

**TAX INCREMENT FINANCING
REDEVELOPMENT AGREEMENT**

between

CITY OF SEDALIA, MISSOURI

and

STAR ACQUISITIONS, INC.

for implementation of the

**50 HIGHWAY
TAX INCREMENT FINANCING
REDEVELOPMENT PLAN**

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Exhibits

- A Legal Description of Redevelopment Area and Redevelopment Project Area
- B Map of the Redevelopment Project Area and Preliminary Site Plans of West Site and East Site
- C Private Project Improvements
- D Public Project Improvements
- E Redevelopment Schedule
- F Non-Permitted Uses
- G Redevelopment Project Cost Budget
- H Intentionally Omitted
- I Form of Assignment and Assumption Agreement
- J Intentionally Omitted
- K Form of Affidavit of Work Authorization

TAX INCREMENT FINANCING REDEVELOPMENT AGREEMENT

THIS TAX INCREMENT FINANCING REDEVELOPMENT AGREEMENT (this "Agreement") is entered into this _____ day of _____, 2016 (the "Effective Date"), by and between THE CITY OF SEDALIA, MISSOURI, a municipal corporation (the "City"), and STAR ACQUISITIONS, INC., a Missouri corporation (the "Developer").

RECITALS

A. The Tax Increment Financing Commission of Sedalia, Missouri (the "Commission") on October 21, 2015, recommended to the City in opposition of the 50 Highway Tax Increment Financing Redevelopment Plan (the "Plan") for the area described in the Plan as set forth in Exhibit A attached hereto (the "Redevelopment Area").

B. Upon two-thirds majority vote, the City Council of the City of Sedalia (the "City Council") adopted Ordinance No. 10392 on November 23, 2015 ("Plan Ordinance"), approving the Plan, determining that the Redevelopment Area is a Blighted Area and that it meets the other applicable requirements under Missouri's Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, RSMo 2010, as amended (the "TIF Act"), selecting the Developer to implement the Plan, and conditioning such approval on execution of an agreement between the City and Developer for the implementation of the Plan.

C. The Plan provides for the construction of approximately 22,000 s.f. of restaurant, retail, and/or other commercial facilities in the Redevelopment Area, together with infrastructure, parking, landscaping and other amenities as conceptually depicted on the Site Plans attached hereto as Exhibit B.

NOW, THEREFORE, for and in consideration of the premises, and the mutual covenants herein contained, City and Developer agree as follows:

1. Recitals and Exhibits. The representations, covenants, and recitations set forth in the foregoing recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Section. The provisions of the Plan, the Plan Ordinance, and the provisions of the TIF Act as amended as of and including the date of this Agreement, form the basis of this Agreement and may be used to resolve ambiguity. In the event of any conflict between the provisions of this Agreement and any other documents related to the Plan previously prepared or executed, the provisions of this Agreement shall control.

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

A. The terms defined in this Agreement which refer to a particular agreement, instrument or document also refer to and include all renewals, extensions, modifications, amendments and restatements of such agreement, instrument or document; provided, that nothing contained in this sentence shall be construed to authorize any such renewal, extension, modification, amendment or restatement other than in accordance with Section 43 of this Agreement.

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

C. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing person shall include individuals, corporations, partnerships, limited liability companies, joint ventures, associations, joint stock companies, trusts, unincorporated organizations and governments and any agency or political subdivision thereof.

D. The table of contents, captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

E. All exhibits attached hereto and identified herein are incorporated herein by reference.

F. The provisions of the Plan, a copy of which is on file with the office of the City Clerk of the City, the Plan Ordinance, such ordinances adopted by the City Council which designate the Redevelopment Project Area, and the provisions of the TIF Act as amended as of and including the date of this Agreement, are all hereby incorporated herein by reference and made a part of this Agreement.

3. Definitions. Unless otherwise noted, all capitalized words or terms used in this Agreement and defined in the Plan shall have the meaning ascribed to them in the Plan. In the event of a conflict between meanings under the Plan and under this Agreement, the terms of this Agreement shall govern. In addition thereto and in addition to words and terms defined elsewhere in this Agreement, the following words and terms shall have the meanings ascribed to them in this Section unless the context in which such words and terms are used clearly requires otherwise.

A. "Affiliate," any person, entity or group of persons or entities which controls a party, which a party controls or which is under common control with a party. 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.

B. "Blighted Area," an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations, or

constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.

C. "CID," the Galaxy West Community Improvement District to be formed pursuant to **Section 17**.

D. "CID Act," the Missouri Community Improvement District Act, Sections 67.1401, RSMo, *et seq.*

E. "CID Costs," those Redevelopment Project Costs as identified on **Exhibit G**, along with the other costs specified in **Section 17.B** hereof, which may be reimbursed or funded from CID Revenue under the CID Act.

F. "CID Improvements," the improvements within the Redevelopment Project Area which are eligible to be paid for or reimbursed with CID Revenue.

G. "CID Revenue," that portion of the revenue generated by the CID Sales Tax that is not captured as Economic Activity Taxes.

H. "CID Revenue Account," the separate segregated ledger account within the Special Allocation Fund into which the CID Revenue is to be recorded as deposited.

I. "CID Sales Tax" a one percent (1%) sales and use tax imposed by the CID on all taxable sales within the boundaries of the CID in accordance with the CID Act.

J. "City," the City of Sedalia, Missouri.

K. "City Administrator," the City Administrator of Sedalia, Missouri.

L. "City Council," the governing body of Sedalia, Missouri.

M. "City Treasurer," the Director of Finance of Sedalia, Missouri.

N. "Commission" or "TIF Commission," the Tax Increment Financing Commission of Sedalia, Missouri.

O. "County," Pettis County, Missouri.

P. "County Assessor," the assessor of Pettis County, Missouri.

Q. "County Collector," the collector of Pettis County, Missouri.

R. "Debt Service," the amount required for the payment of interest and principle on the Obligations and/or Private Loans as they come due, for the payment of mandatory or optional redemption payments and for payments to reserve funds required by the terms of the Obligations to retire or secure the Obligations and/or Private Loans.

S. "Developer," STAR Acquisitions, Inc., a Missouri corporation, its successors and assigns.

T. "Developer Controlled Improvements," the Private Project Improvements that Developer owns, whether solely or jointly, in whole or in part, or controls.

U. "East Site," that portion of the Redevelopment Area labeled as the "East Site" on the exhibit attached hereto as **Exhibit B**.

V. "Economic Activity Account," the separate segregated ledger account within the Special Allocation Fund into which fifty percent (50%) of Economic Activity Taxes are to be recorded as deposited.

W. "Economic Activity Taxes," or "EATs," the total additional revenue from taxes which are imposed by the City, and other Taxing Districts and which are generated by economic activities within the Redevelopment Project Area over the amount of such taxes generated by economic activities within the respective Redevelopment Project Area in the calendar year prior to the adoption of the Ordinance designating the respective Redevelopment Project Area, while Tax Increment Financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500, RSMo, taxes levied for the purpose of public transportation pursuant to Section 94.660, RSMo, licenses, fees or special assessments. If a retail establishment relocates within one (1) year from one facility to another facility within the County and the City Council finds that the relocation is a direct beneficiary of Tax Increment Financing, then for purposes of this definition the Economic Activity Taxes generated by the relocated retail establishment shall equal the total additional revenues from Economic Activity Taxes which are imposed by the City or other Taxing Districts over the amount of Economic Activity Taxes generated by the retail establishment in the calendar year prior to its relocation to the applicable Redevelopment Project Area.

X. "Financing Costs," shall mean any interest under **Section 25.D** hereof, and all costs reasonably incurred by the Developer, the City or other issuer authorized by the City, or the CID in furtherance of the issuance of Private Loans or Obligations, including but not limited to interest, loan fees and points not exceeding one percent (1%) of the principal amount of the loan, loan origination fees not to exceed two percent (2%) of the principal amount of the loan, and interest payable to banks or similar financing institutions that are in the business of loaning money, plus reasonable fees and expenses of the Developer's or City's attorneys (including special TIF legal counsel), the Developer's or City's administrative fees and expenses (including planning and/or financial consultants), underwriters' discounts and fees, the costs of printing any Obligations and any official statements relating thereto, the costs of credit enhancement, if any, capitalized interest, debt service reserves and the fees of any rating agency rating any Obligations. Any costs related to the financing of non-Reimbursable Project Costs shall not be a Financing Cost or a Reimbursable Project Cost.

Y. "Land Use Approvals," those approvals required pursuant to the City's zoning ordinance and subdivision regulations, including but not limited to site plan approvals, which are required for the construction of the Redevelopment Project.

Z. "Legal Requirements," 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 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 and specifically including but not limited to all ordinances, rules and regulations of the City, such as zoning ordinances, subdivision ordinances, building codes, and property maintenance codes.

AA. "MoDOT," the Missouri Department of Transportation.

BB. "Ordinance," an ordinance enacted by the City Council.

CC. "Payment in Lieu of Taxes," or "PILOTs," those estimated revenues from real property in the Redevelopment Project Area, which revenues according to the Redevelopment Project or Plan are to be used for a private use, which Taxing Districts would have received had the City not adopted Tax Increment Financing, and which would result from levies made after the time of the adoption of Tax Increment Financing during the time the current equalized value of real property in a Redevelopment Project Area exceeds the total initial equalized value of real property in the same Redevelopment Project Area until the designation is terminated pursuant to subsection 2 of Section 99.850, of the TIF Act, which shall not be later than twenty three (23) years after a Redevelopment Project and Redevelopment Project Area are approved by an Ordinance of the City Council, but excluding the blind pension fund tax levied under the authority of Article III, Section 38(b) of the Missouri Constitution, and the merchant's and manufacturer's inventory replacement tax levied under the authority of Article X, Section 6(2) of the Missouri Constitution. Payments in Lieu of Taxes which are due and owing shall constitute a lien against the real estate of the redevelopment project from which they are derived, the lien of which may be foreclosed in the same manner as a special assessment lien as provided in Section 88.861, RSMo.

DD. "Pad Site," property located within the Redevelopment Area which is not dedicated to public use as a roadway and which is not intended to be improved as two multi-tenant buildings by the Developer (i.e., all developable property within the Redevelopment Area except that part shown as west of the proposed road connecting 50 Highway and W. Main Street on **Exhibit B-3**).

EE. "Payment in Lieu of Taxes Account," the separate segregated ledger account within the Special Allocation Fund into which Payments in Lieu of Taxes are to be recorded as deposited.

FF. "Plan," the 50 Highway Tax Increment Financing Redevelopment Plan, approved by the City Council pursuant to the Plan Ordinance, and any amendments thereto.

GG. "Plan Ordinance," Ordinance No. 10392, passed by the City Council on November 23, 2015, approving the Plan.

HH. "Prime Rate," the prime rate reported in the "Money Rates" column or any successor column of *The Wall Street Journal*, currently defined therein as the base rate on corporate loans posted by at least **75%** of the nation's 30 largest banks. If *The Wall Street Journal* ceases publication of the Prime Rate, then "Prime Rate" shall mean the "prime rate" or "base rate" announced by an equivalent publication that evaluates the same criteria as *The Wall Street Journal* to report such rate.

II. "Private Loans," private loans obtained by the Developer, or its successors, assigns or transferees, from third party private lending institutions to fund Reimbursable Project Costs.

JJ. "Private Project Improvements," the private improvements generally described in **Exhibit C** attached hereto.

KK. "Project Improvements," those improvements described in **Section 6**.

LL. "Public Project Improvements," the public improvements generally described in **Exhibit D** attached hereto.

MM. "Redevelopment Area," see Redevelopment Project Area.

NN. "Redevelopment Project," the redevelopment project located within the Redevelopment Area, and approved by the City Council in furtherance of the objectives of the Plan and as more fully described in **Section 6**.

OO. "Redevelopment Project Area," the area selected for the Redevelopment Project, which is, subject to approval pursuant to the TIF Act, legally described in **Exhibit A** and depicted on **Exhibit B**. In this case, the Redevelopment Project Area and the Redevelopment Area are the same.

PP. "Redevelopment Project Cost Budget," the budget setting forth the estimated Redevelopment Project Costs, and identifying those Redevelopment Project Costs to be funded or reimbursed by TIF Revenue and CID Revenue, attached hereto as **Exhibit G**.

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

(1) Costs of studies, surveys, plans, and specifications;

(2) Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services. Except for the reasonable costs incurred by the City for the administration of Sections 99.800 to 99.865, RSMo, such costs shall be allowed only as an initial expense which, to be recoverable, shall be included in the costs of the Plan or Redevelopment Project;

(3) Costs of preparing land for construction of buildings, including, but not limited to, cost of clearing, grading, filling land, constructing adequate stormwater facilities, mitigating environmental impacts, and the costs of design, engineering and construction of such buildings;

(4) Costs of landscaping, parking lot and access drive construction;

(5) Costs of utility relocation and service provision;

(6) Costs of construction of buildings and other structures and improvements;

(7) Financing Costs, including all necessary and incidental expenses related to Private Loans to finance all or any portion of Reimbursable Project Costs incurred or estimated to be incurred, including, but not limited to interest, loan fees, capitalized interest, financial advisor fees, legal fees, broker fees or discounts, original purchaser's discount, printing and other costs related to such financing. Financing Costs also includes interest payable to the Developer or an affiliate of the Developer, at the rate set forth in this Agreement;

(8) All or a portion of a Taxing District's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the objectives of the Plan and Redevelopment Project, to the extent the City by written agreement accepts and approves such costs;

(9) Relocation costs to the extent that the City determines that relocation costs shall be paid or are required to be paid by federal or state law; and

(10) Payments in Lieu of Taxes.

RR. "Redevelopment Project Ordinance," means the Ordinance which is approved by the City Council and activates Tax Increment Financing with respect to the Redevelopment Project Area.

SS. "Reimbursable Project Costs," the portion of Redevelopment Project Costs which, pursuant to the Plan and this Agreement are eligible for payment or reimbursement from either: (1) TIF Revenue, or (ii) CID Revenue, as shown on Exhibit G and further described in Section 25.

TT. "Related Entity," an entity that controls, is controlled by, or is under common control with, another entity.

UU. "Site Plans," the conceptual site plans generally depicting the Private Project Improvements and Public Project Improvements attached hereto as **Exhibit B**.

VV. "Special Allocation Fund," the fund established by City into which, as required by the TIF Act, all Payments in Lieu of Taxes and fifty percent (50%) of Economic Activity Taxes are deposited for the purpose of paying Reimbursable Project Costs and Debt Service on Obligations incurred in the payment thereof. The Special Allocation Fund shall be divided into at least three (3) separate segregated ledger accounts: the Payments in Lieu of Taxes Account, the Economic Activity Taxes Account and the CID Revenue Account.

WW. "Tax Increment Financing," ("TIF") tax increment allocation financing as provided pursuant to the TIF Act.

XX. "Taxing Districts," any political subdivision of the State of Missouri having the power to levy taxes on sales or real property or utilities within the Redevelopment Project Area.

YY. "TIF Act," the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800, RSMo, *et seq.*, as amended.

ZZ. "TIF Revenue," Payments in Lieu of Taxes, fifty percent (50%) of Economic Activity Taxes and all interest earned on funds in the Special Allocation Fund.

AAA. "Total Initial Equalized Assessed Value," that amount certified by the County Assessor as the total equalized assessed value of all taxable real property within a Redevelopment Project Area, determined by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract or parcel of real property within such Redevelopment Project Area immediately after a Redevelopment Project Ordinance approving the such Redevelopment Project Area has been approved by the City Council.

BBB. "West Site," that portion of the Redevelopment Area labeled as the "West Site" on the exhibit attached hereto as **Exhibit B**.

4. Redevelopment Area. The Redevelopment Area consists of the area legally described on **Exhibit A** attached hereto.

5. Redevelopment Project Area.

A. The Redevelopment Project Area consists of two areas of blighted land connected with Highway 50 right-of-way: 1) land generally located north of Highway 50, east of Oak Grove Lane, and south of W. Main Street; and 2) land generally

located south of Highway 50, east of Westwood Avenue, and west of Winchester Road, and together containing approximately 5.1 acres and is shown on the map attached hereto in **Exhibit B**. The Redevelopment Project Area may not be changed, modified or amended except in accordance with the TIF Act and this Agreement.

B. Designation of Redevelopment Project Area. Tax Increment Financing with respect to the Redevelopment Project Area shall become effective only upon the approval thereof of the Redevelopment Project Ordinance.

