy the same within thirty (30) days after Developer has given the UG written notice specifying such failure and requesting that it be remedied; provided, however, that if any event of default shall be such that it cannot be corrected within such period, it shall not constitute an event of default if corrective action is instituted by the UG within such period and diligently pursued until the default is corrected. If a default by the UG occurs under this Agreement and is continuing, Developer may take whatever action at law or in equity as may appear necessary or desirable, in Developer's discretion, to enforce performance and observance by the UG of any provision of this Agreement; provided, however, that the UG's liability for monetary amounts shall be limited to the actual amount, if any, in question, and under no circumstances shall the UG be liable for any remote or consequential damages. Developer shall be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Agreement, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceedings in equity.

In the event of such default, Developer may take such actions, or pursue such remedies, as exist hereunder or at law or in equity; and if Developer is the prevailing party in an action to enforce its remedies hereunder, Developer shall be entitled, subject to Applicable Laws and Requirements, to reasonable costs and charges, including attorneys' fees, lawfully and reasonably incurred by or on behalf of Developer in connection with the enforcement of such actions or remedies.

ARTICLE 9. MISCELLANEOUS

9.1 Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the non-defaulting party may nevertheless accept from the other any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such default or defaults which were in existence at the time such payment or payments or performance were accepted by it.

9.2 Force Majeure. In the event either party hereto shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of acts of God, strikes, lockouts, unavailability of sufficient trade laborers or materials due to global pandemic such as COVID-19, failure of power or other insufficient utility service, riots, insurrection, environmental remediation required by the appropriate Government Authorities, discovery of cultural, archeological or paleontological resources or endangered species, any lawsuit seeking to restrain, enjoin, challenge or delay construction, failure of the UG to timely approve the Plans and Specifications, the Construction Documents, war, terrorism or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement ("Force Majeure"), then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 9.2 shall not be applicable to delays resulting from the inability of a party to obtain financing or to proceed with its obligations under this Agreement because of a lack of funds.

9.3 Covenants of Parties.

(a) Representations and Warranties of Developer. Developer represents and warrants to the UG as follows:

(i) Organization. Developer is an Indiana limited liability company duly formed and validly existing under the laws of the State. Developer is duly authorized to conduct business in each other jurisdiction in which the nature of its properties or its activities requires such authorization. Developer shall: (1) preserve and keep in full force and effect its corporate or other separate legal existence and (2) remain qualified to do business and conduct its affairs in the State and each jurisdiction where ownership of its property or the conduct of its business or affairs requires such qualification.

(ii) Authority. The execution, delivery and performance by Developer of this Agreement are within Developer's powers and have been duly authorized by all necessary action of Developer.

(iii) No Conflicts. Neither the execution and delivery of this Agreement, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene the organizational documents of Developer or any provision of law, statute, rule or regulation to which Developer is subject, or to any judgment, decree, license, order or permit applicable to Developer, or will conflict or be inconsistent with, or will result in any breach of any of the terms of the covenants, conditions or provisions of any indenture, mortgage, deed of trust, agreement or other instrument to which Developer is a party, by which Developer is bound, or to which Developer is subject.

(iv) No Consents. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the due execution and delivery by Developer of this Agreement. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the performance by Developer of this Agreement or the consummation of the transactions contemplated hereby except for zoning, building and other customary permits to be obtained from the UG or other Government Authorities.

(v) Valid and Binding Obligation. This Agreement is the legal, valid and binding obligation of Developer, enforceable against Developer in accordance with the terms hereof.

(b) Representations and Warranties of the UG. The UG represents and warrants to Developer as follows:

(i) Authority. The execution, delivery and performance by the UG of this Agreement are within its powers and have been duly authorized by all necessary action.

(ii) No Conflicts. Neither the execution and delivery of this Agreement, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene the ordinances, rules, regulations of the UG or the laws of the State nor result in a breach, conflict with or be inconsistent with any terms, covenants, conditions or provisions of any indenture, agreement or other instrument by which the UG is bound or to which the UG is subject.

(iii) No Consents. Except as set forth in Section 3.1(c)-(e), no consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the due execution and delivery by the UG of this Agreement. No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Government Authority or regulatory body or third party is required for the performance by the UG of this Agreement or the consummation of the transactions contemplated hereby.

(iv) Valid and Binding Obligation. This Agreement is the legal, valid and binding obligation of the UG enforceable against the UG in accordance with its terms.

9.4 Amendments. This Agreement may be amended, changed or modified only by a written agreement duly executed by the UG and Developer.

9.5 Construction and Enforcement. This Agreement shall be construed and enforced in accordance with the laws of the State.

9.6 Invalidity of Any Provisions. If for any reason any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

9.7 Headings. The Article and Section headings shall not be treated as a part of this Agreement or as affecting the true meaning of the provisions hereof.

9.8 Execution of Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Hand signatures transmitted by electronic mail in portable document format (PDF) or similar format shall also be permitted as binding signatures to this Agreement.

9.9 Time. Time is of the essence in this Agreement.

9.10 Consents and Approvals. Wherever in this Agreement it is provided that the UG or Developer shall, may or must give its approval or consent, the UG or Developer shall not, unless specifically herein provided otherwise, unreasonably withhold, condition, delay or refuse to give such approvals or consents. It is agreed, however, that the sole right and remedy for Developer or the UG in any action concerning the other's reasonableness will be action for declaratory judgment and/or specific performance, and in no event shall either such party be entitled to claim damages of any type or nature in any such action.

9.11 Notices. All notices required or desired to be given hereunder shall be in writing and all such notices and other written documents required or desired to be given hereunder shall be deemed duly served and delivered for all purposes if (i) delivered by nationally recognized overnight delivery service; (ii) delivered by electronic mail (with follow up within two (2) business days by United States Mail or by nationally recognized overnight delivery service); or (iii) delivered in person, in each case if addressed to the parties set forth below:

The Unified Government Clerk
The Unified Government of Wyandotte County/Kansas City, Kansas
701 North 7th Street, Suite 323
Kansas City, Kansas 66101
Telephone: (913) 573-5260
Email: bcobbins@wycokck.org

with a copy to:

Kenneth J. Moore
Chief Counsel
The Unified Government of Wyandotte County/Kansas City, Kansas
701 North 7th Street, Suite 961
Kansas City, Kansas 66101
Telephone: (913) 573-5060
Email: kjmoore@wycokck.org

And a copy to:

Douglas G. Bach
County Administrator
Unified Government of Wyandotte County/Kansas City, Kansas
701 North 7th Street, 9th Floor
Kansas City, Kansas 66101
Telephone: (913) 573-5030
Email: dbach@wycokck.org

And a copy to:

Todd A. LaSala
Anna M. Krstulic
Stinson LLP
1201 Walnut Street, Suite 2900
Kansas City, Missouri 64106
Telephone: (816) 842-8600
Email: todd.lasala@stinson.com
anna.krstulic@stinson.com

and to Developer at:

Ryan Cronk
KC THE YARDS 2, LLC
One Indiana Square, Suite 3000
Indianapolis, Indiana 46202
Telephone: (317) 819-1572
Email: rcronk@flco.com

with a copy to:

Aaron March
Rouse Frets White Goss Gentile Rhodes, P.C.
4510 Belleview Avenue, Suite 300
Kansas City, Missouri 64111
Telephone: (816) 502-4701
Email: amarch@rousepc.com

All notices given by: (i) nationally recognized overnight delivery service, or (ii) electronic mail, and followed up by regular United States mail or nationally recognized overnight delivery service in accordance with the above procedures, shall be deemed duly given one (1) business day after they are so delivered. All notices given in person shall be deemed duly given when delivered.

9.12 Real Estate Commissions. Each party hereby agrees to indemnify and hold harmless the other from and against: (i) any and all losses, liens, claims, judgments, liabilities, reasonable costs, expenses or damages (including reasonable attorneys' fees and court costs) of any kind or character arising out of or resulting from any duty or responsibility to pay any commission or make any other payment by either Developer or the UG; or (ii) arising out of or resulting from any agreement, arrangement or understanding alleged to have been made by Developer or on its behalf, or by the UG or on its behalf, with any other broker, agent or finder in connection with this Agreement or the transactions contemplated hereby. Notwithstanding anything herein to the contrary, this Section 9.12 shall survive the Closing or any termination of this Agreement.

9.13 Entire Agreement. Together with the Exhibits hereto, this Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes and replaces all prior oral or written agreements concerning the subject matter hereof.

9.14 Run with the Land. This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective heirs, successors and assigns and shall run with the land. However, Developer shall remain liable in the event of a violation of any of the terms or restrictions set forth in Sections 6.8 and 6.13 hereof. At Closing, the parties shall record a memorandum describing this Agreement in the land records of Wyandotte County, Kansas.