6. Project Improvements. In accordance with the TIF Act and the terms and conditions of the Plan and this Agreement, to ameliorate or satisfy those conditions which are the basis for eligibility and designation of the Redevelopment Area as a Blighted Area and otherwise eligible as a redevelopment area under the TIF Act, Developer and City shall cause the Redevelopment Project Area and supporting areas to be redeveloped through the construction of the Project Improvements, as generally shown on the Site Plans attached hereto as **Exhibit B**, and consisting of:

A. The private improvements generally described in **Exhibit C** attached hereto (the "**Private Project Improvements**"); and

B. The public improvements generally described in **Exhibit D** attached hereto (the "**Public Project Improvements**").

Except as otherwise provided in this Agreement, Developer shall construct or cause the construction of the Private Project Improvements and Public Project Improvements (the Private Project Improvements and Public Project Improvements are sometimes collectively referred to hereinafter as the "**Project Improvements**").

7. Redevelopment Schedule.

A. It is the intention of the parties that development activities for the Redevelopment Project Area be substantially commenced and completed on or before the dates set forth in **Exhibit E**, as may be reasonably amended from time to time, attached hereto and incorporated herein by reference (the "**Redevelopment Schedule**"). Developer shall construct or cause to be constructed all Project Improvements, and shall complete or cause to be completed all other development-related activities including, but not necessarily limited to design, land preparation, environmental evaluation and remediation, construction, management, maintenance and procurement of private financing in sufficient time to comply with the Redevelopment Schedule. Changes in the development program contemplated by the Plan that require a Plan amendment under the TIF Act (as determined by City) shall be processed in accordance with the TIF Act, and changes in the development program contemplated by the Plan that do not require a statutorily mandated Plan amendment shall be made by agreement of the parties hereto. The parties hereto recognize and agree that market and other conditions may affect the Redevelopment Schedule. Therefore, the Redevelopment Schedule is subject to change and/or

modification, with the written approval of City, which shall not be unreasonably conditioned, delayed, or withheld.

B. Any amendment to the Plan that is approved by City as provided herein, which amendment contains changes to the Redevelopment Schedule in the Plan, shall immediately operate and be deemed to be an amendment to the approved Redevelopment Schedule and the provisions of this Agreement. In order to implement the Redevelopment Schedule, City will endeavor to facilitate the timely passage of the Redevelopment Project Ordinance referred to in **Section 5.B** hereof. Developer shall render such reasonable aid and assistance as requested by City to insure favorable consideration of any such Redevelopment Project Ordinance by the City Council. City shall endeavor to expedite the approval of the Plan and the Land Use Approvals; provided, however, that nothing herein shall constitute or be deemed to be a waiver by City or the City Council of its legislative authority. If as a result of solely the Developer's failure to timely complete its obligations under this Contract and provided that the City has fulfilled all of the terms of this Contract and provided that the delay has not been caused by event not otherwise in control of the Developer, City may require Developer to appear before the City Council to show cause why this Contract and the Plan shall not be terminated in accordance with **Section 40**.

8. Design and Construction of Public Project Improvements. Developer shall cause the Public Project Improvements to be designed and constructed as follows:

A. Legal Requirements. The Public Project Improvements shall be constructed in accordance with the Plan, the Site Plans, the Land Use Approvals, such Public Project Plans, as defined below, and specifications as are approved by City and MoDOT, as applicable, in writing, and in accordance with all Legal Requirements.

B. Timing. Prior to the design, engineering and construction of the Public Project Improvements, City and Developer shall jointly develop a schedule for the design, engineering and construction of the Public Project Improvements (the "Public Improvement Schedule") that is generally consistent with the timing schedule set forth on **Exhibit E**. Once the Public Improvement Schedule is developed, City and Developer shall mutually approve and adopt such changes to the Redevelopment Schedule as required to take into account the Public Improvement Schedule. Such changes to the Redevelopment Schedule may, at the option of the City Administrator or his designee, be approved administratively. If the City Administrator or his designee elects to approve such changes administratively, no action of the City Council shall be required to approve such changes to the Redevelopment Schedule.

C. Design Phase. Developer shall regularly meet with City staff regarding design of the Public Project Improvements and shall provide copies of all design documents to City for review and approval before proceeding with the construction of the Public Project Improvements. On the basis of such approved preliminary design documents, Developer shall:

- (1) Prepare detailed drawings, plans, design data, estimates, and technical specifications to show the character and scope of the work to be

performed by contractors for the Public Project Improvements ("**Public Project Plans**").

(2) Furnish to City for its review and approval copies of such Public Project Plans and other documents and design data as may reasonably be requested by City.

D. Right of Way Acquisition.

(1) Developer shall be responsible for acquiring, or negotiating for the donation of, all right of way or easements that are needed to construct the Public Project Improvements, including all necessary temporary construction easements. Developer shall prepare the documents necessary for acquisition of right of way or easements; provided, however, that such documents shall be subject to the review and approval of the Public Works Department.

(2) In the event Developer is unable, after good faith negotiations, to acquire some or all of the right of way or easements necessary for the Public Project Improvements (the "**Necessary Right of Way**"), Developer shall deliver to City a written request (the "**Developer Request**") for City to acquire any of the Necessary Right of Way. If City agrees, in its sole discretion, to attempt to acquire any of the Necessary Right of Way, City will enter into good faith negotiations and, at its option, to elect to exercise its power of eminent domain to acquire any or all of such Necessary Right of Way. In the event that the City must acquire any of the Necessary Right of Way, such acquisition will be undertaken pursuant to the requirements of **Section 13**.

E. Utility Relocation. The Developer shall, in good faith, use reasonable efforts to cause the applicable utility companies to relocate, at the utility company's expense, any existing utilities that are required to be relocated as part of the construction of the Project Improvements. If, after using reasonable efforts, the Developer is unable to cause the utility companies to relocate existing utilities at the utility company's expense, then Developer agrees that the costs associated with relocating any existing utilities as a result of construction of the Project Improvements, which are not paid by a utility company, shall be paid by Developer; such costs shall be a Reimbursable Project Cost to the extent such costs are identified in the Redevelopment Project Cost Budget as eligible for reimbursement from TIF Revenue or CID Revenue. If such costs are not identified in the Redevelopment Project Cost Budget as eligible for reimbursement from TIF Revenue or CID Revenue, then Developer may prepare, for approval by City, an amendment to the TIF Plan and this Agreement to add such costs as a Reimbursable Project Cost, which approval shall not be unreasonably withheld, delayed or conditioned.

F. Inspections. Developer agrees to permit City, or its designees, to observe the construction of all Public Project Improvements in order to ascertain and determine that construction is being done in a manner consistent with this Agreement, the Plan, the Site Plans, Project Improvement plans, and the Land Use Approvals.

G. Change Orders. Developer shall obtain City's approval of all change orders over fifty thousand and NO/100 dollars (\$50,000.00) relating to the Public Project Improvements; provided, however, that City shall not unreasonably withhold its consent as long as total Reimbursable Project Costs as a result of the change order do not exceed the total Reimbursable Project Costs in the project budget specified in **Exhibit G**. The City shall respond within fifteen (15) days to all change orders.

H. Insurance. As it relates to Public Project Improvements, the Developer shall comply with the insurance requirements set forth in the City's Ordinances and policies, as amended from time to time. If surety bonds are required by Legal Requirements, Developer shall indemnify City and its officers and employees for any damage resulting to City, its officers or employees from failure of Developer or its contractor(s) to provide such surety bonds, specifically including, without limitation, any performance or payment bonds required by Legal Requirements.

I. Certificates of Substantial Completion and Occupancy. The City shall issue a certificate of substantial completion at such time that the Public Project Improvements are sufficiently complete in accordance with the applicable construction specifications so that the Public Project Improvements are functional and can be utilized for their intended use (herein "**Substantial Completion**"); provided that, the City has received all required approvals, licenses, and other documents from any other governmental authority having jurisdiction over the Public Project Improvements. The City shall not be obligated to issue any occupancy certificates for structures within the Redevelopment Project Area unless the Developer is in compliance with its obligations regarding the Public Project Improvements pursuant to this Agreement and the City has issued a certificate of substantial completion for the Public Project Improvements. Developer shall send City not less than ten (10) days' advance notice of Substantial Completion of the Public Project Improvements. City shall provide Developer with a detailed written notice of the reasons for objection to the Substantial Completion of the Public Project Improvements within such ten (10) day period. In the event no objections are received by Developer, Substantial Completion shall be deemed to have occurred on the date of Substantial Completion set forth in the Developer's notice provided as set forth above. In the event objections are made by the City, Developer shall proceed to correct the deficiency in accordance with the Public Project Plans and the foregoing procedure shall be repeated until the deficiency is corrected and the City approves the Substantial Completion in accordance with the foregoing procedure. Upon request of Developer, City shall provide verification in writing of Substantial Completion. Subject to compliance with this Section, Developer may request and obtain a certificate of substantial completion for a portion or subset of Public Project Improvements such as grading, parking lots and drives, utilities, CID specific improvements, or Public Project Improvements located within the Redevelopment Project Area.

J. Dedication. Upon completion, inspection and approval of the Public Project Improvements by the City or MoDOT, as applicable, Developer will dedicate the Public Project Improvements to the City or MoDOT, as applicable, for its use, operation and maintenance; provided, that in no event shall operation or maintenance of detention basins or retention basins become the responsibility of the City. City

shall be under no obligation to accept the dedication or conveyance of any Public Project Improvement constructed pursuant to this Agreement until it has been inspected and approved to the reasonable satisfaction of City. Upon written notice of the inspection and approval of the City's Director of Public Works, or of MoDOT, as applicable, Developer agrees to convey all the Public Project Improvements to the City or MoDOT, as applicable, free and clear of all liens and encumbrances or other obligations other than typical utility easements. Said conveyance shall be by appropriate document, and shall be sufficient, in the reasonable opinion of the City Attorney, to convey marketable title of record.

9. Design Criteria and Review Procedures for Private Project Improvements.

A. Developer shall comply with and follow, or cause to be complied with and followed, all controls and design criteria relating to exterior improvements as shall be, from time to time, established as a part of the Plan, this Agreement, and the Land Use Approvals in order to create an integrated, unified design. The Site Plans attached hereto do not relieve Developer of its obligation to comply with the City's Land Use Approvals, including the creation of development site plans subject to the review, revisions and approval by the City, in accordance with its normal site plan approval process, including meeting the requirements outlined in the City's zoning ordinances.

B. Construction plans for the Private Project Improvements shall generally conform to the Site Plans.

10. Control of Project.

A. Construction. Except as otherwise provided in this Agreement, Developer shall have complete and exclusive control over construction of the Developer Controlled Improvements, subject, however, to all Legal Requirements. As to all parts of the Redevelopment Projects, during the period they are owned or controlled by Developer, or its assigns, Developer, or its assigns, hereby grants to City, its agents and employees the right to enter at reasonable times for the purpose of inspecting the Redevelopment Projects, but the City shall use best efforts to avoid disrupting the operations of tenants during business hours.

B. Control of CID Improvements. Upon completion of the CID Improvements, to the extent the CID Improvements are not dedicated to and accepted by the City or MoDOT, Developer shall enter into a long term ground lease, or other mechanism which satisfies the requirement for an incidence of public ownership, with the CID regarding such CID Improvements. Such lease or other mechanism shall, at a minimum, confer to the CID or other public entity the rights to operate, maintain and control the CID Improvements for the term of the lease or other mechanism, which shall be the shorter of the useful life of the CID Improvements or the duration of the CID.

C. Dedication of Right of Way. Developer shall, at no cost to the City, dedicate all necessary right of way to the City and convey to the City all the real property it owns and controls necessary for construction of the Public Project Improvements.

D. Maintenance and Repair. Developer, at no cost to the City, at all times shall (1) maintain and operate, or caused to be maintained and operated, all Developer Controlled Improvements in a manner similar to other similarly aged and similarly situated mixed use development projects in the boundary of the City of Sedalia and (2) timely make all necessary repairs to and replacements and restorations of all parts of the Developer Controlled Improvements, (3) keep the Developer Controlled Improvements in good condition, repair and appearance, and (4) maintain casualty insurance on the Developer Controlled Improvements in accordance with the insurance coverage that has been required and approved by the Developer's lender for Private Loans. Developer may form a property association to fulfill these obligations. Subject to, and in accordance with, the requirements of **Sections 30, 31, and 35**, unless Developer has agreed to fulfill such obligations, Developer shall use its best efforts to contractually obligate any owner or tenant ("User") of the Private Project Improvements to comply with the provisions of this **Section 10.D** for each of their respective portions of the Private Project Improvements. As provided herein, Developer shall enforce the provisions of this **Section 10.D** in a commercially reasonable manner, including, where commercially reasonable, using best efforts to ensure that every lease, sales contract or other contract regarding the Property and entered into following the effective date of this Agreement indicates the responsibility of the Developer or User to fulfill **Section 10.D**.

11. Non-Permitted Uses. Developer shall take such action as is from time to time necessary to permit only such uses within the Redevelopment Area which conform to and are permitted by the Plan, the Site Plans and this Agreement. In accordance with **Section 29**, property within the Redevelopment Area may not be used for the purposes set forth in **Exhibit F** attached hereto, except by approval of the Mayor, who, from time to time may, at his or her discretion, seek the advice or consent of the City Council for such approval. Developer may appeal an adverse determination by the Mayor to the City Council.

12. Certificate of Completion and Compliance.

A. Upon the completion of construction of the Redevelopment Project, Developer shall submit a report certifying that the Project Improvements contained therein have been completed in substantial accordance with the Plan, this Agreement, and the Site Plans and that it is in substantial compliance with all other provisions of this Agreement. Developer shall, as part of the report, submit a certificate, certified by Developer, certifying that to the best of Developer's actual knowledge, the information contained therein is accurate, setting forth on an aggregate basis: (1) the total cost of completing the applicable Private and Public Project Improvements; (2) Redevelopment Project Costs incurred which are eligible for reimbursement from TIF Revenue and from non-captured CID Revenue pursuant to this Agreement or which have been paid for or are to be funded or reimbursed; and (3) to the extent it is relevant to the reimbursement of interest, the actual private equity and debt used to complete the applicable Project Improvements.

B. City may conduct an investigation, and if City determines that the Redevelopment Project has been completed in substantial accordance with the Plan,

this Agreement, and the Site Plans as evidenced by a certificate of occupancy where appropriate and other applicable Legal Requirements, and that as of the date of Developer's certification request, all of Developer's duties pursuant to this Agreement have been performed, then the City shall issue a Certificate of Completion and Compliance for the Redevelopment Project. If City determines that the Redevelopment Project which is the subject of an investigation or review under this **Section 12.B** has not been completed in substantial accordance with the Plan, this Agreement or the Site Plans, or that Redevelopment Project Costs have not been incurred as certified, or that Developer is not in substantial compliance with the terms of this Agreement, then the City shall not issue a Certificate of Completion and Compliance and shall specify in writing to Developer the reason(s) for withholding such certification. Upon request of Developer, City shall hold a hearing at which Developer may present new and/or additional evidence.

(1) The issuance of a Certificate of Completion and Compliance for a Redevelopment Project by City shall be a conclusive determination of the satisfaction of the covenants in this Agreement with respect to the obligations of Developer to timely complete the Project Improvements within the Redevelopment Project, but shall not prevent City from future action in the event of any subsequent default by Developer in the performance of any of its other obligations under this Agreement.

(2) The certificate issued by the City shall contain a description of the real property affected thereby and shall be in such form as will enable it to be accepted for recording in the Office of the Recorder of Deeds for Pettis County, Missouri.

13. Acquisition of Property and Relocation of Businesses.

A. Developer to Use Good Faith Efforts to Acquire the Property by Negotiation. Developer shall use good faith and commercially reasonable efforts to acquire a fee simple interest in all of the real property, including Necessary Right of Way, located within the Redevelopment Area (the Redevelopment Area being referred to herein as the "Property") by negotiated purchase, donation, option, easement or lease. The Developer shall obtain all title commitments, inspections, tests, surveys and reports, hire and retain all experts, professionals, including attorneys or engineers, and staff, and advance all Acquisition Costs, as provided in this Agreement, as necessary to acquire the Property. The Developer shall have the right to encumber its interest in the Property concurrent with acquisition of the Property and payment of Acquisition Costs. All of the Property acquired by the Developer, subject to **Section 31** hereof, shall be held in the name of the Developer or an Affiliate and shall be subject to the terms, conditions and covenants contained herein and in the Plan immediately upon acquisition and prior to any encumbrances placed thereon.

B. Condemnation of Right of Way. If the City refuses to attempt to acquire the Necessary Right-of-Way, or the City, after using good faith efforts, shall fail to

acquire any Necessary Right of Way within twenty-four (24) months of the Developer Request (the "**Outside Acquisition Date**"), then upon the earlier of (i) Developer being informed that City will not attempt to acquire the Necessary Right-Of-Way or (ii) the Outside Acquisition Date, City and Developer shall reasonably and in good faith cooperate and develop alternative plans and designs which can be built within the then existing rights of way and easements, and prepare, for City consideration and approval, such amendments to the Public Improvement schedule, the Redevelopment Schedule, this Agreement, and the Plan as may be necessary as a result of the alternative plans and designs, and any resulting delays in Developer's construction of the Project Improvements shall not be deemed a default by Developer under the terms of this Agreement.

C. Relocation. The Developer shall relocate those occupants or businesses displaced from any portion of the Property acquired by the Developer in accordance with the Relocation Plan, except insofar as otherwise agreed in writing by such displaced occupant or business and approved in writing by the Developer; it being understood and agreed that any displaced occupant or business may waive his/her/their rights to statutory and other relocation benefits under the Relocation Plan or otherwise. The City and Developer acknowledge and agree that at the time of the City's adoption of the Plan Ordinance and the Effective Date hereof, there were no occupants or businesses located within the Redevelopment Area.

D. Non-delegation of Eminent Domain Authority. Nothing in this **Section 13** shall be construed to be a delegation of condemnation authority to the Developer or any other entity except for the City as provided by ordinance of the City Council. The decision whether to exercise the authority of eminent domain for all or any portion of the Redevelopment Area shall remain the sole legislative decision of City Council.

14. Actions Contesting the Plan. At any time during the effective period of this Agreement, if a third party brings an action (or raises a defense to an action filed by the City in accordance with **Section 13**) against the City or the City's officials, agents, employees or representatives contesting the validity or legality of the Redevelopment Area, the Redevelopment Projects, singularly or collectively, the Plan, the Plan Ordinance and the findings therein, any Ordinance approving the Redevelopment Projects, the Obligations, or the Ordinance approving this Agreement, the Developer shall assume the defense of such claim or action with counsel jointly determined by the Developer and the City, which shall include, but not necessarily be limited to, the City Attorney and the City's special counsel for economic development matters, and pay the costs and attorney's fees of such counsel. The Developer may not settle or compromise any claim or action for which the Developer has assumed the defense without the prior approval of the City. However, if the City does not approve a settlement or compromise which the Developer would agree to, the Developer shall not be responsible for any costs or expenses incurred thereafter in the defense of such claim or action. The Parties expressly agree that so long as no conflicts of interest exist between them with regard to the handling of such litigation, the same attorney or attorneys may simultaneously represent the City and the Developer in any such proceeding; provided, the Developer and the agreed-to counsel shall consult with the City throughout the course of any such action and the Developer shall pay all reasonable and necessary costs incurred by the City in connection with such action. All cost of any such defense, whether incurred by the

City or the Developer, shall be deemed to be Reimbursable Project Costs and reimbursable from any amounts in the Special Allocation Fund or from the proceeds of Obligations, and such reimbursable litigation costs shall be in addition to the Reimbursable Project Costs set forth in the Redevelopment Project Cost Budget established in **Exhibit G**.

15. Reserved

16. Funding Sources and Uses of Funds. Subject to Developer rights of reimbursement pursuant to this Agreement, Developer shall acquire the Property and construct or cause to be constructed the Private Project Improvements and Public Project Improvements with private funds (the "**Private Funds**"). Private Funds will be derived from a combination of Developer's equity, equity investment provided by third parties, and debt incurred by Developer or third parties.

17. Community Improvement District.

A. Petition; CID Sales Tax. The Petition For Establishment of the Galaxy West Community Improvement District was filed with the City on December 18, 2015 (the "**CID Petition**"). The CID Petition requested the creation of a CID with boundaries coterminous with the Redevelopment Area, and contemplated the imposition of a CID sales tax of up to one percent (1.0%).

B. CID Contract with City. After the CID has been formed Developer shall use good faith efforts to cause the CID board of directors to immediately enter into a contract with City in a form reasonably acceptable to City and the CID with regard to funding of the CID Costs ("**CID Contract**").

(1) The CID Contract shall include, without limitation, provisions granting City (1) the right to review and reasonably approve the CID's annual budget prior to adoption thereof by the CID; (2) the right to collect, on behalf of the CID, the CID Revenue, and to collect a fee therefore, not to exceed one percent (1%) of the collected CID Revenue; and (3) the right to certify CID Costs incurred by Developer as eligible for funding from CID Revenue in a manner similar to the certification of Reimbursable Project Costs set forth in **Section 25**; and (4) such other provisions as City shall reasonably determine to be necessary for the CID's role in the implementation and funding of the Redevelopment Plan.

(2) The CID Contract shall further provide that the CID shall pledge that portion of the CID Sales Tax revenue not captured as TIF Revenue to the payment of Reimbursable Project Costs, subject to the limitations of the CID Act, and less operating and administrative expenses of the CID and any costs reasonably incurred by Developer or City in forming the CID. The parties acknowledge that only a portion of the Reimbursable Project Costs will qualify as CID-eligible expenses. The CID Revenue shall be used to pay for or reimburse the CID Costs.

(3) It is the intent of all parties that the provisions of the CID Petition, use of CID Revenue, and provisions of the CID Contract be designed and implemented with the purpose that CID Revenue will be used to the maximum extent possible to fund CID Costs so as to allow for the termination of the Plan and this Agreement at the earliest possible date.

(4) The CID Contract shall obligate the CID to levy and maintain the CID Sales Tax until all CID-eligible Reimbursable Project Costs are repaid with CID Revenue and/or TIF Revenue.

C. Imposition of CID Sales Tax. Developer shall use good faith efforts to cause the CID board of directors, prior to the start of construction of those Project Improvements identified on the Redevelopment Project Budget whose costs are eligible for reimbursement from CID Revenue, to impose the CID Sales Tax to fund CID Costs.

D. Neither Developer nor its successors in the ownership of any parcel in the Redevelopment Area shall (1) contest the imposition of the CID Sales Tax or (2) advocate or support for the early termination of the CID Sales Tax. In accordance with **Sections 31** and **35**, Developer shall either (i) include in any instrument in which Developer transfers ownership of any parcel in the Redevelopment Area language whereby the transferee accepts and agrees to comply with the above covenants or (ii) record a document of record against the property Developer owns in the Redevelopment Area binding Developer's successors to comply with the above covenants, which document shall be recorded prior to Developer transferring ownership of any parcel in the Redevelopment Area.

E. City shall take all reasonable efforts to cooperate with Developer in Developer's obligation to establish the CID, including considering in good faith and due course any necessary City approvals related to the CID formation, provided that any approval by City of a petition for the establishment of the CID shall be predicated and conditioned upon the petition's conformance to and compliance with the terms of this Agreement, the Plan and Legal Requirements.

F. The term of the CID's existence shall not exceed the time necessary to reimburse the CID-eligible portion of Developer's Reimbursable Project Costs. The CID Petition requests that the CID terminate upon the earlier of reimbursement of the portion of Developer's Reimbursable Project Costs that are CID-eligible, or thirty (30) years from the date of the ordinance approving the creation of the CID.

18. Conditions Precedent to Developer's Duties. Developer's obligations hereunder are expressly conditioned upon the occurrence of each of the following events:

A. Acquisition by Developer of a fee simple interest in all real property within the boundaries of the Redevelopment Area as provided herein.

B. The imposition of the CID Sales Tax.

C. Execution of the CID Contract by the CID and City.

D. City approval of the Land Use Approvals.

19. Conditions Precedent to City's Duties. City's obligations hereunder are expressly conditioned upon the occurrence of each of the following events:

A. Acquisition by Developer of all real property within the boundaries of the Redevelopment Area as provided herein.

B. The imposition of the CID Sales Tax.

C. The execution of the CID Contract by the CID and City.

D. City approval of the Land Use Approvals.

20. Payments in Lieu of Taxes.

A. Pursuant to the provisions of the Plan and the TIF Act, when Tax Increment Financing is established by one or more Redevelopment Project Ordinances within the Redevelopment Project Area, the real property located therein is subject to assessment for annual Payments in Lieu of Taxes. Payments in Lieu of Taxes shall be due November 30 of each year in which said amount is required to be paid and will be considered delinquent if not paid by December 31 of each such year or as otherwise determined by applicable law. The obligation to make said Payments in Lieu of Taxes shall be a covenant running with the land and shall create a lien in favor of City 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 real property in the Redevelopment Project Area during the period each owns such real property.

B. Failure to pay Payments in Lieu of Taxes as to any property in any of the Redevelopment Project Area shall constitute a default by the owner of such property subject to the provisions of **Section 40**, and shall entitle City, the County Collector or any other government official or body charged with the collection of any such sums (any one or more of such persons hereinafter individually or collectively referred to as the "Collection Commission") to proceed against such property and/or the owner thereof as in other delinquent property tax cases or otherwise as permitted at law or in equity, and, if applicable, such failure shall entitle the Collection Commission to seek all other legal and equitable remedies it may have to ensure the timely payment of all such sums or of the principal of and interest on any outstanding Obligations secured by such payments; provided, however, that the failure of any property in any of the Redevelopment Project Area to yield sufficient Payments in Lieu of Taxes because the increase in the current equalized assessed value of such property is or was not as great as expected, shall not constitute a breach or default. In the event the Collection Commission seeks the remedies authorized in this Section, the costs incurred shall be deemed Administrative Costs of the City reimbursable pursuant to **Section 48.B**. Promptly upon the designation and approval of the Redevelopment Project Ordinance, City shall use all reasonable and diligent efforts to promptly notify the County Assessor, County Collector, the City Treasurer and all other appropriate officials and persons and seek to assess the property therein as described in the TIF Act and fully collect the Payments in Lieu of Taxes and implement reimbursement of Reimbursable Project Costs as provided in this Agreement and in the Plan.

C. Notwithstanding anything to the contrary, herein, the lien on property within any of the Redevelopment Project Area shall be deemed (1) released as to any public street or other public way included within any plat proposed by Developer, effective upon the passage of an Ordinance by City approving the same, and (2) subordinated to the lot lines, utility easements and other similar matters established by any such plat, effective upon the passage of Ordinance by City as aforesaid, and to any easement or like interests granted to City or any public utility for public facilities or utilities or connection(s) thereto.

21. Economic Activity Taxes. In addition to the Payments in Lieu of Taxes described herein, (i) pursuant to Section 99.845 of the TIF Act, fifty percent (50%) of Economic Activity Taxes shall be allocated to, and paid by the local political subdivision collecting officer to the City Treasurer or other designated financial officer of City, who shall deposit such funds in the Economic Activity Account within the Special Allocation Fund. Following the approval of the Redevelopment Project Ordinance, for as long as the Redevelopment Project Area is subject to Tax Increment Financing, Economic Activity Taxes shall be determined in accordance with the following procedures (subject to the provisions of Section 99.845 of the TIF Act):

A. Documentation of Economic Activity Taxes. Developer, its successors and assigns, shall use good faith efforts to negotiate to contractually obligate any tenant or business to provide City with documentation of sales tax receipts for each business in any of the Redevelopment Project Area, indicating the type and amount of the Economic Activity Taxes paid by each such tenant or business located within the Redevelopment Project Area. Developer shall use good faith efforts to negotiate to include the provisions as specified in **Section 30** in all lease documents with tenants located within the Redevelopment Project Area requiring said sales tax information to be provided to City. Unless such requirement is waived by City, a similar provision shall be included in all sales contracts with purchasers of property located in the Redevelopment Project Area requiring said sales tax information to be provided to City. Developer agrees to cooperate with the City, at no cost or expense to Developer, in the City's enforcement of said provisions to the maximum extent permitted by law, and Developer hereby agrees that each such lease or sales contract shall provide that City is an intended third party beneficiary of such provisions and has a separate and independent right to enforce such provisions directly against any such tenant or purchaser.

B. Certification by City. City, following reasonable research and investigation, using independent consultants, accountants and counsel when appropriate at City's expense, but subject to reimbursement as a Reimbursable Project Cost as an administrative cost, shall certify the nature and amount of Economic Activity Taxes payable by each Taxing District from which Economic Activity Taxes are due, or as otherwise required by the procedures and requirements of the Taxing District from time to time established.

C. Presentation to Taxing Districts. The City shall take responsibility for collecting Economic Activity Taxes payable by each taxing district using its normal procedures.

D. Net New Sales Calculation For Relocations. If an existing retail establishment within Pettis County relocates within one year from such County facility to a facility within the Redevelopment Project Area and the City Council determines by Ordinance that the retail establishment is a direct beneficiary of Tax Increment Financing, then in accordance with the provisions of the TIF Act, the Economic Activity Taxes generated by the relocated retail establishment shall equal the amount by which the total additional revenues from Economic Activity Taxes which are imposed by the City and other Taxing Districts exceeds the amount of Economic Activity Taxes generated by the retail establishment in the calendar year prior to its relocation to any of the Redevelopment Project Area.

22. Special Allocation Fund. The City Treasurer shall establish and maintain the Special Allocation Fund which shall contain at least three (3) separate segregated ledger accounts. Payments in Lieu of Taxes shall be deposited into the Special Allocation Fund and recorded into the Payment in Lieu of Taxes Account within the Special Allocation Fund. Fifty percent (50%) of Economic Activity Taxes shall be deposited into the Special Allocation Fund and recorded into the Economic Activity Account. CID Revenue shall be deposited into the Special Allocation Fund and recorded into the CID Account. TIF Revenue and CID Revenue so deposited and any interest earned on such deposits will be used for the payment of Reimbursable Project Costs in accordance with Legal Requirements.

23. Disbursements from Special Allocation Fund. Disbursements from the Special Allocation Fund, to the extent available, will be made in the following manner and order of preference:

A. Payment of Administrative Costs incurred by the City as described in **Section 48**;

B. Payment of Reimbursable Project Costs which have been certified by the City in accordance with the conditions and restrictions set forth in this Agreement.

24. RESERVED.

25. Reimbursable Project Cost Certification.

A. Request for Certification. Attached to this Agreement as **Exhibit G** is a list of Developer Reimbursable Project Costs that are reimbursable from TIF Revenue and/or CID Revenue.

(1) Only Developer, and those successors and assigns of Developer that have been specifically assigned rights to TIF Revenue and/or CID Revenue under this Agreement pursuant to an Assignment Agreement in accordance with **Section 35** shall have the right to submit requests for certification for Reimbursable Project Costs under the line items and within the budget amounts identified on **Exhibit G** (the "**Developer Reimbursable Cost Categories**"). Reimbursable Project Costs incurred within the Developer Reimbursable Cost Categories are herein sometimes referred to as "**Developer Reimbursable Project Costs**".

B. Developer Reimbursable Project Costs. Upon Developer's presentation to City of an application for certification of Reimbursable Project Costs which details Reimbursable Project Costs paid in accordance with this Agreement and the Plan, together with such supporting documentation (including copies of invoices, canceled checks, receipts, lien waivers, and such other supporting documentation as City shall reasonably require) as City shall reasonably determine to be necessary in a form provided by the City (the "**Certification Application**"), City shall review, verify and confirm the information included in the Certification Application.

(1) In no event shall Developer Reimbursable Project Costs exceed thirty-four percent (34%) of the total actual costs paid by the Developer (not including Third Party costs); provided that the total aggregate amount of Reimbursable Project Costs shall not exceed Two Million Six Hundred Thousand One Hundred Seventy-Six Dollars (\$2,600,176). Financing Costs shall also be reimbursable as Reimbursable Project Costs but shall not be included in the foregoing percentage and dollar amount caps on reimbursement. Developer's reimbursement amount is further limited by the Developer's earnings pursuant to **Section 28**. In no event shall Third Parties be entitled to reimbursement unless such reimbursement is assigned pursuant to this Agreement.

(2) The Certification Application shall: (1) separately identify each item of Reimbursable Project Cost by a specific line item category detailed in the Redevelopment Project Cost Budget; (2) aggregate all costs in the Certification Application by reimbursable line item category as set forth in the Redevelopment Project Cost Budget; (3) include a report setting forth the total amount, by reimbursable line item category from the Redevelopment Project Cost Budget of all Reimbursable Project Costs set forth in the then-current Certification Application and all prior Certification Applications approved by City or for which approval is pending; and (4) include a report setting forth the Developer's estimate of the approximate percentage of work, by reimbursable line item category from the Redevelopment Project Cost Budget completed as of the date of the current Certification Application.

(3) If City determines that: (i) the Certification Application accurately reflects Reimbursable Project Costs paid in accordance with this Agreement and the Plan; and (ii) the Reimbursable Project Costs for which certification is requested is in accordance with the Redevelopment Project Cost Budget, the City shall approve the Certification Application and issue a draw certificate (the "Draw Certificate").

(4) If City, pursuant to its review of such Certification Application and supporting documentation, determines that any portion of the request for reimbursement should not be approved, it shall promptly state in writing the reasons for such disapproval to Developer.

(5) The City shall issue the Draw Certificate, or the written notice to Developer of the reasons for disapproval of Developer's Certification Application, within forty-five (45) days after Developer submits the Certification Application. Any such disapproval of Developer's request may be appealed by Developer to the

City Council, which shall upon Developer's request hold a hearing at which Developer may present new and/or additional evidence.