9.15 Electronic Storage. The parties agree that the transactions described herein may be conducted and related documents may be received, sent or stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

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

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

UG:

THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By:____
David Alvey, Mayor/CEO

STATE OF KANSAS)
) SS.
COUNTY OF WYANDOTTE)

This instrument was acknowledged before me on _______________, 2020, by David Alvey as Mayor/CEO of the Unified Government of Wyandotte County/Kansas City, Kansas.

Printed Name: ___________________________
Notary Public in and for said State
Commissioned in ____________ County

My commission expires

____

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

DEVELOPER:

KC THE YARDS 2, LLC, an Indiana limited liability company

By: ___________________________________

STATE OF _________________)
) SS.
COUNTY OF _______________)

This instrument was acknowledged before me on _______________, 2020 by _______________, as _______________ of KC THE YARDS 2, LLC, an Indiana limited liability company.

Printed Name: ___________________________
Notary Public in and for said State
Commissioned in ____________ County

My commission expires

____

ANNEX 1
DEFINITIONS

"Affiliate" means any person, entity or group of persons or entities which controls Developer, which Developer controls or which is under common control with Developer. As used herein, the term "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management and policies, whether through the ownership of voting securities, by contract or otherwise. However, the parties understand and agree that the term "Affiliate" shall not include passive investors or capital partners without day to day operational control of the Project.

"Affiliate Transfer" means a transfer by Developer of all or a portion of the Project Site, and/or all or any portion of Developer's rights and/or obligations under this Agreement, to a transferee entity whose Controlling Person or Entity is also the Controlling Person or Entity of Developer, as described in Section 6.13(c).

"Agreement" means this Development Agreement (The Yards II) by and between the UG and Developer.

"Applicable Laws and Requirements" means any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, authorization, directive, requirement or decision of or agreement with or by Government Authorities, and all requirements of any insurers. Applicable Laws and Requirements includes, without limitation, the Development Plan, the Project Plan, the Kansas Cash Basis Law (K.S.A. § 10-1100 *et seq.*) and Budget Law (K.S.A. § 75-2935 *et seq.*).

"Approved Assignment" means any assignment, sale, lease, mortgage, merger or other transfer which is consented to by the UG, as described in Section 6.13.

"Assignee" means the assignee, purchaser, lessee, mortgagee, or transferee of an Approved Assignment, as described in Section 6.13.

"Base Year Assessed Valuation" means the assessed valuation of all real properties within the boundaries of the TIF District on the date of publication of the TIF District Ordinance, as described in Section 4.2(a)(i).

"Casualty" means any fire, storm, earthquake, tornado, flood or natural disaster or other sudden, unexpected or unusual cause of damage or destruction.

"Casualty Escrow" means the net proceeds of any insurance relating to damage or destruction of any portion of the Improvements, the net proceeds of condemnation or taking of any portion of the Improvements, or the net proceeds of any realization on title insurance paid into, and used in accordance with, a construction escrow agreement satisfactory to the UG and Developer, as described in Section 6.11(a).

"Certificate of Expenditures" means those certain certificates submitted by Developer in accordance with Section 4.6(a) and on the form set forth in **Exhibit H**.

"CID" means community improvement district established pursuant to the CID Ordinance.

"CID Act" means K.S.A. 12-6a26 *et seq.*

"CID Administrative Fee" means the annual administrative fee for the CID Fund, as described in Section 4.4(d).

"CID Cap" means the limitation on CID Proceeds available to Developer for reimbursement of CID Eligible Expenses through Pay-As-You-Go CID Financing, as described in Section 4.4(c)(ii).

"CID Collection Period" means the period that commences on the date that the CID Sales Tax is first imposed within the CID up to and concluding upon the earlier of (i) date that is twenty-two (22) years from the date the CID Sales Tax is first imposed, (ii) the date CID Proceeds equal to the CID Cap have been disbursed to Developer, or (iii) the termination of the Agreement, as described in Section 4.4(c)(i).

"CID Eligible Expenses" means the Project Costs which may be reimbursed with CID Proceeds if and to the extent that such Project Costs are eligible for payment or reimbursement pursuant to the CID Act, as described in Section 4.4.

"CID Fund" means the separate fund and account established by the UG for collection of the CID Sales Tax within the CID boundaries, as described in Section 4.4(b).

"CID Ordinance" means the ordinance passed by the UG pursuant to the CID Act on or about _______________, 2020 to approve the CID, as described in Recital J and a copy of which is attached hereto as **Exhibit F**.

"CID Petition" means the petition submitted by the owners of the Project Site to the UG requesting the formation of the CID, as described in Recital I and a copy of which is attached hereto as **Exhibit E**.

"CID Proceeds" means the proceeds of the CID Sales Tax in the CID Fund used to pay or reimburse Developer for CID Eligible Expenses, as described in Section 4.4(b).

"CID Sales Tax" means the sales tax imposed within the CID pursuant to the CID Ordinance, as described in Recital J.

"Closing" means the date by which Developer closes on its acquisition of the Project Site.

"Commencement Date" means the date by which Developer must commence construction on the Project, as described in Section 5.10.

"Completion Date" means the date by which Developer must have achieved Substantial Completion of the Project, as described in Section 5.10.

"Construction Documents" means Developer's construction documents relative to the Improvements, as described in Section 5.3.

"Controlling Person or Entity" means a person or entity who, under Applicable Laws and Requirements, possesses all authority and power necessary to lawfully act on behalf of and bind such entity, over the objection of all other holders of any other interest in such entity, to fulfill the obligations of Developer under the Agreement, as described in Section 6.13(c).

"Damaged Facilities" means any part or the whole of the Project to the extent that the same is damaged or destroyed by a Casualty, as described in Section 6.11(b).

"Developer" means KC THE YARDS 2, LLC, an Indiana limited liability company.

"Developer's Conditions Date" means the date certain by which all of the Developer's Public Financing Conditions must be met or waived and Closing must occur, as set forth in Section 3.2(b).

"Developer's Public Financing Conditions" means the conditions precedent to the issuance and delivery to Developer of any public financing under the terms of the Agreement, as set forth in Section 3.1 (c), (d), (e), and (f).

"Development Plan" means the final site plan approvals for the Improvements (or portion(s) thereof), as described in Section 2.2.

"DOR" means the Kansas Department of Revenue.

"Effective Date" means the date of this Agreement first above written.

"Environmental Regulation" means any and all present and future laws, statutes, ordinances, rules, regulations and orders of any Government Authority having jurisdiction over the parties hereto or any portion of the Project Site and pertaining to the protection of human health, Hazardous Substances, pollution, or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, and as the same may be further amended from time to time (collectively, "CERCLA").

"Force Majeure" is defined in Section 9.2.

"GAAP" means generally accepted accounting principles.

"General Contractor" means the general contractor selected by Developer for the Improvements, as described in Section 5.3.

"Government Authority" means any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, county, district, municipality, city or otherwise), whether now or hereafter in existence, with affirmative jurisdiction over Developer or the Project.

"Hazardous Substance" means any substance that is defined or listed as a hazardous or toxic substance and which is regulated as such or may form the basis of liability under any present or future Environmental Regulation, or that is otherwise prohibited or subject to investigation or remediation under any present or future Environmental Regulation because of its hazardous, toxic, or dangerous properties, including, without limitation, (i) any substance that is a "hazardous substance" under CERCLA, and (ii) petroleum, natural gas, natural gas liquids, liquefied natural gas, and synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas), only to the extent that the constituents of such synthetic gas are released or threatened to be released into the environment.

"Improvements" means those certain improvements that are contemplated to be constructed in the Project, as described in Section 2.2.

"Incremental Real Property Taxes" means that amount of Real Property Taxes collected from the real property within Project Area 1 of the TIF District that is in excess of the amount of Real Property Taxes collected from the Base Year Assessed Valuation of the real property within Project Area 1 of the TIF District, as described in Section 4.2(a)(i).

"Insurance Specifications" means the insurance requirements on Developer in connection with the Project as generally described in Section 6.10 and more fully set forth in **Exhibit I**.

"Interest" means the interest that is reimbursable to Developer as described in Section 4.3.

"IRB" means industrial revenue bond financing pursuant to K.S.A. 12-1741 *et seq*.

"Material Change" means any substantial change to any agreement, plan or other document referred to herein, which change would require changes to Developer's permits or approval of the appropriate Government Authorities or is required by Applicable Laws and Requirements.

"Parking Improvements" means any parking improvements required by Applicable Laws and Requirements, as described in Section 2.2(d).

"Pay-As-You-Go CID Financing" means a method of financing pursuant to which certain CID Proceeds are disbursed by the UG to Developer, as described in Section 4.4(c).

"Pay-Go TIF Financing" means a method of financing pursuant to which certain TIF Eligible Expenses are paid and/or reimbursed without notes or bonds, and the costs are reimbursed as TIF Proceeds are deposited into the Project Area 1 TIF Fund, as described in Section 4.2(b).

"Permitted Mortgage" means any mortgage placed on, or other security interest granted in, the Project Site or any part thereof in connection with any construction or permanent financing of the Project.