C. Administrative Approval. At the option of the City Administrator or his designee, each Certification Application for Developer Reimbursable Project Costs may be approved administratively, and if the City Administrator or his designee elects to approve such Certification Application administratively, no action of the City Council shall be required to approve such Certification Application.

D. Payment of Interest Expenses.

(1) Third Party Borrowing. In the event Developer incurs Financing Costs on amounts Developer was loaned to finance and pay for Reimbursable Project Costs from a "non-Affiliate" third party in an arms-length transaction, City shall reimburse Developer as a Reimbursable Project Cost the actual Financing Costs incurred and certified pursuant to this **Section 25**, which interest shall not compound; provided, however, in no event shall the amount of reimbursable Developer's interest exceed a rate of Prime Rate plus three percent (3%).

(2) Equity. Interest paid on equity shall be calculated using the same rates as those calculated for Third Party Borrowing.

(3) Interest Paid Not Included In Total Reimbursable Project Costs. Any interest paid to Developer pursuant to this **Section 25.D** shall not be included as an expense against the total amount set out in the Redevelopment Project Cost Budget for Reimbursable Project Costs.

(4) Interest Calculation. For purposes of calculating reimbursable interest, Developer shall certify the amount of reimbursable interest as a separate line item, which shall accrue for any given Reimbursable Project Cost beginning with the day of the Reimbursable Project Cost was paid and ending the day such Reimbursable Project Cost is reimbursed hereunder.

E. Reallocation of Cost Savings. Developer shall, in each Certification Application, identify the specific line item assigned within the Redevelopment Project Cost Budget as to each Reimbursable Project Cost for which certification is requested. If, after the issuance of a Certificate of Completion and Compliance for the Redevelopment Project, or portion thereof, there have been cost savings in the amount expended with respect to any specific Developer Reimbursable Cost Category, then any such excess reimbursable amounts shall be allocated to a separate category (the "**Cost Savings Category**"). The amounts allocated to the Cost Savings Category may then be utilized to reimburse the Developer for or fund cost overruns for any Developer Reimbursable Cost Category that have not been funded or reimbursed from funds within the Special Allocation Fund. For example, and for illustration purposes only, if Developer completes construction of the stormwater detention facility at a cost savings, Developer can use the money from the Cost Savings Category to pay overruns in the sanitary sewer liftstation equal to the amount of the cost savings. Developer shall be entitled to transfer amounts between Developer Reimbursable Cost

Categories, including in and between both the CID Reimbursable and TIF Reimbursable columns of the Redevelopment Project Cost Budget so long as Developer does not (a) exceed the reimbursement caps set forth in **Section 25.B(1)** hereof; or (b) transfer to line items that are not approved as Reimbursable Project Costs.

F. Amendments Due to Cost Overruns. The parties acknowledge that the Redevelopment Project Costs set forth in **Exhibit G** are estimates. In the event that actual costs exceed these estimates, Developer may request approval of the City Council to increase the aggregate amount of Reimbursable Project Costs to mitigate the cost increase. Any such request to the City Council by the Developer shall explain with supporting documentation such increase in the aggregate amount of the Developer's Redevelopment Project Costs and identify the amount of additional cost reimbursement the Developer would require to keep the respective shares of Redevelopment Project Costs of the Developer and City the same as at the time of the City's adoption of the Plan Ordinance. Any request to increase the TIF Reimbursable Expenses column by an amount that results in a change in the nature of the Redevelopment Projects shall require amendment of the Plan according to the procedures established in the TIF Act, including a hearing by the TIF Commission. At the time the City Council considers a request for an increase in the TIF Reimbursable Expenses column, the City Council may separately consider reimbursement of Financing Costs associated with such request.

26. Payment of Project Costs - "As Collected" Basis. The Parties anticipate that the Developer be reimbursed on an "as collected" basis and have Reimbursable Project Costs reimbursed from the Special Allocation Fund on such an "as collected" basis. Developer shall present to City a Draw Certificate for payment by City, which Draw Certificate shall seek repayment of Developer Reimbursable Project Costs that have been previously certified by City pursuant to a Certification Application. Disbursement to Developer of sufficient proceeds from the Special Allocation Fund, to the extent such funds are available in the Special Allocation Fund, to pay on the Draw Certificate shall be made within ten (10) business days after the Draw Certificate is submitted; provided, however, that the Developer shall allow five (5) business days grace period prior to pursuing any action to enforce a disbursement. Any payments made on an "as collected" basis shall be payable in accordance with the payment priority set forth in **Section 23**. The City shall not distribute proceeds from the Special Allocation Fund beyond the limits set forth in **Section 25.B(1)** hereof.

27. Full Assessment of Redevelopment Area. After all Reimbursable Project Costs have been paid, and the Developer has been reimbursed for all funds expended upon Reimbursable Project Costs, but not later than twenty-three (23) years from the last adoption of a Redevelopment Project Ordinance, City shall adopt an Ordinance dissolving the Special Allocation Fund and terminating the designation of the Redevelopment Area as a redevelopment area under the TIF Act (the "**Termination Ordinance**"). From that date forward, all property in the Redevelopment Area shall be subject to assessments and payment of all ad valorem taxes, including, but not limited to, City, State, and County taxes, based on the full true value of the real property and the standard assessment ratio then in use for similar property by the County Assessor. After the adoption of the Termination Ordinance, the Redevelopment Area shall be owned and operated by Developer free

from the conditions, restrictions and provisions of the TIF Act, of any rules or regulations adopted pursuant thereto, of the Plan Ordinance, of the Plan, and of this Agreement, except as otherwise set forth herein or therein.

28. Reimbursement Adjustment. The purpose of affording public assistance to the implementation of the Plan is to accomplish the stated public purposes and not to subsidize an otherwise economically viable development project. While it has been determined that the Plan would not be undertaken but for the public assistance being provided, the parties recognize that the profitability of the Redevelopment Projects to Developer is based upon projections that may or may not be fulfilled. Sales of pad sites to be developed by third parties are projected to yield up to \$2,500,000. Therefore, in order to ensure that the public assistance being provided does not subsidize an unreasonable level of earnings for Developer, if the aggregate gross proceeds from such sales are greater than 110% of the projected \$2,500,000 gross sales proceeds, then the Reimbursable Project Costs cap will be reduced by 34% of the amount of such excess.

29. Business Occupant Approvals. Developer shall have complete and exclusive control over the sale and leasing of property which it owns within the Redevelopment Area including, without limitation, the fixing of rentals and the selection or rejection of tenants; provided:

A. Developer shall not sell or lease property which it owns within the Redevelopment Area to businesses who propose to use such property for any of the non-permitted purposes set forth in **Section 11** and **Exhibit F** attached hereto, except by approval of the City Council.

B. Without the approval of the City, the Developer shall not cause or allow the relocation of a business to any Pad Site located within the Redevelopment Project Area, which business is then open and operating in the City and then ceases to operate the existing facility within eighteen (18) months after the opening of the new facility on a Pad Site within the Redevelopment Project Area. In the event that Developer violates the requirements of this subsection and fails to receive the prior approval of the City as set forth above, for each such violation the Developer shall pay to the City an amount equal to two (2) times the amount of all City retail sales taxes generated by such store at its prior location during the preceding calendar year ("Relocation Penalty Payment"). Any Relocation Penalty Payment shall be due and payable within fifteen (15) business days after receipt of written notice from the City for such payment. Failure to make any Relocation Penalty Payment when due shall be an event of default of this Agreement and Developer shall be subject to the remedies set forth herein.

30. Lease of Project Property. Developer, or any third party, may lease real property within the Redevelopment Area. Unless the City Council waives this requirement as to a particular tenant, Developer shall insert in any such lease, or include a provision in the "Declaration of Restrictive Covenants" (as defined in **Section 31** of this Agreement) requiring any third party to insert, the following language (or similar language) and, if not included in the Declaration of Restrictive Covenants, shall have such Developer lease signed by the lessee indicating acknowledgment and agreement to the following provision:

Economic Activity Taxes and Sales Taxes: Tenant acknowledges that the Leased Premises are a part of a TIF redevelopment area in Sedalia, Missouri (the "City") and that certain taxes generated by Tenant's economic activities, including sales taxes and utility taxes will be applied in payment of certain costs related to the development. In addition, Tenant acknowledges that the Leased Premises is located within the boundaries of a Community Improvement District ("CID") which will have the power to impose a sales tax on any retail sales generated within Tenant's Premises. Tenant shall forward to the City Finance Department copies of Tenant's State of Missouri sales tax returns for its sales within the Leased Premises when and as they are filed with the Missouri Department of Revenue, quarterly copies of all utility bills paid in relation to the Leased Premises identifying the amount of taxes paid on such utilities, and, upon request, shall provide such other reports and returns regarding other state or local taxes generated by Tenant's economic activities upon the Leased Premises as the City shall require, all in the format prescribed by the City.

Tenant represents and warrants that its business is not currently located in the City, or if it is located within the City, for eighteen months after locating within the Redevelopment Area, such other business location within the City shall not close. Tenant acknowledges that if Tenant's current business within the City closes within eighteen months after locating within the Redevelopment Area, this Lease shall become ineffective unless the City Council approves this Lease. Tenant acknowledges that the City is a third-party beneficiary of the obligations in this Section, and that the City may enforce these obligations in any manner provided by law.

If such language is not included in the Declaration of Restrictive Covenants, failure of Developer to require that such restrictions be placed in any such lease shall in no way modify, lessen or diminish the obligations and restrictions set forth herein relating to the Redevelopment Area. The City shall comply with all applicable state laws limiting disclosure of sales tax information related to individual businesses provided to the City as documentation of Economic Activity Taxes. The City's access and use of such information shall be limited to only that which is necessary to administer the TIF Revenue and CID Revenue.

31. Sale or Disposition of Project Property.

A. Sale of Property. Except for a transfer to a Related Entity, the Developer shall not sell its fee simple interest in property that is not a Pad Site until completion of the Developer Controlled Improvements on such property and all Public Project Improvements have been completed as evidenced by a Certificate of Substantial Completion.

B. Restriction on Transfer to Tax-Exempt Entities. During the term of this Agreement (the "**Restricted Period**"), no sale, transfer, or other conveyance of any real property within the Redevelopment Area may be made to an entity that claims exemption, or is exempt, from real property taxes for all or part of the real property in the Redevelopment Area (a "**Restricted Entity**") without the prior written approval of the City. In the event that Developer seeks to transfer any property in the Redevelopment Area to a Restricted Entity during the Restricted Period, such transfer may only occur upon the prior written approval of the City, which approval shall not be unreasonably withheld, and upon the prior execution of a separate agreement between the purchasing Restricted Entity and the City. This requirement shall be a covenant running with the land and shall be enforceable, as applicable, during the Restricted Period as if the purchaser, transferee, or possessor of the real property were originally a party to and bound by this Agreement.

C. Continuation of Payments in Lieu of Taxes. In the event of the sale or other voluntary or involuntary disposition of any or all of the real property of Developer or any third party in the Redevelopment Area, Payments in Lieu of Taxes with respect to the real property so sold or otherwise disposed of shall continue and shall constitute a lien against the property from which they are derived, and such obligations shall inure to and be binding upon Developer and its successors and assigns in ownership of said property as if they were in every case specifically named and shall be construed as a covenant running with the land and enforceable as if such purchaser, transferee or other possessor thereof were originally a party to and bound by this Agreement.

D. Obligation to Ameliorate Existing Conditions. Developer's obligations pursuant to **Section 6** hereof, unless earlier satisfied and certified pursuant to this Agreement, shall inure to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties as if they were in every case specifically named.

E. Incorporation. The restrictions set forth in **Sections 11, 17.D, 21.A, 30, and 31.B** shall be incorporated into any deed or other instrument from Developer and its assigns conveying an interest in real property, other than a lease agreement, within the Redevelopment Area and shall provide that said obligations or restrictions shall constitute a benefit held by both Developer and City and that City is an intended third party beneficiary of said obligations and restrictions. Failure of Developer to require that such restrictions be placed in any such deed or other instrument shall in no way modify, lessen or diminish the obligations and restrictions set forth herein relating to the Redevelopment Area. Notwithstanding the foregoing provisions of this **Section 31.E**, in lieu of the requirement that such restrictions be incorporated into any deed or other instrument conveying an interest in real property and in lieu of any other provisions of this Agreement that require Developer to contractually obligate a purchaser or other successor owner to comply with certain restrictions in this Agreement, Developer may instead record a declaration of restrictive covenants (the "**Declaration of Restrictive Covenants**") against all property in the Redevelopment Area now owned or in the future owned by Developer, binding upon its successors in ownership and requiring such successors to:

(1) comply with the restrictions set forth in **Sections 21.A** and **30** and **31.B** of this Agreement;

(2) comply with the provisions of **Section 11** of this Agreement which provides for certain use restrictions and prohibits the use of the property within the Redevelopment Area for those uses identified on **Exhibit F** of this Agreement; and

(3) comply with the provisions of **Section 17.D** of this Agreement, which prohibit contesting the imposition of the CID Sales Tax and advocating or supporting the early termination of CID Sales Tax.

Any such Declaration of Restrictive Covenants shall further provide that (i) the obligations and restrictions contained in the Declaration of Restrictive Covenants shall inure to and be binding upon Developer and its successors and assigns in ownership of said property and shall be construed as a covenant running with the land, (ii) the obligations and restrictions shall constitute a benefit held by both Developer and the City and that the City is an intended third party beneficiary of said obligations and restrictions and has a separate and independent right to enforce such provisions, and (iii) the Declaration of Restrictive Covenants shall remain in effect for the duration of the Plan and shall be binding upon Developer and its successors in interest only during their respective period of ownership of the property within the Redevelopment Area. Developer shall record the Declaration of Restrictive Covenants in the office of the Recorder of Deeds for Pettis County at its cost and expense prior to the sale or transfer by Developer of any property within the Redevelopment Area. Prior to recording the Declaration of Restrictive Covenants, Developer shall provide a copy of the same to the City.

F. Notification to City of Transfer. Developer shall notify City in writing of any proposed sale or other transfer of any or all of the real property in the Redevelopment Area or any interest therein. Such notice shall be provided not less than thirty (30) days prior to the proposed effective date of the sale or other transfer and, if a Declaration of Restrictive Covenants has not yet been recorded in satisfaction of all of the requirements of **Section 31.E**, then such notice shall include a copy of a draft deed of such sale or other disposition to enable City to confirm that the requirements set forth above in this **Section 31** have been fulfilled.

32. Continuing Disclosure and Progress Reports.

A. Continuing Disclosure. In the event that the Developer becomes insolvent, is notified of default or foreclosure of loans related to the Redevelopment Project, begins voluntary or involuntary bankruptcy proceedings, or otherwise suffers a reduction in capacity to complete the Redevelopment Project, the Developer shall notify the City of such issue in accordance with this Agreement.

B. Progress Reports. At the first regularly-scheduled meeting of the City Council following the first anniversary of the Plan Ordinance and each anniversary thereafter until all Project Improvements are completed, Developer shall report to the City Council the progress of its implementation of the Redevelopment Projects. At

the first regularly-scheduled meeting of the City Council following the fifth anniversary of the Plan Ordinance and on each five-year anniversary thereafter so long as the Plan shall remain in effect, Developer shall prepare and present to the City Council a detailed report on the progress of implementation of the Redevelopment Projects, and, in accordance with Section 99.865.3 of the TIF Act, a public hearing shall be held to determine if the Redevelopment Area, Plan and the included Redevelopment Projects are making satisfactory progress under the Redevelopment Schedule. The Developer's reports shall include such information as is required under the reporting requirements of the TIF Act, such additional information as City may reasonably require, and such additional information as Developer wishes to present, including, without limitation:

- (1) Project Improvements completed;
- (2) Status of Project Improvements in progress but not yet completed;
- (3) Actual Redevelopment Project Costs in the Redevelopment Project Area compared to Redevelopment Plan estimates;
- (4) Actual start and completion dates of Project Improvements in the Redevelopment Project Area compared to Redevelopment Plan estimates; and
- (5) Estimated start date of Project Improvements not yet commenced at date of report.

33. Compliance with Laws. Subject to Developer's rights to contest the same in any manner permitted by law, Developer, its officers, directors and principals, at its sole cost and expense, shall comply in every respect with all Legal Requirements, ordinances, rules and regulations of all federal, state, county and municipal governments, agencies, bureaus or instrumentalities thereof now in force or which may be enacted hereafter which pertain to the construction of the Project Improvements, and the ownership, occupancy, use and operation of the Redevelopment Projects and the Redevelopment Area.

34. Authorized Employees. Developer acknowledges that Section 285.530, RSMo, prohibits any business entity or employer from knowingly employing, hiring for employment, or continuing to employ an unauthorized alien to perform work within the state of Missouri. Developer therefore covenants, and will provide an affidavit from any general contractor directly employed by Developer to construct Project Improvements in substantially the same form as is attached as Exhibit K, attesting that it is not knowingly in violation of subsection 1 of Section 285.530, RSMo, and that it will not knowingly employ, hire for employment, or continue to employ any unauthorized aliens to perform work related to this Agreement, and that its employees are lawfully eligible to work in the United States.