"Permitted Mortgagee" means the holder of the Permitted Mortgage.

"Permitted Use" means a first-class luxury multi-family apartment building as described in Sections 2.2(a) and 6.2(a) and the Retail Space, if applicable, described in Section 2.2(b) and 6.2(a).

"Person" shall mean any natural person, firm, partnership, association, corporation, limited liability company, trust, entity, public body or government or other entity.

"Plans and Specifications" means the plans and specifications for the Improvements, as described in Section 5.2.

"Prime Rate" means the rate of interest announced from time to time by Security Bank of Kansas City, or any successor to it. If such bank, or any successor to it, ceases to announce a prime rate, the UG shall designate a reasonably comparable financial institution for purposes of determining the Prime Rate.

"Private Funds" means Developer's private equity and debt used to pay the costs for the design, development and construction of the Project, as described in Section 4.1.

"Project" means the design, development, and construction of the Improvements on the Project Site, as described in Recital B and Section 2.2.

"Project Costs" means the costs of acquiring, designing, developing, constructing and completing the Project, as described in Section 4.1 and **<u>Exhibit G</u>**.

"Project Area" or "Project Areas" means the separate and district project areas within the TIF District established by the TIF District Ordinance, including Project Area 1 governed by the terms and conditions of the Agreement, as well as three (3) other Project Areas for future development to be governed by separate agreement(s), as described in Recital F.

"Project Area 1" means the Project Area of the TIF District that consists of the Project, as described in Recital F.

"Project Area 1 TIF Fund" means the separate fund and account established by the UG for collection of the TIF Proceeds collected within Project Area 1 of the TIF District, as described in Section 4.2(a)(ii).

"Project Plan" means the Redevelopment Project Plan for Project Area 1 of the TIF District approved and adopted by the UG pursuant to the TIF Project Plan Ordinance, as described in Recital G.

"Project Site" means the real property on which Developer intends to design, develop and construct the Project, as described in Recital A, legally described on **Exhibit A-1** and generally depicted on **Exhibit A-2**.

"Public Financing Conditions" means the conditions precedent to the issuance and delivery to Developer of any public financing under the terms of the Agreement, as set forth in Section 3.1.

"Real Property Taxes" means all taxes levied on an ad valorem basis upon land and Improvements within the TIF District, as described in Section 4.2(a)(i).

"Retail Space" means the square footage of space allowed for retail, restaurant and entertainment uses in the Project, as described in Section 2.2(b).

"Resolution of Intent" means that certain master resolution of intent indicating the UG's intention to grant to Developer the IRB financing, as described in Sections 3.1(d) and 4.11.

"State" means the State of Kansas.

"Substantial Completion" and "Substantially Completed" means the stage in the progress of the construction of the Project when construction is sufficiently complete so that the Project can be occupied or utilized for its intended use (which shall be evidenced by the receipt of a temporary certificate of occupancy for the Improvements).

"Term" means the term of the Agreement, as described in Section 6.1.

"TIF" means tax increment financing.

"TIF Act" means K.S.A. § 12-1770 *et seq.*, as amended.

"TIF Administrative Fee" means the annual administrative fee for the Project Area 1 TIF Fund, as described in Section 4.2(d).

"TIF Cap" means the limitation on TIF Proceeds available to Developer for reimbursement of TIF Eligible Expenses through Pay-Go TIF Financing, as described in Section 4.2(b)(ii).

"TIF Collection Period" means the period that commences on the date that the Project Plan is approved by the UG's Board of Commissioners up to and concluding upon that date which is the earlier of (a) the date that Developer has been reimbursed for all TIF Eligible Expenses by Pay-Go TIF Financing in an amount equal to the TIF Cap, or (b) twenty (20) years from the date that the Project Plan was approved, as described in Section 4.2(b)(i).

"TIF District" means the TIF District established by the UG pursuant to the TIF District Ordinance and the TIF Act, as described in Recital E, legally described on **Exhibit C-1**, and generally depicted on **Exhibit C-2**.

"TIF District Ordinance" means Ordinance No. O-____-____ passed by the UG pursuant to the TIF Act on or about _______________, 2020 to approve the TIF District, as described in Recital E and a copy of which is attached hereto as **Exhibit B**.

"TIF Eligible Expenses" means those certain Project Costs identified by Developer which may be reimbursed with TIF Proceeds if and to the extent that such Project Costs are related to site improvement and the design and construction costs located within Project Area 1 of the TIF District, all as specifically identified on **Exhibit G** attached hereto, along with Interest, and eligible for payment or reimbursement pursuant to the TIF Act, as described in Section 4.2.

"TIF Proceeds" means the Incremental Real Property Taxes, less the TIF Administrative Fee, as described in Section 4.2(a)(iii).

"TIF Project Plan Ordinance" means the ordinance passed by the UG pursuant to the TIF Act to approve the Project Plan, as described in Recital G and a copy of which will be attached hereto as **Exhibit D**.

"Transaction Documents" means the lease, along with any bond trust indentures, bond purchase agreements, tax compliance agreements, financing agreements, and other similar documents executed and delivered by the parties in connection with the IRB financing.

"Total Project Budget" means the budget attached hereto as **Exhibit G**.

"UG" means the Unified Government of Wyandotte County/Kansas City, Kansas.

"UG Conditions Date" means the date certain by which all UG's Public Financing Conditions must be met or waived and Closing must occur, as set forth in Section 3.2(a).

"UG's Public Financing Conditions" means the conditions precedent to the issuance and delivery to Developer of any public financing under the terms of the Agreement, as set forth in Section 3.1 (a) and (b).

INDEX OF EXHIBITS

EXHIBIT A-1

PROJECT SITE – LEGAL DESCRIPTION

EXHIBIT A-2

PROJECT SITE – MAP

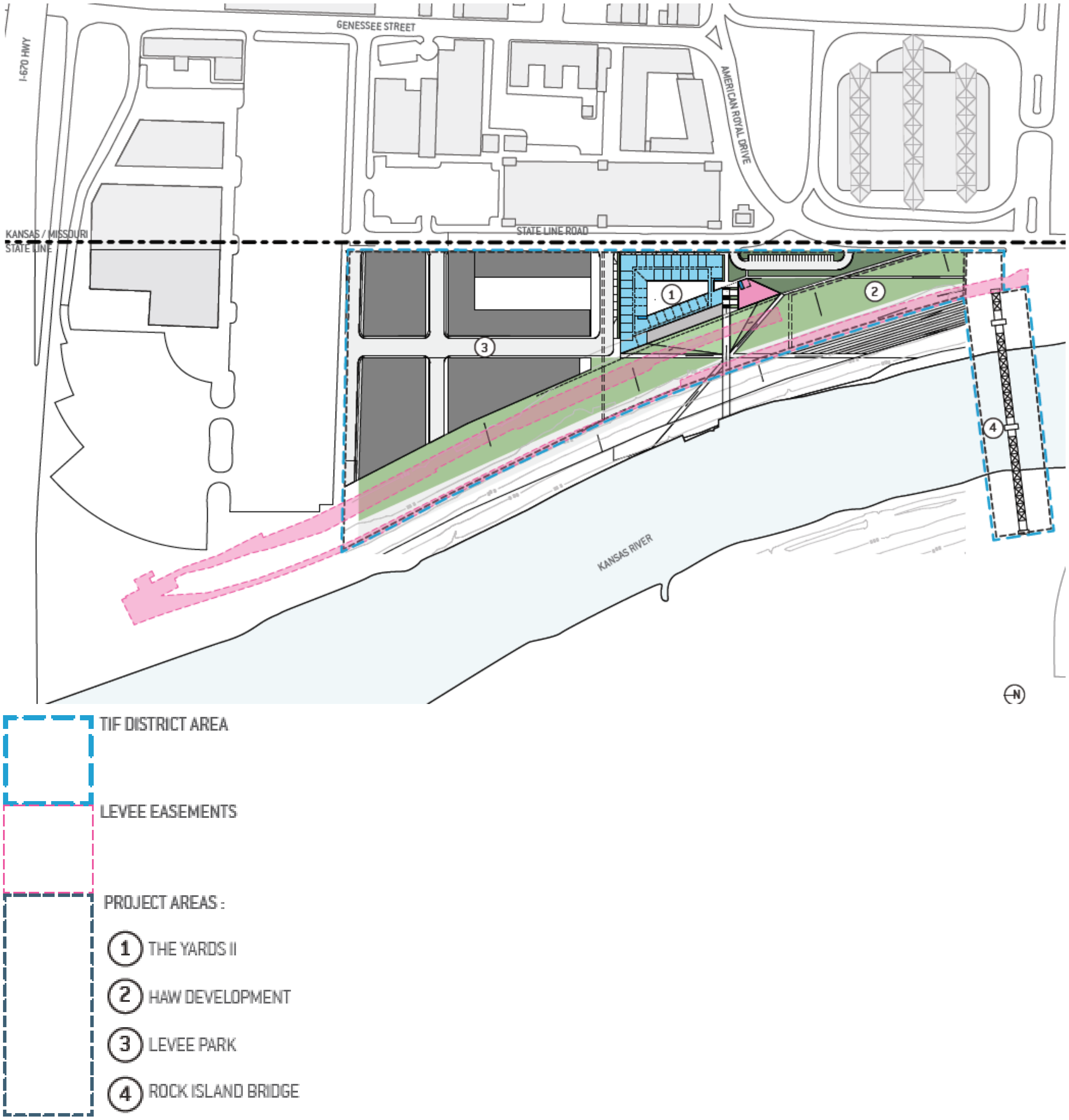


EXHIBIT B

TIF DISTRICT ORDINANCE

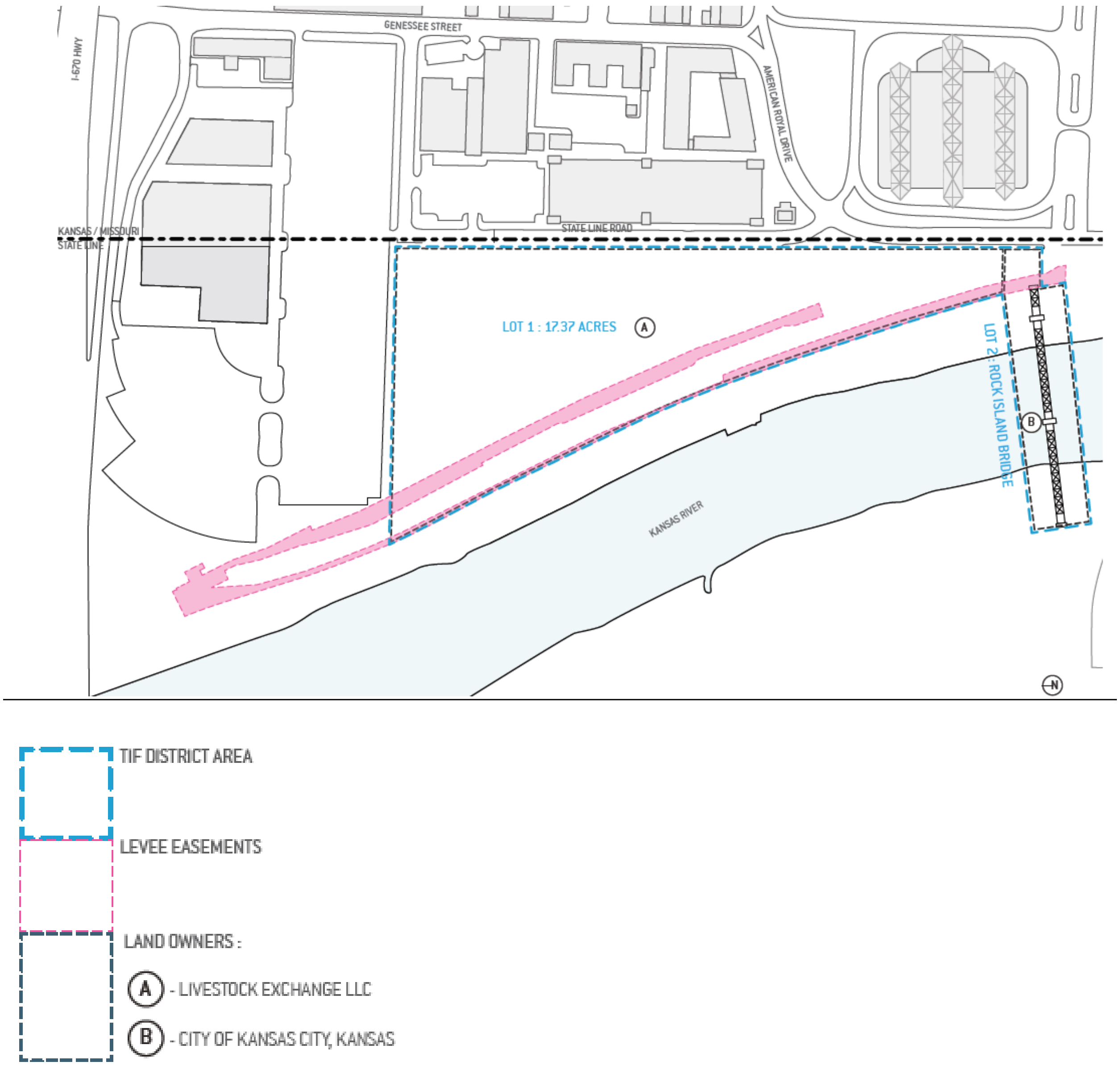
[To be attached.]

EXHIBIT C-1

TIF DISTRICT – LEGAL DESCRIPTION

EXHIBIT C-2

TIF DISTRICT – MAP



<u>EXHIBIT D</u>

TIF PROJECT PLAN ORDINANCE

[To be attached.]

<u>EXHIBIT E</u>

CID PETITION

[To be attached]

EXHIBIT E-1

CID BOUNDARIES – LEGAL DESCRIPTION

[To be attached]

EXHIBIT E-2

CID BOUNDARIES – MAP

[To be attached]

EXHIBIT F

CID ORDINANCE

[To be attached]

EXHIBIT G

TOTAL PROJECT BUDGET

DESCRIPTION	TOTAL PROJECT COST	TIF ELIGIBLE EXPENSES INCLUDED IN BUDGET
DIVISION 1 - GENERAL REQUIREMENTS		
Land Acquisition Costs	**2,500,000**	**2,500,000**
Design Fees for TIF Reimbursable Items	**100,000**	**100,000**
Project Financing Costs	**100,000**	**100,000**
Quality Control	**0**	
Construction Temporary Facilities	**0**	
Construction Waste Management & Disposal	**120,000**	
LEED Requirements/Checklist	**0**	
MWBE Good Faith Effort Logging	**0**	
Site & Building Survey / Layout	**35,000**	
Material Testing	**50,000**	**10,000**
Temporary Fence & Monthly Maintenance	**40,000**	
Man/ Material Hoisting	**50,000**	
Building Permit and Plan Review Fees	**15,101**	**5,000**
Rough Hardware	**5,000**	
Final Cleaning	**130,379**	
Weather Conditioning Allowance	**80,000**	
Site Security & Nightwatch - If Required	**130,000**	
Traffic Control / Barricades	**75,000**	
DIVISION 2 - EXISTING CONDITIONS		
Structure Demolition	**0**	
Asbestos Abatement	**0**	
DIVISION 3 - CONCRETE		
Cast-In-Place Concrete	**1,300,000**	
Light Pole Bases, Mech/Elect Housekeeping Pads	**15,000**	**15,000**
Polished Concrete	**35,000**	
Gypcrete Topping and acoustical - Building	**549,000**	
LW concrete and WP at balconies	**266,000**	
DIVISION 4 - MASONRY		
Masonry - CMU at elevator shafts	**125,000**	
Masonry - CMU at misc. walls	**60,000**	
Brick veneer - 15% of façade	**530,000**	
Cast Stone	**0**	
DIVISION 5 - METALS		
Structural Steel Framing	**350,000**	
Steel Stairs	**0**	
Metal Fabrications	**45,000**	
Brick Shelf Angles	**10,000**	
Balcony rails - cable	**425,000**	
Decorative Metal Railings - At roof-top plaza	**25,000**	

DIVISION 6 - WOODS, PLASTICS & COMPOSITES		
Rough Carpentry	**6,300,000**	
Framing QC & Supervision	**50,000**	
Mold Prevention	**100,000**	
Finish Carpentry - Trim	**276,000**	
Architectural Woodwork - Public Areas	**150,000**	
Temp Railing at balconies	**27,500**	
DIVISION 7 - THERMAL & MOISTURE PROTECTION		
Dampproofing	**0**	
Waterproofing	**40,000**	
Traffic Coating	**0**	
Thermal Insulation	**470,000**	
EIFS	**0**	
Air Barrier Testing	**0**	
Metal Roof & Wall Panels	**1,165,000**	
Cedar Siding - 5% of façade - accents	**115,000**	
Membrane Roofing & Sheet Metal	**480,000**	
Pavers on pedestals at roof-top plaza	**75,000**	
Applied Fireproofing	**20,000**	
Firestopping	**0**	
Joint Sealants	**280,000**	
Expansion Joint Cover Assemblies	**42,000**	
DIVISION 8 - OPENINGS		
Doors, Frames and Hardware	**484,000**	
Doors & Hardware Installation	**260,000**	
Access Doors & Frames	**5,000**	
Overhead Doors	**6,000**	
Aluminum Framed Entrances & Storefronts	**310,000**	
Mirrors	**31,000**	
Automatic Entrances	**0**	
Windows and Patio Doors	**645,000**	
Unit Skylights	**0**	
DIVISION 9 - FINISHES		
Stucco	**0**	
Drywall	**2,600,000**	
Acoustical Panel Ceilings	**0**	
Finishes QC & Supervision	**100,000**	
Floor Protection - If Needed	**10,000**	
Flooring	**870,000**	
Wall Coverings	**0**	
Painting	**730,000**	
Finish Out Crew	**57,000**	
DIVISION 10 - SPECIALTIES		
Regulatory Signage	**24,000**	
Façade and decorative signage	**0**	
Toilet Partitions & Screens	**6,000**	
Toilet, Bath & Laundry Accessories	**67,000**	
Operable Partitions	**0**	