35. Assignment of Developer's Obligations.

A. Without limiting the rights of Developer or any third party under Section 31, Developer agrees that this Agreement and the rights, duties and obligations hereunder may not and shall not be assigned by Developer without the prior written

consent of the City, which consent will not be unreasonably withheld. Any proposed assignee shall have all of the qualifications and financial responsibility, as reasonably determined by the City, necessary and adequate to fulfill the obligations of Developer, and, if the proposed assignment relates to a portion of the Redevelopment Area, such obligations to the extent that they relate to such portion of the Redevelopment Area.

B. Any proposed assignee shall, utilizing a form substantively and substantially similar to the form attached hereto as **Exhibit I** (the "**Assignment Agreement**"), expressly for the benefit of City, assume all of the obligations of Developer under this Agreement and agree to be subject to all the conditions and restrictions to which Developer is subject (or, in the event the assignment is of or relates to a portion of the Redevelopment Area, such obligations, conditions and restrictions to the extent that they specifically relate to such portion). For purposes of this section, any sale, transfer, assignment, pledge or hypothecation of an interest in Developer (other than to an Affiliate of Developer) that results in a change in management control of Developer will constitute an assignment of this Agreement. Upon approval of the Assignment Agreement by City as set forth herein, Developer shall be released from such obligations accruing after the date of such assignment, and any default by any such assignee shall not affect Developer's rights under this Agreement, including the right to reimbursement from TIF Revenue and CID Revenue generated within the Redevelopment Area.

C. Notwithstanding the provisions of this **Section 35**, for purposes of securing financing, Developer may, without the City's consent, assign or pledge to the party providing financing Developer's right to receive reimbursement for Reimbursable Project Costs incurred, but Developer shall provide City with notice of any such assignment or pledge. Such assignment or pledge shall remain subject to the terms, provisions and conditions of this Agreement.

36. Representations and Warranties

A. Representations of the City. The City makes the following representations and warranties, which are true and correct on the date hereof:

(1) Due Authority. The City has full constitutional and lawful right, power and authority, under current applicable law, to execute, deliver and perform the terms and obligations of this Agreement, and all of the foregoing have been or will be duly and validly authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal valid and binding obligation of the City, enforceable in accordance with its terms.

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

(3) Litigation. To the best of the City's knowledge, there is no litigation or proceeding pending against the City with respect to the Redevelopment Plan or this Agreement. In addition, to the best of the City's knowledge, there is no other litigation or proceeding that is pending against the City seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of this Agreement or which would in any manner challenge or adversely affect the existence or powers of the City to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by the City of the terms and provisions of this Agreement.

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

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

(6) Construction Permits. The City reasonably believes that all permits and licenses necessary to construct the Public Project Improvements and the Private Project Improvements can be obtained.

B. The Developer makes the following representations and warranties, which are true and correct on the date hereof:

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

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

(3) Litigation. To the best of the Developer's actual knowledge, there is no litigation, proceeding or investigation pending or threatened against the Developer seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of this Agreement or which would in any manner challenge or

adversely affect the existence or powers of the Developer to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by the Developer, of the terms and provisions of this Agreement.

(4) No Material Change. (1) The Developer has not incurred any material liabilities or entered into any material transactions other than in the ordinary course of business except for the transactions contemplated by this Agreement and (2) there has been no material adverse change in the business, financial position, prospects or results of operations of the Developer, which could affect the Developer's ability to perform its obligations pursuant to this Agreement from that shown in the financial information provided by the Developer to the City prior to the execution of this Agreement.

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

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

(7) Approvals. Except for subsequent approvals addressed in this Agreement, the Developer has obtained all certificates, licenses, inspections, franchises, consents, immunities, permits, authorizations and approvals, governmental or otherwise, necessary to acquire, construct, equip, operate and maintain the Private Project Improvements. The Developer reasonably believes that all such certificates, licenses, consents, permits, authorizations or approvals which have not yet been obtained will be obtained in due course.

(8) Construction Permits. Except for subsequent approvals addressed in this Agreement, all governmental permits and licenses required by applicable law to construct, occupy and operate the Private Project Improvements have been issued and are in full force and effect or, if the present stage of development does not allow such issuance, the Developer reasonably believes, after due inquiry of the appropriate governmental officials, that such permits and licenses will be issued in a timely manner in order to permit the Private Project Improvements to be constructed.

(9) Compliance with Laws. The Developer is in compliance with all valid laws, ordinances, orders, decrees, decisions, rules, regulations and requirements of every duly constituted governmental authority, commission and

court applicable to any of its affairs, business, operations as contemplated by this Agreement.

(10) Other Disclosures. The information furnished to the City by the Developer in connection with the matters covered in this Agreement are true and correct and do not contain any untrue statement of any material fact and do not omit to state any material fact required to be stated therein or necessary to make any statement made therein, in the light of the circumstances under which it was made, not misleading.

(11) Project. The Developer represents and warrants that the Redevelopment Area is of sufficient size to construct the Project as contemplated in the Plan and this Agreement.

37. Indemnification.

A. Developer shall indemnify, protect, defend and hold City and its officers, directors, members, commissioners, employees and agents (collectively, the "Indemnified Parties" or, individually, an "**Indemnified Party**") harmless from and against any and all claims, demands, liabilities and costs, including reasonable attorneys' fees, costs and expenses, arising from damage or injury, actual or claimed, of whatsoever kind or character (including consequential and punitive damages), to persons or property occurring or allegedly occurring as a result of any acts or omissions of Developer, its constituent members or partners, their employees, agents, independent contractors, licensees, invitees or others acting by, through or under such indemnifying parties, in connection with its or their activities conducted pursuant to this Agreement and/or in connection with the ownership, use or occupancy and development or redevelopment of the Redevelopment Area or a portion thereof and the Project Improvements, including but not limited to, any damages or penalties incurred by the City as a result of the failure of the Developer or its contractors to comply with applicable Legal Requirements related to the construction of the Public Project Improvements.

B. In the event any suit, action, investigation, claim or proceeding (collectively, an "Action") is begun or made as a result of which Developer may become obligated to one or more of the Indemnified Parties hereunder, the Indemnified Party shall give prompt notice to Developer of the occurrence of such event. After receipt of such notice, Developer may elect to defend, contest or otherwise protect the Indemnified Party against any such Action, at the cost and expense of Developer, utilizing counsel of Developer's choice. The Indemnified Party shall have the right, but not the obligation, to participate, at the Indemnified Party's own cost and expense, in the defense thereof by counsel of the Indemnified Party's choice. In the event that Developer shall fail timely to defend, contest or otherwise protect an Indemnified Party against such Action, the Indemnified Party shall have the right to do so, and (if such defense is undertaken by the Indemnified Party after notice to Developer asserting Developer's failure to timely defend, contest or otherwise protect against such Action), the Indemnified Party may submit any bills for fees and

costs received from its counsel to Developer for payment and, within thirty (30) business days after such submission, Developer shall transfer to the Indemnified Party sufficient funds to pay such bills. Developer acknowledges that such bills may be redacted to delete any information which would constitute attorney-client communication or attorney work product.

C. An Indemnified Party shall submit to Developer any settlement proposal that the Indemnified Party shall receive. Developer shall be liable for the payment of any amounts paid in settlement of any Action to the extent that Developer consents to such settlement. Neither Developer nor the Indemnified Party will unreasonably withhold its consent to a proposed settlement.

D. Developer expressly confirms and agrees that it has provided this indemnification and assumes the obligations under this Agreement imposed upon Developer in order to induce City to enter into this Agreement. To the fullest extent permitted by law, an Indemnified Party shall have the right to maintain an action in any court of competent jurisdiction to enforce and/or to recover damages for breach of the rights to indemnification created by, or provided pursuant to, this Agreement. If such court action is successful, the Indemnified Party shall be reimbursed by Developer for all fees and expenses (including attorneys' fees) actually and reasonably incurred in connection with such action (including, without limitation, the investigation, defense, settlement or appeal of such action).

E. With respect to liability that arises during the term of this Agreement, the right to indemnification set forth in this Agreement shall survive the termination of this Agreement.

F. Any costs, fees, and expenses paid by Developer under this **Section 37** shall be Reimbursable Project Costs and shall not count against the caps on Developer Reimbursable Project Costs set forth in **Section 25.B(1)**.

38. Insurance.

A. As used in this **Section 38**, "Replacement Value" means an amount sufficient to prevent the application of any co-insurance contribution on any loss but in no event less than one hundred percent (100%) of the actual replacement cost of the Private Project Improvements, including additional administrative or managerial costs that may be incurred to effect the repairs or reconstruction, but excluding costs of excavation, foundation, and footings. Replacement Value shall be determined at least every year after the completion date of the Private Project Improvements by an appraisal, a report from an insurance advisor, broker, or consultant selected by the Developer subject to the reasonable approval of the City (the "**Insurance Consultant**"), or if the policy is on a blanket form, such other means is as reasonably acceptable to the Insurance Consultant. If an appraisal or report is conducted, a copy of such appraisal or report shall be furnished to the Trustee, if any, and the City.

B. The Developer, or its successors and assigns in accordance with **Sections 31** and **35**, as applicable, shall keep their respective portions of the Private Project Improvements continuously insured with property insurance for full Replacement Value, which such deductible provisions as are customary in connection with the operation of facilities of the type and size comparable to the Project Improvements. Notwithstanding the foregoing, the City may accept and approve a policy for insurance coverage that has been required and approved by the Developer's lender for Private Loans.

C. The City does not represent in any way that the insurance specified in this Section, whether in scope, overall coverage or limits of coverage, is sufficient to protect the business or interests of the Developer.

D. All such policies, or a certificate or certificates of the insurers that the insurance required in this **Section 38** is in full force and effect, shall be provided to the City. Prior to the expiration of any such policy, the Developer shall furnish to the City with satisfactory evidence that such policy has been renewed or replaced or is no longer required by this Agreement; provided, however, the insurance so required may be provided by blanket policies now or hereafter maintained by the Developer if the Developer provides the City with a certificate from an Insurance Consultant to the effect that such coverage is substantially the same as that provided by individual policies. All policies evidencing the insurance to be required by this Agreement shall provide for thirty (30) days' written notice (other than for nonpayment of premium, which shall provide for at least ten (10) days' notice) to the Developer and the City of any cancellation, reduction in amount or material change in coverage.

39. Obligation to Restore.

A. Restoration of Private Project Improvements by Developer. Utilizing casualty insurance proceeds, the Developer, or its successors and assigns in accordance with **Sections 31** and **35**, as applicable, shall promptly restore, replace, or rebuild the Private Project Improvements, or shall promptly cause the same to be restored, replaced, or rebuilt, to as nearly as possible the value, quality, and condition it was in immediately prior to fire or other casualty, with such alterations or changes as may be approved in writing by the City (which approval shall not be unreasonably withheld) if any portion of the Private Project Improvements becomes damaged or destroyed, in whole or in part, by fire or other casualty (whether or not covered by insurance). Developer, or its successors and assigns in accordance with **Sections 31** and **35**, as applicable, shall use insurance proceeds in accordance with the requirements of their respective lenders. For loans first entered into with lenders after the Effective Date hereof, the Developer, and its successors and assigns, will use best efforts to include in any documents for Private Loans a requirement that, in the event insurance covering fire or other casualty results in payment of insurance proceeds to a lender, the lender shall be obligated to apply such proceeds to the restoration of such Private Project Improvements in accordance with this **Section 39**. The Developer, and its successors and assigns in accordance with **Sections 31** and **35**, as applicable, shall give prompt written notice to the City of any damages or destruction by fire or

other casualty to their respective portion of the Private Project Improvements, irrespective of the amount of such damage or destruction, but in such circumstances the Developer shall make the property safe and in compliance with all Legal Requirements. This **Section 39.A.** is subject to the right, title and interest of any lender that has already made a loan to Developer for the Redevelopment Project, and such right, title and interest are superior in all respects to this **Section 39.A.** notwithstanding anything in this Agreement to the contrary.

B. Enforcement. The restrictions established in this **Section 39** are for the benefit of the City and may be enforced by the City by suit for specific performance or for damages.

40. Breach-Compliance.

A. If Developer or City does not comply with provisions of this Agreement, including provisions of the Plan, within the time limits and in the manner for the completion of the Redevelopment Projects as therein stated, except for any extensions or waivers described herein and Excusable Delays, in that Developer or City shall do, permit to be done, or fail or omit to do, anything contrary to or required of it by this Agreement or the Plan, and if, within sixty (60) days after notice of such default by the non-defaulting party to the defaulting party, the defaulting party shall not have cured such default or commenced such cure and be diligently pursuing the same if such cure would reasonably take longer than said sixty (60) day period, then the non-defaulting party may institute such proceedings as may be necessary in its opinion to cure the default including, but not limited to, proceedings to compel specific performance by the party in default of its obligations (except that no party shall be enjoined to engage in any construction) and, in the case of default by Developer, City is granted the right to terminate this Agreement, the right to apply any deposit or other funds submitted by Developer to City in payment of the damages suffered by it, the right to withhold or apply funds from the Special Allocation Fund to such extent as is necessary to protect City from loss or to ensure that the Plan and the Redevelopment Projects are fully and successfully implemented in a timely fashion, and the right to withhold issuance of a Certificate of Completion and Compliance. Notwithstanding anything to the contrary herein, the City shall, in good faith, certify any Reimbursable Project Costs, approve any Certification Application or Draw Certificate and reimburse Developer for any Reimbursable Project Costs incurred or paid by Developer up to and including the date of receipt of any notice of default or termination. If any action is instituted by either party hereunder, the non-prevailing party in such action shall pay any and all costs, fees and expenses, including attorneys' fees incurred by the prevailing party in enforcing this Agreement.

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

C. Developer (for itself and its successors and assigns, and for all other persons who are or who shall become liable, by express or implied assumption or otherwise, upon or subject to any obligation or burden under this Agreement), waives to the fullest extent permitted by law and equity all claims or defenses otherwise available on the ground of being or having become a surety or guarantor, whether by agreement or operation of law. This waiver includes, but is not limited to, all claims and defenses based upon extensions of time, indulgence or modification of terms of contract.

D. Any delay by either party in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this **Section 40** shall not operate as a waiver of such rights or limit them in any way. No waiver in fact made by either party of any specific default by the other party shall be considered or treated as a waiver of the rights with respect to any other defaults, or with respect to the particular default, except to the extent specifically waived.

E. In no event shall City be obligated to certify any Reimbursable Project Costs, approve any Reimbursement Request or reimburse Developer for any Reimbursable Project Costs incurred or paid by Developer at any time while any default by Developer has occurred and remained uncured beyond Developer's cure period as provided in **Section 40.A.** herein, and City has provided notice of such default as required under **Section 40.** Notwithstanding the above, if the City validly terminates this Agreement, the City shall be required to, in due course according to the standards set forth herein, certify any Reimbursable Project Costs, approve any Reimbursement Request and reimburse Developer for any Reimbursable Project Costs incurred or paid by Developer prior to any such notice of default. If City shall at any time elect to rely upon the provisions of this **Section 40.E** as the basis for an action by City, City shall, at the time of such election, notify Developer in writing of such decision and the specific facts or events relied upon by City as the basis for such action by City.

F. Notwithstanding anything to the contrary contained in this Agreement, a breach of any obligation under this Agreement by a party other than Developer will not constitute a breach of this Agreement with respect to Developer and Developer's reimbursement rights hereunder.

41. Excusable Delays.

A. The parties understand and agree that neither party shall be deemed to be in default of this Agreement because of delays or temporary inability to commence, complete or proceed in accordance with the Redevelopment Schedule, due in whole or in part to causes beyond the reasonable control or without the material fault of such party which are caused by the action or failure to act of any governmental body, including but not limited to the issuance of permits and approvals by the City, acts of war or civil insurrection, breach of this Agreement by the other party or any natural occurrence, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, labor disputes, governmental restrictions or priorities, embargoes, litigation, tornadoes, or unusually severe weather (collectively "**Excusable Delays**").

B. The time of performance hereunder shall be extended for the period of any delay or delays caused or resulting from any of the foregoing causes, with, in the case of any extension sought by Developer, the approval of City, which approval shall not be arbitrarily or unreasonably withheld. Nothing herein shall excuse Developer from any obligation to pay money hereunder, nor shall this Section excuse Developer from performance of its obligations because of a lack of funds or inability to obtain financing. Developer may be granted such extensions upon presentation of reasonable evidence and/or documentation of the periods of such Excusable Delays.

42. Notice. Any notice required by this Agreement shall be deemed to be given if it is mailed by United States certified mail, postage prepaid, and addressed as hereinafter specified.

To the City:

With a copy to:

Gary Edwards, City Administrator
City of Sedalia, Missouri
200 South Osage
Sedalia, Missouri 65301

Joseph G. Lauber, Esq.
Lauber Municipal Law, LLC
529 SE 2nd Street, Suite D
Lees Summit, Missouri 64063

To the Developer:

With a copy to:

Mr. Tim Harris
STAR Acquisitions, Inc.
244 W. Mill Street, #101
Liberty, Missouri 64068

Curt Petersen, Esq.
Polsinelli PC
6201 College Boulevard, Suite 500
Overland Park, Kansas 66211

Each party shall have the right to specify that notice be addressed to any other address by giving to the other party ten (10) days' written notice thereof.

43. Modification. The terms, conditions, and provisions of this Agreement and of the Plan can be neither modified nor eliminated except in writing and by mutual agreement between City and Developer.

44. Effective Date and Term. This Agreement shall become effective on the date first set forth above, and shall remain in full force and effect, until the earlier of a) completion of all Project Improvements and reimbursement of all Reimbursable Project Costs, or b) the City's proper adoption of the Termination Ordinance pursuant to the terms of this Agreement.

45. Recording. The City shall prepare and record a memorandum of this Agreement in the Office of the Recorder of Deeds for Pettis County.

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

47. Covenant Running With the Land. The provisions of this Agreement shall remain in effect for the duration of this Agreement. They shall be covenants running with the land and shall be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and be enforceable by, City, its successors and assigns, against Developer, its successors and

assigns, (provided, subject to the provisions of **Section 35** hereof, that any such covenants shall be binding on Developer itself, and its successors and assigns, only during their period of ownership).

48. Administrative Costs and Expenses.

A. In order to reimburse City for its reasonable administrative costs and expenses (including staff time and contracted services) in connection with the preparation, development and implementation of the Plan, Redevelopment Project, and this Agreement, the City and STAR Acquisitions, Inc. entered into a Funding Agreement dated October 3, 2015 (the "**Funding Agreement**"). Any of City's actual and reasonable administrative costs and expenses that are provided for in this **Section 48** and which are not covered by the Funding Agreement shall be paid by Developer within sixty (60) days of having been billed for same and may be claimed by Developer as Reimbursable Project Costs. The Funding Agreement shall remain in full force and effect until the first TIF Revenue is deposited into the Special Allocation Fund. Immediately thereafter, the Funding Agreement shall terminate and any remaining balance of Developer funds held by the City thereunder shall be returned to the Developer.

B. The City shall receive an administrative fee to cover costs of additional resources necessary to implement the TIF Plan and administer this Agreement and deposits to and payments from the Special Allocation Fund. The administrative fee shall be in the amount of one percent (1%) of funds deposited into the Special Allocation Fund. Actual additional documented third party professional service costs and other out-of-pocket expenses reasonably incurred by City that are found by City to be necessary for it in connection with the Plan, this Agreement or otherwise relating to the Redevelopment Projects, including fees imposed by the State or County relating to the collection and disbursement of PILOTs, shall be reimbursed from the Special Allocation Fund. However, in no event shall such reimbursements exceed five percent (5%) of the TIF Revenue paid into the Special Allocation Fund in any year.

C. Upon the request of Developer, City shall furnish appropriate documentation of the administrative costs and expenses as referred to in this **Section 48**, and shall allow Developer or its representatives an opportunity to review the accounts and records of City with regard to such administrative costs and expenses. In the event Developer disputes the reasonableness of any portion of the City's administrative costs and expenses as referred to in this **Section 48**, then, , Developer may request, and the City Council will hold, a hearing at which Developer may present evidence as to why the City's request to utilize TIF Revenue for such expenses should be denied.

49. Validity and Severability. It is the intention of the parties hereto that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies of State of Missouri, and that the unenforceability (or modification to conform with such laws or public policies) of any provision hereof shall not render unenforceable, or impair, the remainder of this Agreement. Accordingly, if any provision of this Agreement shall be deemed invalid or unenforceable in whole or in part, this Agreement shall be deemed amended to delete or

modify, in whole or in part, if necessary, the invalid or unenforceable provision or provisions, or portions thereof, and to alter the balance of this Agreement in order to render the same valid and enforceable. All exhibits attached hereto are hereby incorporated into this Agreement by reference.

50. Time and Performance are of the Essence. Time and exact performance are of the essence of this Agreement.

51. City's Legislative Powers. Notwithstanding any other provisions in this Agreement, nothing herein shall be deemed to usurp the governmental authority or police powers of City or to limit the legislative discretion of the City Council, and no action by the City Council in exercising its legislative authority shall be a default under this Agreement.

52. Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venture or any association between the City and Developer.

53. Good Faith; Consent or Approval. In performance of this Agreement or in considering any requested extension of time, the parties agree that each will act in good faith, cooperate in expeditious and timely approvals, and will not act unreasonably, arbitrarily, or capriciously or unreasonably withhold or delay any approval required by this Agreement; provided, however, that the City need not act reasonably in considering a requested extension of time that would extend a time period set forth in this Agreement for the performance of an obligation by the Developer by more than three (3) years from the original end of such period as set forth in this Agreement. Except as otherwise provided in this Agreement, whenever consent or approval of the City is required, such consent or approval may be granted by the City Administrator or his designee administratively and no action of the City Council shall be required. Except as otherwise provided in this Agreement, whenever consent or approval of either party is required, such consent or approval will not be unreasonably withheld, conditioned or delayed. The City agrees to reasonably cooperate with the Developer with respect to (i) applications for building permits from the City and the issuance thereof, and any permits or approvals required from any governmental agency, whenever reasonably requested to do so; provided, however, that all applications for such permits and approvals are in compliance with the applicable ordinances and regulations, approved plans and specifications, and all applicable codes, (ii) securing any construction and permanent financing that the Developer may reasonably require in connection with the performance of its obligations under this Agreement, (iii) reviewing and approving Developer's plans, including but not limited to site plans and building elevations, construction plans, design criteria and any amendments thereto as part of the Land Use Approvals. The Developer agrees and acknowledges that in each instance in this Agreement or elsewhere where the City is required or has the right to review or give its approval or consent, no such review, approval or consent will imply or be deemed to constitute an opinion by the City, nor impose upon the City any responsibility for the design or construction of building elements, including but not limited to the structural integrity or life/safety requirements or adequacy of budgets or financing or compliance with any applicable federal or state law, or local ordinance or regulation, including the Environmental Laws. All reviews, approval and consents by the City under the terms of this Agreement are for the sole and exclusive benefit of the Developer and no other person or party will have the right to rely thereon.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

CITY:

THE CITY OF SEDALIA, MISSOURI, a municipal corporation

By: _____
Stephen Galliher
Mayor

ATTEST:

Arlene Silvey, City Clerk,

STATE OF MISSOURI)
) ss.
COUNTY OF PETTIS)

On this ____ day of _____, 2016, before me personally appeared Stephen Galliher, to me known, who being by me duly sworn, did say that he is the Mayor of the City of Sedalia, Missouri, a Missouri municipal corporation, that said instrument was signed on behalf of said corporation by authority of its City Council, and acknowledged said instrument to be the free act and deed of said corporation.

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

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

My Commission Expires:

EXHIBIT A

**LEGAL DESCRIPTION OF REDEVELOPMENT AREA AND REDEVELOPMENT
PROJECT AREA**

The Redevelopment Area is the area that is the subject of the City's RFP issued August 24, 2015.

WEST PARCEL

COMMENCING AT THE NORTHWEST CORNER OF SECTION 6, TOWNSHIP 45 NORTH, RANGE 21 WEST, SEDALIA, PETTIS COUNTY, MISSOURI; THENCE S 87 °19'30" E ALONG THE NORTH LINE OF SAID SECTION, 526.25 FEET; THENCE S 2 °40'30" W 38.24 FEET TO A POINT OF BEGINNING; THENCE S 81 °39'10" E 267.58 FEET; THENCE N 3 °10'10" E 15.37 FEET; THENCE S 87 °19'30" E 541.59 FEET; THENCE S 25 °12'20" W 386.20 FEET TO THE NORTHERLY RIGHT OF WAY OF U.S. HIGHWAY 50; THENCE ALONG THE LINES OF SAID RIGHT OF WAY N 64 °53'00" W 2.88 FEET; THENCE N 53 °22'50" W 302.55 FEET; THENCE N 72 °03'50" W 202.47 FEET; THENCE N 64 °53'00" W 200.46 FEET; THENCE N 18 °05'10" W 72.65 FEET TO THE POINT OF BEGINNING;

BEING ALL OF TRACT "A" AS SHOWN ON SURVEY RECORDED NOVEMBER 25, 2014 AS DOCUMENT NO. 2014-6117 IN THE PETTIS COUNTY RECORDER'S OFFICE.

AND

EAST PARCEL

Lot 3 and 4, HSB 2nd Subdivision, an addition to the City of Sedalia, Pettis County, Missouri.

AND

RIGHT-OF-WAY

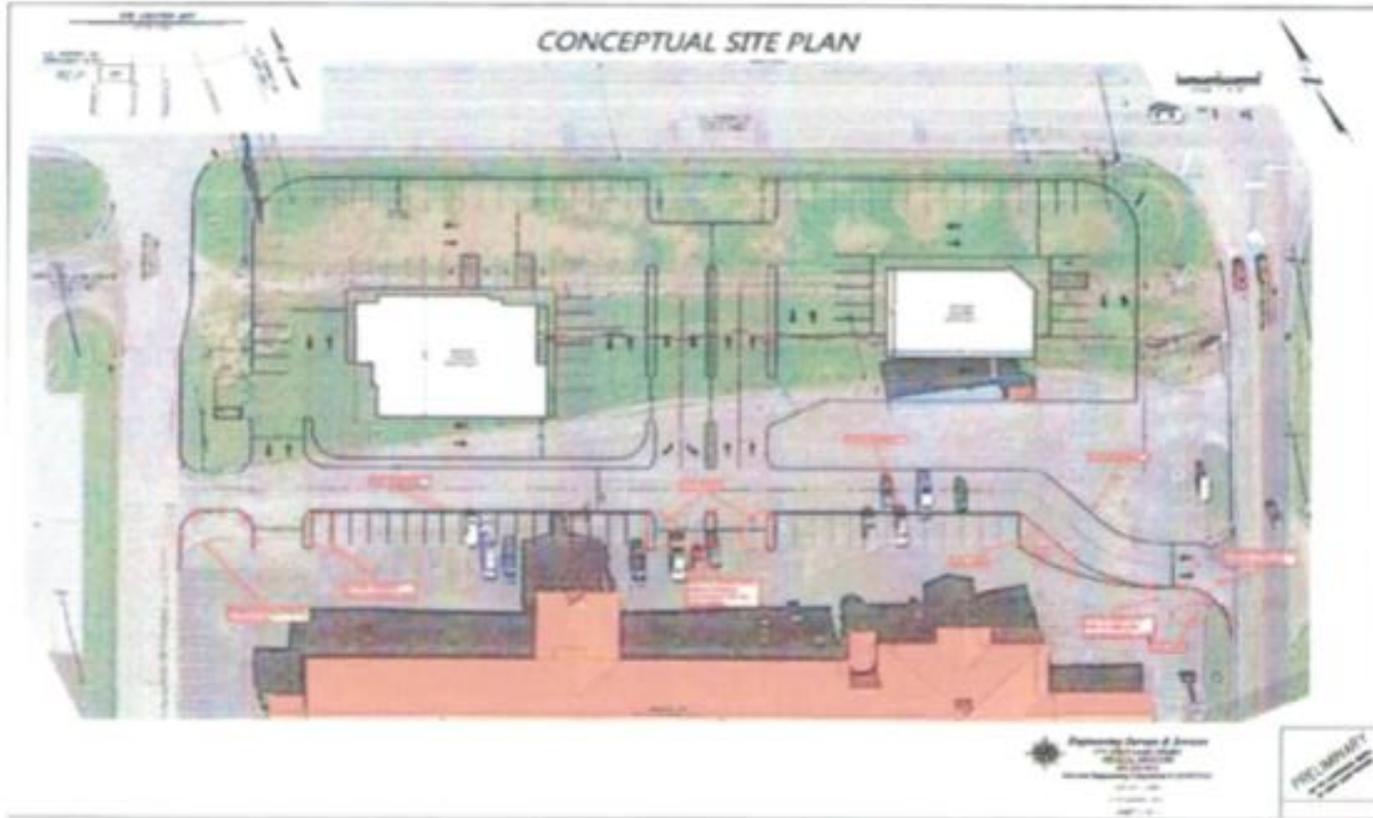
All that public right-of-way for Highway 50 between the place where the Highway 50 right-of-way intersects the southeast corner of the "West Parcel" described above and the place where the Highway 50 right-of-way intersects the northeast corner of the "East Parcel" described above.

EXHIBIT B

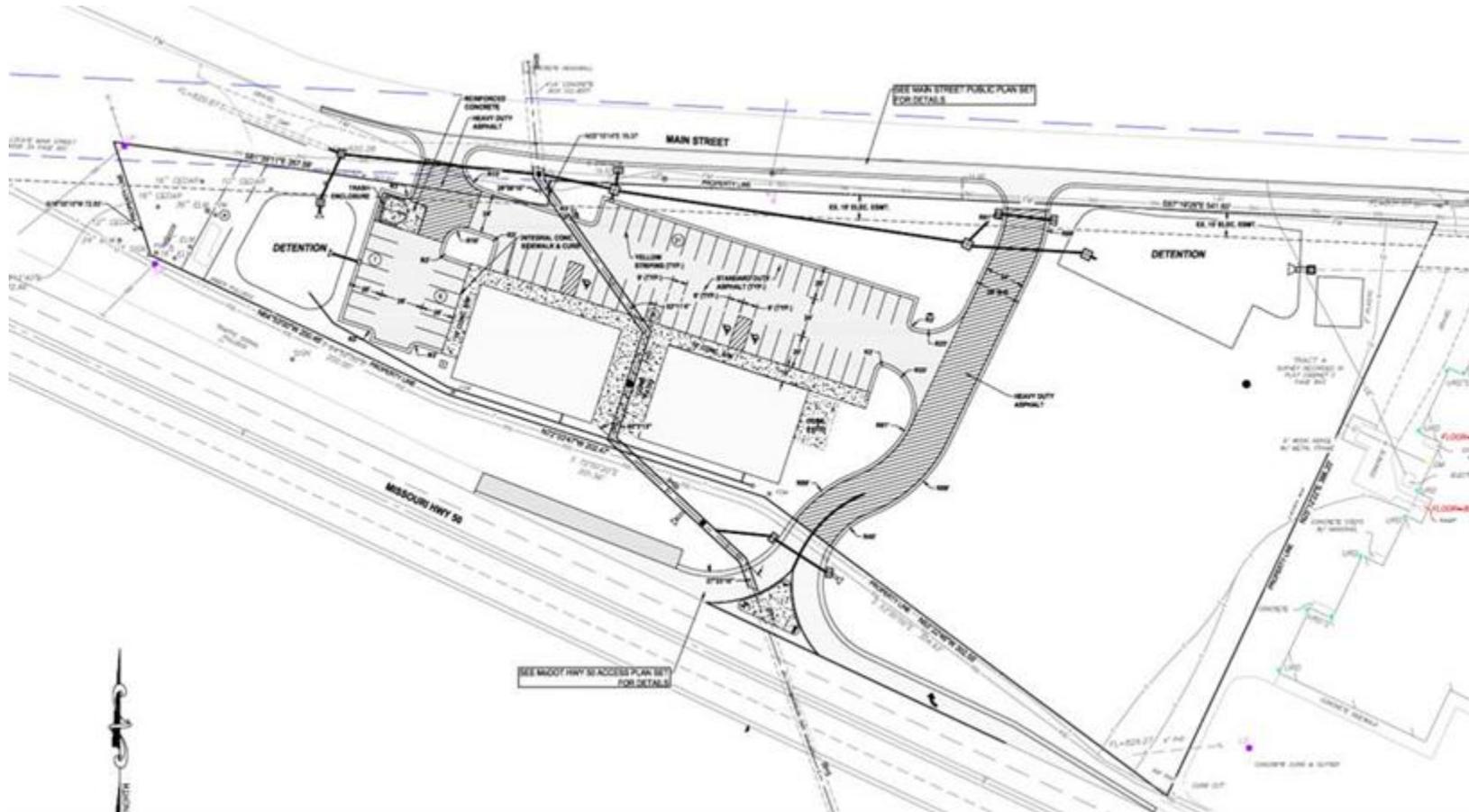
Map of Redevelopment Project Area and Site Plans of West Site and East Site



East Site



West Site



*The building location, size, configuration, and layout set forth on the Site Plans in this Exhibit B above are conceptual in nature. The final Site Plans will be determined pursuant to the Land Use Approvals.