Wall & Door Protection	**6,000**	
Glass Shower Doors	**266,000**	
Fireplaces & Stoves	**0**	
Fire Extinguishers, Cabinets	**17,000**	
Metal Lockers	**0**	
Postal Specialties	**21,000**	
Metal Storage Shelving	**88,000**	
Awnings	**0**	
Canopies	**0**	
Flagpoles	**0**	
Knox boxes	**1,500**	
DIVISION 11 - EQUIPMENT		
Loading Dock Equipment	**0**	
Residential Appliances	**660,000**	
Food Service Equipment	**0**	
Playground Equipment	**0**	
Window Washing System	**0**	
Dog Park Equipment	**25,000**	
DIVISION 12 - FURNISHINGS		
Horizontal Louver Blinds	**70,000**	
Roller Window Shades	**0**	
Manufactured Wood Casework	**625,000**	
Stone Tops	**230,000**	
Entrance floor Mats & Frames	**5,000**	
PUBLIC PLAZA Furniture	**25,000**	
Furniture Install	**25,000**	
Site Furnishings - Bike Racks	**30,000**	**30,000**
Site Furnishings - Patio Grills	**10,000**	
Site Furnishings - Grill area structure	**30,000**	
Site Furnishings - Benches	**7,500**	**7,500**
Site Furnishings - Trash Enclosure	**50,000**	
Site Furnishings - Monument Sign	**50,000**	
DIVISION 13 - SPECIAL CONSTRUCTION		
Swimming Pools	**225,000**	
DIVISION 14 - CONVEYING EQUIPMENT		
Hydraulic Elevators	**215,000**	
Elevator Inspection Costs/ temp usage	**20,000**	
Facility Chutes	**18,000**	
DIVISION 21 - FIRE SUPPRESSION		
Water-Based Fire Suppression Systems	**478,000**	
Fire Pumps	**50,000**	
DIVISION 22 - PLUMBING		
Plumbing	**1,650,000**	
Submetering	**26,400**	
DIVISION 23 - HVAC		
HVAC	**1,540,000**	
Testing, Adjusting & Balancing for HVAC	**0**	
DIVISION 26 - ELECTRICAL		
Electrical	**3,300,000**	

Site Electric	**80,000**	**20,000**
MEP Quality Control & Supervision	**120,000**	**20,000**
DIVISION 31 - EARTHWORK		
Site Clearing	**0**	
Mass Grading and fill at Levee & the Park	**750,000**	**750,000**
Any grading, gravel, landscaping at River-side of Levee	**150,000**	**150,000**
Earth Moving	**400,000**	**400,000**
Erosion & Sedimentation Controls	**20,000**	**20,000**
Termite Control	**9,100**	**9,100**
Shoring & Underpinning	**0**	
Drilled Concrete Piers	**0**	
Geopiers	**0**	
Lean Concrete in plumbing trenches	**0**	
DIVISION 32 - EXTERIOR IMPROVEMENTS		
Asphalt Paving - Street Parking	**20,000**	**20,000**
Asphalt Paving - Private Street	**0**	
Concrete Paving, curbs and sidewalks - outside the building	**300,000**	**300,000**
Concrete Paving, curbs and sidewalks - Courtyard	**75,000**	**75,000**
Concrete retaining wall	**250,000**	**250,000**
Concrete Paving Joint Sealants	**10,000**	**10,000**
Pavers	**50,000**	**50,000**
Pavement Markings	**13,000**	**13,000**
Fence around the pool	**22,000**	**22,000**
Segmental Retaining Walls	**0**	
Planting Irrigation	**50,000**	**50,000**
Landscaping - at Levee Park along the building	**100,000**	**100,000**
Landscaping at Courtyards	**50,000**	**50,000**
Import Topsoil at Levee Park	**120,000**	**120,000**
Park Along Amphitheater		
Amphitheater construction		
DIVISION 33 - UTILITIES		
Water Utilities	**230,000**	**230,000**
Sanitary Sewerage Utilities	**42,000**	**42,000**
Grease Trap for retail	**10,000**	
Storm Drainage Utilities	**100,000**	**100,000**
U/G Storm Chambers	**100,000**	**100,000**
Courtyard Drainage	**40,000**	**40,000**
Foundation Drainage	**35,000**	**35,000**
Gas to grills and firepit	**9,000**	**9,000**
Utility relocation	**0**	
Traffic Signals	**0**	
TAXES / BONDS		
ADDED SALES TAX @ Exempt	0	
SUB-BONDS @	427,545	25,605
SUBTOTAL DIRECT COSTS	36,308,025	5,778,205
General Conditions	1,282,721	203,953

Operations Overhead	236,002	37,524
Builders Risk Insurance @ ***BY OWNER***	0	
MWB Insurance @	182,093	
Procore PM Software	36,419	5,791
MWB Budget Contingency Allowance	728,370	115,811
Professional Services	400,000	200,000
contract administration	1,958,681	
TOTAL PROJECT COSTS	**41,132,310**	**6,341,283**

** While this budget reflect that an estimated principal amount of $6,341,283 in project costs can be funded with TIF Revenue, pursuant to Section 4.3 of the Development Agreement, the Developer will also be entitled to payment/reimbursement of an interest component to cover the costs associated with financing the TIF Eligible Expenses.

EXHIBIT H

Form of Certificate of Expenditures

CERTIFICATE OF EXPENDITURES

TO: Unified Government of Wyandotte County/Kansas City, Kansas

Attention: County Administrator

Re: THE YARDS II

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Development Agreement (The Yards II) dated as of ______________, 2020 (the "Agreement") between the Unified Government and Developer.

In connection with the Agreement, the undersigned hereby states and certifies that, to the best of its actual knowledge:

1. Each item listed on *Schedule 1* hereto is a Project Cost and was incurred in connection with the construction of the Project.

2. These Project Costs have been paid by Developer, successors, assigns, tenants, or transferees and are reimbursable under the Agreement.

3. Each item listed on *Schedule 1* has not previously been paid or reimbursed from money derived from the Project Area 1 TIF Fund, and no part thereof has been included in any other certificate previously filed with the Unified Government.

4. There has not been filed with or served upon Developer any notice of any lien, right of lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested in good faith.

5. All necessary permits and approvals required for the work for which this certificate relates were issued and were in full force and effect at the time such work was being performed.

6. All work for which payment or reimbursement is requested has been performed in a good and workmanlike manner and in accordance with the Agreement.

7. Developer is not in default or breach of any term or condition of the Agreement, and no event has occurred and no condition exists which constitutes a default under the Agreement.

8. All of Developer's representations set forth in the Agreement remain true and correct as of the date hereof.

Dated this ____ day of __________________, 20____.

KC THE YARDS 2, LLC, an Indiana limited liability company

By: ______________________________________

Name: ____________________________________

Title: _____________________________________

Approved for Payment this ____ day of ___________, 20_____:

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By: ______________________________________

Title: _____________________________________

SCHEDULE I
TO
CERTIFICATE OF EXPENDITURES

Description of Project Costs	Cost	Payee	Designate as Redevelopment Project Costs

Total Costs:

EXHIBIT I

INSURANCE SPECIFICATIONS

1. Worker's Compensation. Developer may self-insure, to the extent allowed by applicable law. The self-insured retention shall be that which is standard in the industry. Developer will then purchase excess Worker's Compensation Insurance with statutory limits over the self-insured retention. If self-insurance is not available under applicable state law, coverage will be purchased in accordance with the statutory requirements.

2. Comprehensive General Liability. Developer will purchase and maintain with primary limits of $3,000,000.

3. Automobile Liability. Developer will purchase and maintain with primary limits of $1,000,000.

4. Excess Liability. Developer will purchase and maintain excess liability insurance in an amount not less than $5,000,000.

5. Special Perils Form Property Insurance. Developer will purchase on a replacement cost basis. Deductibles and limits will be standard to those in the industry, and the policy shall include an "Agreed Amount" endorsement. Earthquake and flood insurance, as well as fired vessel, boiler and machinery, and underground collapse, may be required by the UG as additional perils, but only to the extent required by Developer's lender for the Project.

EXHIBIT J

LBE/MBE/WBE GOALS AND REQUIREMENTS

This Exhibit sets forth the guidelines for the utilization of local business, minority, and women enterprises and local resident, minority, and women participation and equal employment opportunity referenced in **Section 8.2** of the Downtown Campus Development Agreement (the **"Agreement"**) between the Unified Government of Wyandotte County/Kansas City, Kansas (the **"UG"**) and KC THE YARDS 2, LLC, an Indiana limited liability company (**"Developer"**). The parties agree as follows:

I. SCOPE.

These procedures are applicable to the Construction of, and the Professional Services for (as such terms are defined below) the Project, including but not limited to all aspects of the construction of the Improvements and all related facilities, including labor, materials and supplies, and construction-related services, but not including: (i) Specialized Services; or (ii) legal, architectural and pre-construction consulting services already performed or contracted for prior to the Effective Date of the Agreement (as defined in the Agreement), which shall specifically be excluded from both the numerator and the denominator in determining whether the Construction and Professional Services goals set forth herein have been met.

II. DEFINITIONS.

All capitalized terms used in this Exhibit shall have the meaning ascribed to them in the Agreement and made a part thereof, or as otherwise set forth herein.

A. "Best Efforts" has the meaning set forth in Section III.C.3.b. herein.

B. "Construction" means all aspects of the construction of the Improvements, all related facilities, and the Project, including labor, materials and supplies, and construction-related services, whether performed or contracted for by or on behalf of Developer; provided, however, "Construction" shall not include: (i) services performed or associated with tenant improvements or any services requested by tenants of the Project, provided that this exception shall only apply to tenants who are third parties unaffiliated with Developer; (ii) Specialized Services; (iii) Professional Services; or (iv) legal, architectural and pre-construction consulting services already performed or contracted for prior to the Effective Date of the Agreement.

C. "Contractor" means the Proposer selected by Developer for the design, development, or construction of the Project.

D. "Local Business Enterprise or LBE" means a business headquartered or which maintains a major branch that performs the significant functions of the business in Wyandotte County or a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and whose day-to-day management is under the control of an individual residing in Wyandotte County. There is no formal certification process for LBE designation. It is determined and assigned based on the criteria referenced in this definition and payment of all applicable Wyandotte County taxes and/or licensing fees.

E. "Local Resident" means an individual that, during his or her employment with the Project, maintains his or her place of domicile in Wyandotte County.

F. "Minority Business Enterprise or MBE" means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of a person who is a member of an American ethnic minority group including African-American, Asian-Indian, Asian-Pacific, Hispanic and Native American.

G. "Professional Services" means advisory or consulting activities including, but not limited to, architectural, engineering, legal, accounting, financial, marketing, environmental studies, and financial services contracted for by or on behalf of Developer for the design, development, and construction of the Project but specifically excluding: (i) professional services that have historically been sourced and performed at the holding company level by Developer (such as legal and accounting services, for example); (ii) Specialized Services; (iii) Construction; and (iv) legal, architectural and pre-construction consulting services already performed or contracted for prior to the Effective Date of the Agreement.

H. "Proposer" means a person who submits a proposal in response to a solicitation for proposals issued by Developer or one of its Contractors with respect to the design, development, or construction of the Project, or with respect to ongoing maintenance and operations of the Project.

I. "Specialized Services" means expertise, services, or products, the application of which are unique to the construction of the Project and which are only available through sole or limited source providers or national vendors. Specialized Services shall also include the services provided by the Contractors and designers who have been involved with and have previous experience on similar projects with Developer and which Developer has engaged or intends to engage to perform similar services for the Project.

K. "Women Business Enterprise or WBE" means a business of which at least 51% of the stock, equity, or beneficial interest is owned, held, or controlled and/or whose day-to-day management is under the control of one or more women who are U.S. citizens or legal resident aliens.

III. DESIGN, DEVELOPMENT, AND CONSTRUCTION OF THE PROJECT.

A. GOALS FOR LBE/MBE/WBE PARTICIPATION.

1. Project Design, Development, and Construction Goals.

Developer will use its Best Efforts to meet the following goals based upon the total cost of Construction of, and Professional Services for, the Project and all related facilities undertaken by Developer, but not including Specialized Services. In no event shall Developer be required to incur higher costs as a result of its commitment to attempt to meet such goals. In the event Developer obtains bids for any aspect of the Project for which a bid by a Proposer qualifying as an LBE, MBE, or WBE is not the lowest or best bid, Developer shall not be required to meet the LBE/MBE/WBE participation percentage goals for that aspect of the Project. These goals are based upon a disparity study performed for the Kansas City Metropolitan Area for LBE, MBE, and WBE participation. These goals are not to act as quotas or set asides.

	Construction	Professional Services
LBE	18%	18%
MBE	15%	13%
WBE	7%	8%

It is the intent of the UG to give preference to the utilization of LBEs so long as all other factors relating to the award of an individual contract are equal. If the factors relating to an award of an individual contract are equal, Developer shall give preference to the utilization of LBEs over the utilization of MBEs and WBEs. Developer shall strive to meet each individual goal listed.

2. Contract Specific Goals.

The parties agree that the goals are set forth for Construction of, and Professional Services for, the Project as a whole, excluding Specialized Services, and the UG will reasonably agree to different specific goals for specific contracts or portions of contracts to be awarded by Developer, when proposed by Developer, relating to the Construction of the Project, based upon the availability of qualified LBEs and certified MBEs and WBEs to perform the specific scopes of work delineated in Developer's Project Utilization Plan (as described herein).

3. Eligibility for Credit.

a. Only LBE businesses that are qualified and/or MBE or WBE businesses that are certified or undergoing certification at the time of submittal of the subject bid or proposal and ultimately certified as MBEs or WBEs by the Kansas Department of Commerce, State of Missouri, Missouri Department of Transportation, City of Kansas City, Missouri, MidAmerica Minority Business Development Council, Women's Business Enterprise National Council, or any other public or private entity reasonably acceptable to the UG and Developer (each an "approved" business), may be counted towards the participation goals in Section III.A.1. above.

b. In the event that a contract has been awarded on the Project to an approved LBE/MBE/WBE business, and such LBE/MBE/WBE business later becomes unapproved prior to the completion and acceptance of all the work to be provided under such contract, then Developer shall nonetheless receive credit towards the goal for that the entire portion of work performed or services provided up to the point such business becomes unapproved.

4. Construction Workforce.

a. Recruitment and Outreach. Developer will use its Best Efforts to employ and to ensure its Contractors employ Local Residents, minorities, and women in all aspects of the Construction of, and Professional Services for, the Project except for Specialized Services. These efforts shall include but not be limited to:

i. advertising in appropriate publications describing the work available, pay scales, and application procedures and maintaining a log or copies of these ads showing the date of publication and identifying the publication;

ii. working with local community organizations, minority and women's community organizations, and other appropriate organizations to seek qualified Local Residents, minorities, and women (a list of these organizations may be provided by the UG upon request); and

iii. working with the UG to promote diversity and inclusion in all aspects of the Project.

Documentation of these and any other steps taken shall be submitted to the UG prior to the beginning of the bidding process.

b. Employment Procedures. Developer and its Contractors shall implement equal employment opportunity hiring and job action procedures as those terms are commonly understood.

B. DEVELOPMENT AND PROJECT UTILIZATION PLANS.

1. Submissions, Content, and Fulfillment of Project Utilization Plan.

a. Fourteen (14) calendar days before the solicitation of the first proposal for the Construction of part of the Project, which is issued by Developer after the execution of the Agreement, Developer will submit a Project Utilization Plan to the UG for review and approval. The Project Utilization Plan shall be on the form attached to this Exhibit as Attachment A or on another form provided or approved by the UG. This Project Utilization Plan shall set forth, to the best of Developer's knowledge: all categories of work that will be covered within solicitations that Developer or its Contractors intend to issue for all Construction and Professional Services providers necessary for the construction of the Project; an estimate of the dollar value of all work covered by these solicitations; an estimate of the dollar value of work within each identified work category; the dollar value of the work for each identified work category that is projected to be performed by LBEs, MBEs and WBEs; any known potential joint ventures with LBEs, MBEs, and WBEs within each identified work category; an overall schedule of all work projected to be performed related to the design, development, and construction of the Project, laid out sequentially over time; and the actions Developer intends to take, with respect to each of these solicitations, to make its Best Efforts to meet the goals set forth in Section III.A.1. of this Exhibit.

b. Developer, in the Project Utilization Plan, shall designate one person as the Project Manager to serve as the point of contact with the UG on all matters related to the Project Utilization Plan. Developer shall provide the Project Manager's name, physical office address, e-mail address, and phone number to the UG. The Project Manager shall be an individual with administrative authority with regard to enforcement of the stipulations located within this Exhibit.

c. The goals of Section III.A.1 may be met by the expenditure of dollars with approved LBE/MBE/WBE prime Contractors, material suppliers (either by Developer or a prime Contractor), subcontractors (either by Developer or a prime Contractor), or through joint ventures with approved LBEs, MBEs or WBEs.