EXHIBIT C

Private Project Improvements

Construction of approximately 22,000 square feet of restaurant, retail, and/or other commercial facilities, together with all necessary support facilities such as utilities, parking lots, street improvements (not including those described as a part of the Public Project Improvements), storm water detention and drainage and other infrastructure improvements appurtenant thereto.

EXHIBIT D

Public Project Improvement

The Public Project Improvement refers to the portion of the project that is within either City or other public right of way, existing or proposed, as well as the portion of the project on private property that is intended to be direct extensions of the public improvement. Plans for this project may be reviewed by City and/or other public jurisdictions where applicable, and as such, variations of the plan may occur at the direction or based upon input from City and/or other public jurisdictions. It is however the stated goal of the parties that any such modifications be budget neutral as it relates to the cost to be incurred by the Developer in connection with the Public Project Improvement.

The Public Project Improvement consists of the following, as depicted more fully on **Exhibit B** to this Agreement and as identified on the Redevelopment Project Budget on **Exhibit G** to this Agreement:

- A. Design and construction of a deceleration lane on 50 Highway to allow right-in, right-out access to and from the West Site.
- B. Dedication of all right-of-way and easements needed to accomplish the task described above.

EXHIBIT E

Redevelopment Schedule

REDEVELOPMENT PROJECT	ANTICIPATED COMMENCEMENT	ANTICIPATED COMPLETION
1	July 1, 2016	August 1, 2017

The parties acknowledge that, with respect to the stand-alone single-user pad shown on the West Site and the two stand-alone single-user pads shown on the East Site, Developer intends to either sell, ground lease, or construct a build-to-suit building for lease to third party users. While Developer intends to secure tenants for such pads as soon as possible, development of those pads will not commence until such time.

The dates in this Redevelopment Schedule will be modified by the parties as provided in Section 7.A.

EXHIBIT F

Non-Permitted Uses

In no event shall Developer sell, lease or permit occupancy of any portion of the Redevelopment Project Area for any of the following uses except by approval of the City Council:

- A. Existing Users in the City. Without the approval of the City as provided in **Section 11**, the Developer shall not cause the relocation of a tenant into the Redevelopment Project Area, which is then open and operating in the City and then ceases to operate the existing facility within eighteen (18) months after the opening of the new facility within the Redevelopment Project Area.
 - a. In the event that Developer violates the requirements of this subsection and fails to receive the prior approval of the City as set forth above, for each such violation the Developer shall pay to the City an amount equal to two (2) times the amount of all City retail sales taxes generated by such store at its prior location during the preceding calendar year ("**Relocation Penalty Payment**").
 - b. Any Relocation Penalty Payment shall be due and payable within fifteen (15) business days after receipt of written notice from the City for such payment. Failure to make any Relocation Penalty Payment when due shall be an event of default of this Contract and Developer shall be subject to the remedies set forth herein.
- B. Surplus and Dollar Discount Stores. Without City approval, which approval shall not be unreasonably withheld, the Developer shall not lease or sell any of the Redevelopment Area to a surplus or discount store. For the purpose of this section, a surplus store shall be defined as a store whose primary business is the sale of used or second hand merchandise, a thrift shop, or a flea market. For the purpose of this section, a dollar discount store shall be defined as a store with a majority of merchandise for sale for one dollar (\$1.00) or less per item. However, the above exclusions shall not apply to permitted uses such as Half Price Books, Tuesday Mornings, Plato's Closet, Ditto, Vintage Stock and similar type users.
- C. Gasoline Station/Convenience Stores. Without City approval, the Developer shall not by sale or lease locate more than one (1) gasoline station/convenience store in the Redevelopment Project Area. For the purpose of this section a gasoline station/convenience store shall be defined as a facility where as the primary business gasoline, diesel fuel, and oil is dispensed at retail. Uses may also include the sale of cold drinks, packaged foods, prepared foods that would otherwise constitute fast foods, tobacco and similar household convenience goods for station customers.
- D. Auto Repair Businesses or Lube Shops. The Developer shall not, without City approval, sell or lease any of the Redevelopment Project Area to a store whose primary business is as an automobile repair or similar business that includes garage doors as a primary feature of its facility; provided, however, such exclusion shall not apply to national tire, oil change or battery retailers such as Tires Plus, National Tire and Battery ("NTB"), etc.

- E. Non-Sales Tax Generating Businesses. The Developer shall not, without City approval, sell or lease for development more than one pad site and more than twenty percent (20%) of the finished first (1st) floor retail strip space in the Redevelopment Area to non-sales tax generating businesses such as office uses or fitness centers. For purposes of this section, a non-sales tax generating business shall be any business projected to generate less than \$50 per square foot of annual retail sales upon stabilization; and shall also be any business for which the majority of the sales tax is not collected within the Redevelopment Area, for example the sale of motor vehicles and trailers.
- F. Adult Entertainment Establishments as defined in Chapter 6, Article 2 of the City's Code of Ordinances.
- G. Pawn Shops
- H. Payday/Title Loan Businesses
- I. Flea Market or Thrift Shops
- J. E-Cigarette or "Vaping" Shops. The Developer shall not, without City approval, sell or lease any of the Redevelopment Project Area to a store whose primary business is the sale of e-cigarattes or "vaping" materials and equipment; provided, however, such exclusion shall not apply to other businesses who may sell such products as an ancillary portion of their business, subject to the City's Code of Ordinances.
- K. Tattoo or Piercing Parlors
- L. Rental Stores. The Developer shall not, without City approval, sell or lease any of the Redevelopment Project Area to a store whose primary business is rent-to-own transactions for furniture, applicances, or electronics such as Rent-A-Center, Aaron's Rentals, or similar business; provided, however, such exclusion shall not apply to other rental businesses such as HD video, tuxedo rentals, or similar businesses.
- M. Retail Sales of LP Gas

EXHIBIT G

Redevelopment Project Cost Budget

Redevelopment Project Costs	Estimated Costs	TIF Eligible	CID Eligible
Land Acquisition			
Proposed Redevelopment Area	1,145,000	1,145,000	
Closing Costs	35,000	10,000	
<i>SUBTOTAL</i>	1,180,000	1,155,000	
Sitework/Infrastructure			
1 Excavation/Erosion Control/Embankment	211,400	125,000	
2 Paving/Curbs/Gutters/Sidewalk	723,684	333,464	
3 Stormwater/Detention	473,095	225,000	175,000
4 Water/Sanitary/Sanitary Sewer Liftstation	120,820		95,820
5 Turf/Landscaping	124,980	75,000	
6 Lighting/Enclosures/Site Signage	93,400	45,000	
7 MoDOT Deceleration Lane	72,061		40,892
8 Electrical/Gas/Phone	95,000	50,000	
9 Project Management & Administration	134,011	50,000	
<i>SUBTOTAL</i>	2,048,451	903,464	311,712
Building Improvements			
Building Shell Costs by Developer*	1,944,000		
Improvements by Third Parties**	3,300,000		
Project Management & Administration (Developer)	97,200		
Project Management & Administration (Third Party)	165,000		-
<i>SUBTOTAL</i>	5,506,200	-	-
Soft Costs			
Legal (incl. City legal)/Consulting/Accounting	125,000	75,000	
Blight Study	10,000	5,000	-
Architectural/Engineering/Surveying	350,000	100,000	-
Geotechnical Studies/Soils Report/Environmental	85,000	50,000	-
Bonds/Permits/Fees	125,000	-	-
Commissions on Pad Sales/Leases	250,000	-	-
<i>SUBTOTAL</i>	945,000	230,000	-
Financing Costs			
Bank Charges & Financing Fees	75,000	-	-
Construction Interest^	250,000	-	-
<i>SUBTOTAL</i>	325,000	-	-
Miscellaneous Costs			
Developer's Fee	275,000	-	-
Contingency	849,965	-	-
<i>SUBTOTAL</i>	1,124,965	-	-
TOTAL	\$ 11,129,616	\$ 2,288,464	\$ 311,712

EXHIBIT H

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EXHIBIT I
FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

See attached

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "**Assignment**") is dated as of the _____ day of _____, 20__ and is made by and between STAR ACQUISITIONS, INC., a Missouri corporation ("**Assignor**"), _____, a _____ ("**Assignee**"), and the CITY OF SEDALIA, MISSOURI, a municipal corporation (the "**City**").

RECITALS

A. On November 23, 2015, the City Council of Sedalia, Missouri (the "**City Council**") adopted Ordinance No. _____ approving the 50 Highway Tax Increment Financing Redevelopment Plan (the "**Plan**").

B. On _____, 20__, the City and Assignor entered into a Tax Increment Financing Redevelopment Agreement that set forth the respective obligations and duties of the City and Assignor with respect to the implementation of the Plan (the "**Redevelopment Agreement**").

C. Pursuant to **Section 35** of the Redevelopment Agreement, Assignor now desires to enter into this Assignment to convey to Assignee certain duties and obligations under the Redevelopment Agreement and Plan (as more fully described herein) with respect to the property described in **Exhibit A** to this Assignment (the "**Property**"), and Assignee has agreed to assume and perform all such duties and obligations under the Redevelopment Agreement with respect to the Property [or if the boundaries of the Property are not coterminous with the boundaries of the Redevelopment Area and the proposed assignment relates only to a portion of the Redevelopment Area "**Subject Property**", then only those rights and obligations of Assignor that relate to such portion of the Redevelopment Area described on Exhibit A].

D. The parties desire to enter into this Assignment in order to satisfy the condition precedent set forth in **Section 35** of the Redevelopment Agreement.

NOW, THEREFORE, in consideration of the foregoing and the covenants and obligations contained in this Assignment and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed by and among Assignor, Assignee, and the City as follows:

1. Recitals Incorporated. The above Recitals are hereby incorporated into this Assignment in full and form an integral part hereof.
2. Term of Agreement. This Agreement shall commence upon the Effective Date and shall terminate upon the termination or expiration of the Redevelopment Agreement, which shall be no later than _____, 20__ [fill in the date that is 23 years after TIF activation] (the "**Term**").
3. General Assignment and Assumption. Assignor hereby assigns, and Assignee hereby acknowledges, assumes and agrees to perform the obligations, covenants and

agreements of Assignor under the Redevelopment Agreement [with respect to the Subject Property], but only as explicitly and exhaustively described below.

4. Release of Assignor. Upon recording of this Assignment or a memorandum of this Assignment, Assignor shall be fully and completely released from any and all obligations under the Redevelopment Agreement [with respect to the Subject Property], after which time the City's remedies for an Assignee default hereunder shall be directly against Assignee pursuant to the terms hereof, and in no event shall the City's enforcement against Assignee affect Assignor's rights under the Redevelopment Agreement.
5. Specific Assignment and Assumption. Assignor hereby assigns, and Assignee hereby specifically acknowledges, assumes and agrees to perform the following obligations, covenants and agreements set forth in the Redevelopment Agreement, as modified in certain instances below:

Sec. 6.A. Private Project Improvements. Assignee and the City shall cause to be constructed on the Subject Property restaurant, retail, and/or other commercial facilities, together with all necessary support facilities such as utilities, parking lots, storm water detention and drainage and other infrastructure improvements necessary thereon that have not already been completed.

Sec. 7. Redevelopment Schedule. Assignee shall diligently pursue all necessary Land Use Approvals and permits and shall diligently thereafter pursue, commence, and complete construction of the proposed Private Project Improvements, subject to Excusable Delays. "Excusable Delays" are delays include a temporary inability to commence, complete or proceed in accordance with the requirements of this Assignment, due in whole or in part to causes beyond the reasonable control or without the material fault of such party which are caused by the action or failure to act of any governmental body, including but not limited to the issuance of permits and approvals by the City, acts of war or civil insurrection, breach of this Agreement by the other party or any natural occurrence, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, labor disputes, governmental restrictions or priorities, embargoes, litigation, tornadoes, or unusually severe weather.

Sec. 9. Design Criteria for Private Project Improvements. Assignee shall comply with and follow, or cause to be complied with and followed, all controls and design criteria relating to exterior improvements as shall be, from time to time, established as a part of this Agreement and the Land Use Approvals in order to create an integrated, unified design.

Sec. 10. Control of Project.

A. Construction. Assignee hereby grants to City, its agents and employees the right to enter at reasonable times for the purpose of inspecting

the improvements constructed on the Subject Property, but the City shall use best efforts to avoid disrupting the operations of tenants during business hours.

B. Maintenance and Repair. Assignee, at no cost to the City, at all times shall (1) maintain and operate, or caused to be maintained and operated, all improvements located on the Subject Property in a manner similar to other similarly aged and similarly situated development projects in the boundary of the City of Sedalia and (2) timely make all necessary repairs to and replacements and restorations of all parts of such improvements, (3) keep the such improvements in good condition, repair and appearance, and (4) maintain casualty insurance on such improvements in accordance with the insurance coverage that has been required and approved by the Assignee's lender.

Sec. 11. Non-Permitted Uses. Assignee shall take such action as is from time to time necessary to permit only such uses on the Subject Property which conform to and are permitted by this Agreement. The Subject Property may not be used for the purposes set forth on **Exhibit B**, except by approval of the Mayor, who, from time to time may, at his or her discretion, seek the advice or consent of the City Council for such approval. Assignee may appeal an adverse determination by the Mayor to the City Council.

Sec. 20. PILOTs.

A. Pursuant to the provisions of the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800, RSMo, *et seq.*, as amended (the "**TIF Act**"), when Tax Increment Financing is established for an area, the real property located therein is subject to assessment for annual payments in lieu of taxes ("**Payments in Lieu of Taxes**"). Payments in Lieu of Taxes shall be due November 30 of each year in which said amount is required to be paid and will be considered delinquent if not paid by December 31 of each such year or as otherwise determined by applicable law. The obligation to make said Payments in Lieu of Taxes shall be a covenant running with the land and shall create a lien in favor of City on each such tax parcel within the Subject Property as constituted from time to time and shall be enforceable against Assignee, and its successors and assigns in ownership of the Subject Property during the period each owns such real property.

B. Failure to pay Payments in Lieu of Taxes as to any portion of the Subject Property shall constitute a default hereunder, and shall entitle City, the County Collector or any other government official or body charged with the collection of any such sums (any one or more of such persons hereinafter individually or collectively referred to as the "**Collection Commission**") to proceed against such property and/or the owner thereof as in other delinquent property tax cases or otherwise as permitted at law or in equity, and, if applicable, such failure shall entitle the Collection Commission to seek all other legal and equitable remedies it may have to ensure the timely payment of all such sums.

Sec. 21. EATs. Assignee, its successors and assigns, shall use good faith efforts to negotiate to contractually obligate any tenant or business to provide City with documentation of sales tax receipts for each business in any of the Subject Property, indicating the type and amount of the Economic Activity Taxes (as defined below) paid by each such tenant or business located within the Subject Property. Assignee shall use good faith efforts to negotiate to include the provisions as specified below in "Section 30" in all lease documents with tenants located within the Subject Property requiring said sales tax information to be provided to City. Unless such requirement is waived by City, a similar provision shall be included in all sales contracts with purchasers of property located in the Subject Property requiring said sales tax information to be provided to City. Assignee agrees to cooperate with the City, at no cost or expense to Assignee, in the City's enforcement of said provisions to the maximum extent permitted by law, and Assignee hereby agrees that each such lease or sales contract shall provide that City is an intended third party beneficiary of such provisions and has a separate and independent right to enforce such provisions directly against any such tenant or purchaser.

Sec. 29. Business Occupant Approvals. Without the approval of the City, the Assignee shall not cause the relocation of a tenant into the Subject Property, which is then open and operating in the City and then ceases to operate the existing facility within eighteen (18) months after the opening of the new facility within the Subject Property. In the event that Assignee violates the requirements of this subsection and fails to receive the prior approval of the City as set forth above, for each such violation the Assignee shall pay to the City an amount equal to two (2) times the amount of all City retail sales taxes generated by such store at its prior location during the preceding calendar year ("**Relocation Penalty Payment**"). Any Relocation Penalty Payment shall be due and payable within fifteen (15) business days after receipt of written notice from the City for such payment. Failure to make any Relocation Penalty Payment when due shall be an event of default of this Agreement and Assignee shall be subject to the remedies set forth herein.