i. Certified MBE and WBE prime Contractor Proposers may count their own participation toward a goal for which they qualify, and may divide their own participation between two goals, but their participation may not be double-counted. These prime Contractor Proposers shall receive credit towards the goals for the dollar value of the contract.

ii. Approved or certified LBE/MBE/WBE material suppliers, regular dealers, and manufacturers shall be credited towards the goals for the dollar value of the contract.

iii. A joint venture involving an approved LBE/MBE/WBE as a partner may be counted towards the applicable goal only to the extent of the dollar amount that the approved LBE/MBE/WBE is responsible for and at risk, except, however, if the LBE/MBE/WBE is the majority partner in the joint venture, the entire joint venture contract amount shall be counted, less any work subcontracted to the non-LBE/MBE/WBE joint venture partner. To receive credit, the approved LBE/MBE/WBE must be responsible for a clearly defined portion of the work, profits, risks, assets, and liabilities of the joint venture.

iv. Participation by a certified MBE owned by a minority woman may be counted as MBE participation or as WBE participation; however, this participation cannot be double-counted. A certified MBE or WBE may also be counted towards the LBE goal, if qualified as LBE. The amount of participation by these businesses may be divided between the MBE or the WBE goals. A qualified LBE that is certified as MBE and WBE shall be counted toward the LBE and the MBE or WBE goals, but shall not be counted toward both the MBE and WBE goals.

v. Only the participation of LBEs, MBEs, and WBEs that provide a commercially useful function required for the work of the specific solicitation shall be counted toward achievement of the goals. The LBE/MBE/WBE must be responsible for the execution of a distinct element of the work by actually performing, managing, or supervising its function in the work identified in the solicitation. Brokering is not credited. Purchases from LBEs, MBEs, and WBEs that constitute indirect or general overhead costs to a projected Proposer's business may not be counted toward the goals. Costs directly incurred solely to perform the work with respect to a Project contract may be counted toward the goals.

2. <u>Evaluation of Project Utilization Plans.</u>

a. The UG will review Developer's Project Utilization Plan respecting each category of work identified by Developer. In conducting its review, the UG shall evaluate the extent to which the actions Developer proposes to take to meet the goals constitute Best Efforts, as set forth is Section III.C.3.b. below. In no event shall Developer or any of its Contractors be required to engage any LBE/MBE/WBE that is not the low bidder or is not qualified or capable of performing the work to acceptable standards in the reasonable discretion of Developer.

b. Changes to the Project Utilization Plan after its initial submission to the UG shall be reviewed and approved or rejected by the UG within thirty (30) days following submission of the same by Developer, and such changes shall be deemed to be approved by the UG if not rejected within such thirty (30) day period.

C. CONTRACT AWARD COMPLIANCE PROCEDURES.

1. <u>Solicitation Documents.</u>

The solicitation documents for each contract for which goals are established shall contain a description of the requirements set forth in this Exhibit; the LBE/MBE/WBE goals; and the areas of projected subcontracting. Five (5) calendar days before the issuance of each solicitation, Developer shall submit the solicitation documents and the bid list to the UG. This submittal is mandatory for each bid subject to LBE/MBE/WBE goals.

2. <u>Developer's Report of Solicitation Results.</u>

Within seven (7) working days after the date set for receipt of proposals by each solicitation issued for Developer for the construction of the Project, the Project Manager shall submit to the UG, on a form provided or approved by the UG, a Report of Solicitation Results (the "Report") fully describing all proposals received in response to the solicitation. The Report shall: (1) state the estimated total dollar value of the work covered by the solicitation; (2) state the names of all Proposers; (3) state the total dollar value of work covered by proposals submitted by approved LBEs, MBEs, and/or WBEs (for both Construction and Professional Services); (4) provide all relevant information concerning each joint venture Proposer; and (5) state the name of all subcontractors to Proposers (to the extent then available) that are approved LBEs, MBEs, and/or WBEs, and the dollar value of work covered by proposed subcontracts between Proposers and LBEs, MBEs and/or WBEs. The Report shall also indicate to which of the Proposers, including joint venture Proposers, Developer or any of its Contractors is intending to award contacts resulting from the solicitation. In addition, with respect to any LBE/MBE/WBE goal established in the Project Utilization Plan that it appears from the proposals received will not be met, Developer shall include in the Report a precise description of all Best Efforts it has undertaken or caused to be undertaken to meet the established goals. These submittals are mandatory for all solicitations subject to LBE/MBE/WBE goals.

3. <u>UG Review of Developer's Report of Solicitation Results.</u>

a. Within seven (7) calendar days of receiving a Report for review, the UG, based on its review of the Report, shall advise Developer whether it appears that, in light of Developer's indication of the Proposers to whom it intends to award contracts, Developer will meet the goals set forth in the Project Utilization Plan or if not, whether Developer has established Best Efforts to meet these goals, and shall state the reasons for this conclusion, referring to the specific Best Efforts criteria contained in Section III.C.3.b. below. As a part of its review, the UG may ascertain whether LBE/MBE/WBE subcontractors agree with the dollar value of the work and the scope of the work, as identified in the proposal.

b. For each Project Utilization Plan goal that is not achieved, Developer shall be deemed to have used **"Best Efforts"** to meet the Project Utilization Plan goals for construction and Professional Services set forth in Section III.A.1. of this Exhibit if Developer shall have taken substantially all the following actions:

i. Developer is seeking or has sought timely assistance of the UG to identify qualified LBEs, MBEs, and WBEs;

ii. Developer is advertising or has advertised contract opportunities in local, minority, and women media;

iii. Developer is providing or has provided reasonable written notice of opportunities and informational meetings to approved LBEs, MBEs, and WBEs;

iv. Developer is following up or has followed up initial solicitations of interest by contacting LBEs, MBEs, and WBEs;

v. Developer is segmenting or has segmented portions of the work to increase the likelihood of LBE/MBE/WBE participation, where feasible;

vi. Developer is providing or has provided interested LBEs, MBEs, and WBEs with timely and accurate information about the plans, specifications, requirements, deadlines, and bidding procedures of the contracts;

vii. Developer is negotiating or has negotiated in good faith with interested LBEs, MBEs, and WBEs, not rejecting them as unqualified without sound reasons, based on a thorough review of their capabilities and prior work histories;

viii. If applicable, Developer is seeking or has sought to educate and assist LBEs, MBEs, and WBEs in obtaining bonding, lines of credit, or insurance required to perform the contract; and

ix. Developer is working or has worked with local, minority, and women contracting, professional, civic, and community organizations, government officers, or any other organization or persons, as identified by the UG, that provide assistance in the recruitment of LBEs, MBEs and WBEs.

Failure by Developer to take all of the foregoing actions shall not be determinative that Developer has not used its Best Efforts.

4. <u>Signed Contracts.</u>

Within twenty-one (21) working days of provision of the UG's evaluation of the Report to Developer, the Project Manager shall submit signed contracts with successful Proposers to the UG.

D. SUBCONTRACTOR RELATIONS.

1. <u>Documentation of Subcontracting Agreements.</u>

All subcontracting services shall be evidenced by a written agreement stating, at a minimum, the scope of work to be performed and the amount to be paid for performance of the work. Unit price subcontracts are acceptable if appropriate to the type of work being performed.

2. <u>Documentation of Schedules.</u>

a. For Construction contracts, the Contractor must present a work schedule that includes when the LBE/MBE/WBE subcontractors will be utilized at the job site. This schedule is due on or before the pre-construction meeting with the UG and the Project Manager representing Developer.

b. For Professional Services contracts, Developer must present a written schedule of when the LBE/MBE/WBE consultants will be working on the Project. This written schedule shall be provided to the UG prior to the Closing (as defined in the Agreement).

3. <u>Substitutions, Additions, or Deletions.</u>

Where a substitution for a LBE/MBE/WBE subcontractor must occur after submission of proposals by the Project Manager to the UG, the Project Manager must submit the proposed change or substitution to the UG for review. The UG shall have no authority to approve or reject any change or substitution. The sole purpose of the review by the UG shall be to determine whether the LBE/MBE/WBE should be counted toward achievement of the goals of Section III.A.1.

IV. <u>UG'S ASSISTANCE TO DEVELOPER.</u>

The UG shall use its best efforts to provide assistance to Developer in fulfilling its obligations as set forth in this Exhibit. Developer assumes all responsibility for its Best Efforts in meeting the goals and complying with the procedures and processes set forth herein. The UG assumes no duty or responsibility to Developer with respect to Developer's fulfillment of the goals set forth in this Exhibit by reason of the provision of assistance to Developer. Examples of assistance the UG may provide include but are not limited to:

A. providing information and technical assistance regarding the Project to Developer and its agents, including Contractors, subcontractors, LBEs, MBEs, WBEs, officials, and other interested persons;

B. developing and maintaining a registry of approved LBE/MBE/WBE businesses;

C. assisting with identifying potential LBEs, MBEs, and WBEs and reviewing their qualifications to participate in the Project;

D. updating Developer and its agents on current or proposed affirmative action legislation that may affect the Project;

E. recommending contract specific goals, as appropriate;

F. providing assistance in pre-award activities, such as provision of model or example Project Utilization Plans and work segmentation;

G. reviewing Developer, Contractor, and subcontractor performance and LBE/MBE/WBE participation on the Project;

H. providing advice relative to utilization and compliance matters;

I. conducting compliance reviews and audits of LBE/MBE/WBE participation;

J. evaluating requests for substitutions, additions, and deletions;

K. assisting Developer and its agents in addressing issues related to the goals and procedures set forth in this Exhibit;

L. reviewing payments to subcontractors, as documented by monthly reports submitted by Developer;

M. reviewing complaints from LBEs, MBEs WBEs, Contractors, subcontractors, and any other interested persons regarding these goals and procedures;

N. assisting in Developer's development of forms to document compliance with these procedures; and

O. reviewing and approving utilization plans and contract award submittals.

V. <u>DEVELOPER COMPLIANCE RECORDS AND REPORTS.</u>

A. RECORDS.

Developer shall maintain those records as may reasonably be required to demonstrate compliance with (and/or its Best Efforts to comply with) the goals and procedures set forth in this Exhibit. These records shall be available to the UG upon reasonable notice.

B. DEVELOPMENT AND PROJECT UTILIZATION PLAN REPORTS.

Developer shall update the Project Utilization Plan quarterly on the forms attached hereto as Attachments B and C or another form provided or approved by the UG and shall include information requested thereon. In addition, each quarterly report shall include the following for each LBE, MBE or WBE whose participation is utilized by Developer to be applied to the goals set forth herein: business name and address of each LBE, MBE and WBE and a brief description of the work to be performed by each. Developer also shall document the change orders to contracts awarded in each quarterly report.

C. REMEDIES.

If Developer should fail to provide a Report required by this Exhibit, and fail to cure such failure within thirty (30) days after receipt of written notice from the UG specifying such failure, then such failure to cure shall constitute an event of default and the UG shall have those remedies set forth in Section 9.2 of the Agreement. In addition, the UG shall have the right to stop processing draw requests until Developer complies with reporting requirements.

If, after reviewing Developer's Reports, the UG believes that the participation goals contained in this Exhibit have not been met, and that the Best Efforts described herein have not been met, then the UG shall inform Developer of this determination in writing. If, within thirty (30) days following its receipt of said written determination from the UG, Developer fails to demonstrate to the UG's reasonable satisfaction that either: (i) the goals contained in this Exhibit have been met; or (ii) the goals contained in this Exhibit may not have been met but the Best Efforts described herein have been met, then the UG shall have the right to reduce the TIF Cap and CID Cap by an amount equal to 2.5% (applied separately to Construction and Professional Services) as the UG's sole and exclusive remedy for such failure. The UG shall also have the right to renegotiate LBE, MBE, and WBE goals for future construction projects.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

By:______________________________
Douglas G. Bach
County Administrator
Date:________________________, 2020

KC THE YARDS 2, LLC

By:______________________________
Name:____________________________
Title:____________________________
Date:____________________, 2020

Attachment A

Unified Government **Date:________________**

Project Utilization Plan

Project Name:______________________________

Bid Package	Estimated Contract Value	Estimated LBE Value	Estimated LBE %	Estimated MBE Value	Estimated MBE %	Estimated WBE Value	Estimated WBE %	Total Combined Value	Total Combined %
DIVERSITY TOTAL	**0**			**0**	**#DIV/0!**	**0**	**#REF!**		

Attachment B

LBE/MBE/WBE Utilization Report

LBE/MBE/WBE - UTILIZATION REPORT

CONSTRUCTION

Month, Year

APPLICABLE TRADES

	Goal		Actual
Total by Classification	0.00%	LBE	0.00%
	0.00%	MBE	0.00%
	0.00%	WBE	0.00%

Discipline	Subcontractor/Supplier Name	Original Contract Value	Change In Contract Value	Total Contract (Excluding CCIP)	LBE		MBE		WBE		Ceritifying Agency or Local Zip Code
					$	%	$	%	$	%	
Bid Package #1											
Bid Package #2											
Bid Package #3											
Bid Package #4											
Bid Package #5											
Total Applicable Contract Volume Awarded To Date											
					$	%	$	%	$	%	
					TOTAL - LBE		TOTAL - MBE		TOTAL - WBE		

Attachment C

LBE/MBE/WBE COMPLIANCE

SUMMARY REPORT

EXPENDITURES FOR REPORTING PERIOD

GOODS SUPPLIES and OTHER SERVICES	**Total**	**Class**	**Percent**	**Comments**
Total $ Awarded				
Total $ Expended				
Total $ MBE		% MBE		
Total $ WBE		%WBE		
Total $ M/WBE		%M/WBE		

MINORITY AND WOMEN EMPLOYEES

List the name, address, trade, classification, date hired, sex and ethnic origin for each minority/women employed by your company.

Name & Address	Trade	Classification	Date Hired	Sex	Ethnic Origin

(Published in ***The WyandotteEcho*** on________________, 2020)

RESOLUTION NO. R-____-20

A RESOLUTION CALLING AND PROVIDING FOR NOTICE OF A PUBLIC HEARING ON THE ADVISABILITY OF CREATING A REDEVELOPMENT DISTRICT IN THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, PURSUANT TO K.S.A. 12-1770 ET SEQ.

WHEREAS, K.S.A. 12-1770 *et seq.,* as amended (the "Act"), provides for the creation of redevelopment districts and the approval of redevelopment plans; and

WHEREAS, the Board of Commissioners of the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government") intends to set a date for a public hearing for the purpose of considering the establishment of the Riverfront Redevelopment District (the "Redevelopment District") in accordance with the Act; and

WHEREAS, the establishment of the proposed Redevelopment District is necessary to promote the general economic welfare of the Unified Government pursuant to the Act; and

WHEREAS, the Redevelopment District consists of an area described on the attached **Exhibit A** and generally delineated on the map attached as **Exhibit B**, both of which are incorporated herein by reference and made a part of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS:

Section 1. Public Hearing. It is hereby authorized, ordered, and directed that the Board of Commissioners shall hold a public hearing on **August 13, 2020, at 7:00 PM** or as soon thereafter as the matter can be heard in the Commission Chambers, lobby level of the Municipal Office Building located at 701 North 7th Street, Kansas City, Kansas, to hear comments and consider findings necessary to establish the Redevelopment District pursuant to the Act.

Section 2. Description and Map. A description and map of the proposed Redevelopment District is available for public inspection in the Unified Government Clerk's office located in Suite 323 on the third floor of the Municipal Office Building from 8:00 am to 5:00 pm, Monday through Friday.

Section 3. Redevelopment District Plan. The Redevelopment District Plan may be described in a general manner as consisting of some or all of the following uses, without limitation: multifamily residential uses, commercial uses, mixed use commercial retail, restaurant uses, and any other commercial structure or use (including but not limited to, office, non-profit, governmental, or community use), and including such associated site work, infrastructure, utilities, storm water control, access, street improvements, landscaping, lighting, parking facilities (including parking garages), courtyards, other associated and appurtenant structures and facilities, and any other items allowable under the Act.

Section 4. **Findings**. The Board of Commissioners will consider findings necessary for the establishment of a redevelopment district after conclusion of the public hearing.

Section 5. **Notices.** The Unified Government Clerk is hereby authorized and directed to publish this Resolution once in the official city newspaper not less than one (1) week or more than two (2) weeks preceding **August 13, 2020**, the date set for the public hearing. The Clerk or any other employee or officer of the Unified Government is authorized and directed to mail a copy of this Resolution via certified mail, return receipt requested to the Unified Government Board of Commissioners; the Kansas City, Kansas, Unified School District #500 Board of Education as the school district levying taxes on property within the proposed Redevelopment District; and to each owner and occupant of land within the project areas of the proposed Redevelopment District not more than ten (10) days following the date of the adoption of this Resolution.

Section 6. **Further Action**. The Mayor/CEO, County Administrator, and other officers, agents, and employees of the Unified Government are hereby further authorized and directed to take such further action as may be appropriate or desirable to accomplish the purpose of this Resolution.

Section 7. **Effective Date**. This Resolution shall be effective upon its adoption by the Unified Government Board of Commissioners.

ADOPTED BY THE UNIFIED GOVERNMENT BOARD OF COMMISSIONERS THIS 9th DAY OF JULY, 2020.

____
Mayor/CEO

(SEAL)

____
Unified Government Clerk

EXHIBIT A

DESCRIPTION OF REDEVELOPMENT DISTRICT

[LEGAL DESCRIPTION]

and all adjacent right-of-way, all as depicted on the map on **Exhibit B**.

EXHIBIT B

MAP OF REDEVELOPMENT DISTRICT