Sec. 30. Lease of Project Property. Unless the City Council waives this requirement as to a particular tenant, Assignee shall insert in any lease of the Subject Property (if not already included in a "**Declaration of Restrictive Covenants**" recorded against the Subject Property, requiring any third party to insert, the following language (or similar language) and, if not included in the Declaration of Restrictive Covenants, shall have such lease signed by the lessee indicating acknowledgment and agreement to the following provision:

Economic Activity Taxes and Sales Taxes: Tenant acknowledges that the Leased Premises are a part of a TIF redevelopment area in Sedalia, Missouri (the "City") and that certain taxes generated by Tenant's economic activities, including sales taxes and utility taxes will be applied in payment of certain costs related to the development. In addition, Tenant acknowledges that the Leased Premises is located within the boundaries of a Community Improvement

District ("CID") which will have the power to impose a sales tax on any retail sales generated within Tenant's Premises. Tenant shall forward to the City Finance Department copies of Tenant's State of Missouri sales tax returns for its sales within the Leased Premises when and as they are filed with the Missouri Department of Revenue, quarterly copies of all utility bills paid in relation to the Leased Premises identifying the amount of taxes paid on such utilities, and, upon request, shall provide such other reports and returns regarding other state or local taxes generated by Tenant's economic activities upon the Leased Premises as the City shall require, all in the format prescribed by the City.

Tenant represents and warrants that its business is not currently located in the City, or if it is located within the City, for eighteen months after locating within the Redevelopment Area, such other business location within the City shall not close. Tenant acknowledges that if Tenant's current business within the City closes within eighteen months after locating within the Redevelopment Area, this Lease shall become ineffective unless the City Council approves this Lease. Tenant acknowledges that the City is a third-party beneficiary of the obligations in this Section, and that the City may enforce these obligations in any manner provided by law.

If such language is not included in the Declaration of Restrictive Covenants, failure of Assignee to require that such restrictions be placed in any such lease shall in no way modify, lessen or diminish the obligations and restrictions set forth herein relating to the Subject Property. The City shall comply with all applicable state laws limiting disclosure of sales tax information related to individual businesses provided to the City as documentation of Economic Activity Taxes.

Sec. 31. Sale or Disposition of Property.

A. Restriction on Transfer to Tax-Exempt Entities. During the term of this Assignment (the "**Restricted Period**"), no sale, transfer, or other conveyance of any of the Subject Property may be made to an entity that claims exemption, or is exempt, from real property taxes for all or part of the real property in the Redevelopment Area (a "**Restricted Entity**") without the prior written approval of the City. In the event that Developer seeks to make any such transfer to a Restricted Entity during the Restricted Period, such transfer may only occur upon the prior written approval of the City, which approval shall not be unreasonably withheld, and upon the prior execution of a separate agreement between the purchasing Restricted Entity and the City. This requirement shall be a covenant running with the land and shall be enforceable, as applicable, during the Restricted Period as if the purchaser,

transferee, or possessor of the real property were originally a party to and bound by this Agreement.

B. Continuation of Payments in Lieu of Taxes. In the event of the sale or other voluntary or involuntary disposition of any or all of the Subject Property, Payments in Lieu of Taxes with respect to the real property so sold or otherwise disposed of shall continue and shall constitute a lien against the such property from which they are derived, and such obligations shall inure to and be binding upon the transferee and its successors and assigns in ownership of said property as if they were in every case specifically named and shall be construed as a covenant running with the land and enforceable as if such purchaser, transferee or other possessor thereof were originally a party to and bound by this Agreement.

C. Incorporation. The restrictions set forth in “Section 11” (Non-Permitted Uses), “Section 21” (EATs), “Section 30” (leases), and “Section 31” (sale/transfer) hereof shall be incorporated into any deed or other instrument from Assignee and its assigns conveying an interest in real property, other than a lease agreement, within the Subject Property and shall provide that said obligations or restrictions shall constitute a benefit held by both Assignee and City and that City is an intended third party beneficiary of said obligations and restrictions. Failure of Assignee to require that such restrictions be placed in any such deed or other instrument shall in no way modify, lessen or diminish the obligations and restrictions set forth herein relating to the Subject Property. Notwithstanding the foregoing provisions of this Section, if a Declaration of Restrictive Covenants incorporates the above requirements and is recorded against the Subject Property, nothing further shall be required under this Section.

D. Notification to City of Transfer. Assignee shall notify City in writing of any proposed sale or other transfer of any or all of the real property constituting the Subject Property. Such notice shall be provided not less than thirty (30) days prior to the proposed effective date of the sale or other transfer and, if a Declaration of Restrictive Covenants has not yet been recorded in satisfaction of all of the requirements of this Section, then such notice shall include a copy of a draft deed of such sale or other disposition to enable City to confirm that the requirements set forth above in this Section have been fulfilled.

Sec. 33. Compliance with Laws. Subject to Assignee’s rights to contest the same in any manner permitted by law, Assignee, its officers, directors and principals, at its sole cost and expense, shall comply in every respect with all requirements of law.

Sec. 34. Authorized Employees. Assignee acknowledges that Section 285.530, RSMo, prohibits any business entity or employer from knowingly employing, hiring for employment, or continuing to employ an unauthorized alien to perform work within the state of Missouri. Assignee therefore covenants and will provide an affidavit from

any general contractor directly employed by Assignee to construct improvements to the Subject Property in substantially the same form as is attached as **Exhibit C**, attesting that it is not knowingly in violation of subsection 1 of Section 285.530, RSMo, and that it will not knowingly employ, hire for employment, or continue to employ any unauthorized aliens to perform work related to this Agreement, and that its employees are lawfully eligible to work in the United States.

Sec. 35. Assignment of Obligations

A. Assignee agrees that this Assignment and the duties and obligations hereunder may not and shall not be assigned by Assignee without the prior written consent of the City, which consent will not be unreasonably withheld. Any proposed assignee shall have all of the qualifications and financial responsibility, as reasonably determined by the City, necessary and adequate to fulfill the obligations of Assignee under this Assignment.

B. Any proposed assignee shall, utilizing a form substantively and substantially similar to this Assignment (the "**Subsequent Assignment Agreement**"), expressly for the benefit of City, assume all of the obligations of Assignee under this Assignment and agree to be subject to all the conditions and restrictions to which Assignee is subject. For purposes of this section, any sale, transfer, assignment, pledge or hypothecation of an interest in Assignee (other than to an Affiliate of Assignee) that results in a change in management control of Assignee will constitute an assignment of this Agreement. Upon approval of the Subsequent Assignment Agreement by City as set forth herein, Assignee shall be released from such obligations accruing after the date of such assignment.

D. Notwithstanding anything herein to the contrary, for purposes of securing financing, Assignee may, without the City's consent, assign or pledge its rights under this Assignment, but Assignee shall provide City with notice of any such assignment or pledge and include with such notice an acknowledgement by the lender providing such financing that it has received a copy of this Assignment and reviewed the provisions of this Section regarding the restrictions on assignment. Such assignment or pledge shall remain subject to the terms, provisions and conditions of this Assignment.

Sec. 37. Indemnification

A. Assignee shall indemnify, protect, defend and hold City and its officers, directors, members, commissioners, employees and agents (collectively, the "Indemnified Parties" or, individually, an "**Indemnified Party**") harmless from and against any and all claims, demands, liabilities and costs, including reasonable attorneys' fees, costs and expenses, arising from damage or injury, actual or claimed, of whatsoever kind or character (including consequential and punitive damages), to persons or property occurring or allegedly occurring as a result of any acts or omissions of

Assignee, its constituent members or partners, their employees, agents, independent contractors, licensees, invitees or others acting by, through or under such indemnifying parties, in connection with its or their activities conducted pursuant to this Agreement and/or in connection with the ownership, use or occupancy and development or redevelopment of the Subject Property or a portion thereof and the improvements thereon.

B. In the event any suit, action, investigation, claim or proceeding (collectively, an "**Action**") is begun or made as a result of which Assignee may become obligated to one or more of the Indemnified Parties hereunder, the Indemnified Party shall give prompt notice to Assignee of the occurrence of such event. After receipt of such notice, Assignee may elect to defend, contest or otherwise protect the Indemnified Party against any such Action, at the cost and expense of Assignee, utilizing counsel of Assignee's choice. The Indemnified Party shall have the right, but not the obligation, to participate, at the Indemnified Party's own cost and expense, in the defense thereof by counsel of the Indemnified Party's choice. In the event that Assignee shall fail timely to defend, contest or otherwise protect an Indemnified Party against such Action, the Indemnified Party shall have the right to do so, and (if such defense is undertaken by the Indemnified Party after notice to Assignee asserting Assignee's failure to timely defend, contest or otherwise protect against such Action), the Indemnified Party may submit any bills for fees and costs received from its counsel to Assignee for payment and, within thirty (30) business days after such submission, Assignee shall transfer to the Indemnified Party sufficient funds to pay such bills. Assignee acknowledges that such bills may be redacted to delete any information which would constitute attorney-client communication or attorney work product.

C. An Indemnified Party shall submit to Assignee any settlement proposal that the Indemnified Party shall receive. Assignee shall be liable for the payment of any amounts paid in settlement of any Action to the extent that Assignee consents to such settlement. Neither Assignee nor the Indemnified Party will unreasonably withhold its consent to a proposed settlement.

D. Assignee expressly confirms and agrees that it has provided this indemnification and assumes the obligations under this Agreement imposed upon Assignee in order to induce City to enter into this Agreement. To the fullest extent permitted by law, an Indemnified Party shall have the right to maintain an action in any court of competent jurisdiction to enforce and/or to recover damages for breach of the rights to indemnification created by, or provided pursuant to, this Assignment. If such court action is successful, the Indemnified Party shall be reimbursed by Assignee for all fees and expenses (including attorneys' fees) actually and reasonably incurred in connection with such action (including, without limitation, the investigation, defense, settlement or appeal of such action).

E. With respect to liability that arises during the term of this Assignment, the right to indemnification set forth in this Assignment shall survive the termination of this Assignment.

Sec. 38. Insurance

A. As used in this Section, "**Replacement Value**" means an amount sufficient to prevent the application of any co-insurance contribution on any loss but in no event less than one hundred percent (100%) of the actual replacement cost of the improvements located on the Subject Property, including additional administrative or managerial costs that may be incurred to effect the repairs or reconstruction, but excluding costs of excavation, foundation, and footings. Replacement Value shall be determined at least every year after the completion date of such improvements by an appraisal, a report from an insurance advisor, broker, or consultant selected by the Assignee subject to the reasonable approval of the City (the "**Insurance Consultant**"), or if the policy is on a blanket form, such other means is as reasonably acceptable to the Insurance Consultant. If an appraisal or report is conducted, a copy of such appraisal or report shall be furnished to the City.

B. The Assignee, or its successors and assigns shall keep the improvements located on the Subject Property continuously insured with property insurance for full Replacement Value, which such deductible provisions as are customary in connection with the operation of facilities of the type and size comparable to such improvements. Notwithstanding the foregoing, the City may accept and approve a policy for insurance coverage that has been required and approved by the Assignee's lender for the Subject Property.

C. The City does not represent in any way that the insurance specified in this Section, whether in scope, overall coverage or limits of coverage, is sufficient to protect the business or interests of the Assignee.

D. All such policies, or a certificate or certificates of the insurers that the insurance required in this Section is in full force and effect, shall be provided to the City. Prior to the expiration of any such policy, the Assignee shall furnish to the City with satisfactory evidence that such policy has been renewed or replaced or is no longer required by this Assignment; provided, however, the insurance so required may be provided by blanket policies now or hereafter maintained by the Assignee if the Assignee provides the City with a certificate from an Insurance Consultant to the effect that such coverage is substantially the same as that provided by individual policies. All policies evidencing the insurance to be required by this Agreement shall provide for thirty (30) days' written notice (other than for nonpayment of premium, which shall provide for at least ten (10) days' notice) to the Assignee and the City of any cancellation, reduction in amount or material change in coverage.

Sec. 40. Breach Compliance

A. If Assignee does not comply with provisions of this Assignment, and if, within sixty (60) days after notice of such default by the the City, Assignee shall not have cured such default or commenced such cure and be diligently pursuing the same if such cure would reasonably take longer than said sixty (60) day period, then the City may institute such proceedings as may be necessary in its opinion to cure the default including, but not limited to, proceedings to compel specific performance. If any action is instituted by the City hereunder, the non-prevailing party in such action shall pay any and all costs, fees and expenses, including attorneys' fees incurred by the prevailing party in enforcing this Assignment.

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

C. Assignee (for itself and its successors and assigns, and for all other persons who are or who shall become liable, by express or implied assumption or otherwise, upon or subject to any obligation or burden under this Agreement), waives to the fullest extent permitted by law and equity all claims or defenses otherwise available on the ground of being or having become a surety or guarantor, whether by agreement or operation of law. This waiver includes, but is not limited to, all claims and defenses based upon extensions of time, indulgence or modification of terms of contract.

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

Sec. 41. Excusable Delays

A. The parties understand and agree that the Assignee shall not be deemed to be in default of this Assignment because of delays or temporary inability to commence, complete or proceed in accordance with the the obligations hereunder, due in whole or in part to causes beyond the reasonable control or without the material fault of such party which are caused by the action or failure to act of any governmental body, including but not limited to the issuance of permits and approvals by the City, acts of war or civil insurrection, breach of this Assignment by the other party or any natural occurrence, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, labor disputes, governmental restrictions or priorities, embargoes,

litigation, tornadoes, or unusually severe weather (collectively "**Excusable Delays**").

B. The time of performance hereunder shall be extended for the period of any delay or delays caused or resulting from any of the foregoing causes, with, in the case of any extension sought by Assignee, the approval of City, which approval shall not be arbitrarily or unreasonably withheld. Nothing herein shall excuse Assignee from any obligation to pay money hereunder, nor shall this Section excuse Assignee from performance of its obligations because of a lack of funds or inability to obtain financing. Assignee may be granted such extensions upon presentation of reasonable evidence and/or documentation of the periods of such Excusable Delays.

6. City's Consent and Release. Upon the execution of this Assignment by City, the assignment and assumption provided for in Sections 4, 5, and 6 shall be deemed to have been approved and consented to by the City, and Assignor shall be deemed to have been released from Assignor's duties and obligations under the Redevelopment Agreement [with respect to the Subject Property].
7. Representations and Warranties of Assignee. Assignee is a _____ qualified to conduct its business in the State of Missouri and has all requisite power and authority to enter into, execute this Assignment and to perform its obligations hereunder. This Assignment, assuming the due execution and delivery hereof by Assignor and City, constitutes legally valid and binding obligations of Assignee, enforceable against Assignee in accordance with the terms and conditions herein.
8. Notices. All notices, requests and other communications hereunder shall be deemed to be duly given if delivered by hand or if mailed by certified or registered mail with postage prepaid as follows:

If to Assignee:

With a copy to:

If to Assignor:

Mr. Tim Harris
STAR Acquisitions, Inc.
244 W. Mill Street, #101
Liberty, Missouri 64068

With a copy to:

Curt Petersen, Esq.
Polsinelli, P.C.
6201 College Boulevard, Suite 500
Overland Park, Kansas 66211
If to City:

Gary Edwards, City Administrator
City of Sedalia, Missouri
200 South Osage
Sedalia, Missouri 65301

With a copy to:

Joseph G. Lauber, Esq.
Lauber Municipal Law, LLC
529 SE 2nd Street, Suite D
Lee's Summit, Missouri 64063

9. Successors and Assigns. All rights, benefits and obligations of Assignor and Assignee hereunder shall inure to and bind Assignor and Assignee, respectively, and this Assignment shall be binding upon and inure to the benefit of the parties' respective successors and assigns.
10. Governing Law. This Assignment shall be governed by the laws of the State of Missouri.
11. Counterparts. This Assignment may be executed in one or more counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement.
12. Expenses. Except as otherwise provided herein, each of the parties hereto will pay its own costs and expenses, including attorney's fees, incurred by such party or on its behalf in connection with this Assignment and the transactions contemplated herein. Costs and expenses incurred by the City in connection with this Assignment may be reimbursed as Administrative Costs pursuant to the Redevelopment Agreement.
13. Recording. This Assignment, or a memorandum of this Assignment, shall be recorded in the office of the Recorder of Deeds for Pettis County, Missouri by Assignee at its sole cost and expense.

[Remainder of this page intentionally left blank]

EXHIBIT A TO ASSIGNMENT AGREEMENT

LEGAL DESCRIPTION OF PROPERTY [OR SUBJECT PROPERTY]

EXHIBIT J

INTENTIONALLY OMITTED

3. Contractor is enrolled in and participates in a federal work authorization program with respect to the employees working in connection with the following services contracted between Contractor and the City of Sedalia, Missouri:

4. Contractor does not knowingly employ any person who is an unauthorized alien in connection with the contracted services set forth above.

5. Attached hereto is documentation affirming Contractor's enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services.

Further, Affiant saith not.

AFFIANT SIGNATURE

AFFIANT PRINTED NAME

Subscribed and sworn to before me this _____ day of _____, 20____.

My Commission Expires: _____ Notary Public

(Printed Name)

PLEASE NOTE:

Acceptable enrollment and participation documentation consists of the following 2 pages of the E-Verify Memorandum of Understanding:

1. A valid, completed copy of the first page identifying the Contractor; and
2. A valid copy of the signature page completed and signed by the Contractor, and the Department of Homeland Security - Verification Division.