SECOND AMENDMENT TO THE
GRAND BOULEVARD CORRIDOR
TAX INCREMENT FINANCING PLAN

CERTIFICATION:

WE HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF THE PLAN APPROVED BY THE TAX INCREMENT FINANCING COMMISSION OF KANSAS CITY, MO, ON __SEPT. 11__, 2002.

[Signatures and dates]

CHAIRMAN

EXECUTIVE DIRECTOR
SECOND AMENDMENT
TO THE
GRAND BOULEVARD CORRIDOR
TAX INCREMENT FINANCING PLAN

I. Introduction

This Second Amendment to the Grand Boulevard Corridor Tax Increment Financing Plan (the “Second Amendment”) shall change the Grand Boulevard Corridor Redevelopment Plan (the “Plan”) as approved by the Ordinance No. 961441 on November 26, 1996 (referred to herein as the “Plan”), and subsequently amended by the Ordinance No. 971516 on November 6, 1997 (referred to herein as the “First Amendment”) so as to provide for (i) the separation of existing Project Area K into two new Project Areas K1 and K2; and (ii) the separation of existing Project Area L into two new Project Areas L1 and L2. Project Area K1 calls for the redevelopment of the existing 50,000 square foot Western Union Building to provide for approximately 12,000 square feet of commercial/retail use on the ground level, with 38,000 square feet of office space on the upper three floors of the building. Project Area L1 calls for the beautification of two surface parking lots within the Redevelopment Area. TIF revenues generated by the projects will be used to reimburse costs of building renovation, upgrade and modernization, and restoration of the exterior façade to its original configuration. Revenues will also be used to reimburse costs of streetscape and surface parking lot improvements.

The intent and substance of the Grand Boulevard Corridor TIF Plan and its subsequent First Amendment remain unchanged other than those revisions specifically mentioned herein.

II. Specific Plan Text Amendments

In accordance with this Second Amendment, the Plan shall be amended as follows:

Amendment No. 1: Section III.A., The Plan.

Revise Section III.A. of the Plan, entitled “The Plan,” by adding the following language after the second sentence of the first paragraph:

Project Areas K1 and L1 will provide for the redevelopment of the existing 50,000 square foot Western Union Building for office and retail use, and the beautification of two surface parking lots. TIF revenues generated by these projects will be used to reimburse costs of building renovation, streetscape enhancements, and surface parking lot improvements.
Amendment No. 2: Section III.C., Project Improvements

Revise Section III.C. of the Plan by adding the following language to the end of the last paragraph:

The Project Improvements for Projects K1 and L1 will consist of approximately 12,000 square feet of renovated restaurant/retail space on the first floor of the Western Union Building and approximately 38,000 square feet of renovated office space, along with the beautification of two surface parking lots, as shown on Exhibit 2.

Amendment No. 3: Section III.D., Redevelopment Projects

Revise Section III.D. of the Plan by deleting the entire section and inserting the following in its stead:

Redevelopment Projects. The Project Improvements and other redevelopment activities will be undertaken in a series of fifteen (15) redevelopment projects (the “Redevelopment Projects”), each of which will be separately approved by ordinance in conformance with the Act. The Redevelopment Project Areas are described in Exhibit 1B. Construction and employment information for each Redevelopment Project is set forth in Exhibit 4.

Amendment No. 4: Section III.E., Estimated Date of Completion

Revise Section III.E. of the Plan by adding the following after the first sentence of the paragraph:

Construction of the improvements in Project Areas K1 and L1 is expected to be completed in 2003.

Amendment No. 5: Section IV.A., Estimated Redevelopment Project Costs.

Revise Section IV.A. of the Plan by adding the following after the first sentence of the first paragraph:

Redevelopment Project Costs for Projects K1 and L1 are estimated to be approximately $4,700,000, of which an estimated $1,743,768 will qualify as Reimbursable Project Costs.
Amendment No. 6: Section IV.B., Anticipated Sources of Funds.

Revise Section IV.B. of the Plan by deleting the section and inserting the following in its stead:

UMB will construct all Project Improvements in Projects C1 and C2 and will seek reimbursement of eligible Redevelopment Project Costs from the Special Allocation Fund as Payments in Lieu of Taxes and Economic Activity Taxes become available. Anticipated sources and amounts of funds to pay eligible Redevelopment Project Costs for Project C and Projects K1 and L1 are shown on Exhibit 7.

Amendment No. 7: Section IV.C., Payments in Lieu of Taxes.

Revise Section IV.C. of the Plan by adding the following after the last sentence of the first paragraph:

The total anticipated Payments in Lieu of Taxes generated by Projects K1 and L1 are estimated to be $1,970,012, as shown in detail on Exhibit 8A. For Projects K1 and L1, it is assumed that the assessed valuation will increase at a rate of 1% every other year, with no levy increases.

Amendment No. 8: Section IV.D., Economic Activity Taxes.

Revise Section IV.D. of the Plan by adding the following after the last sentence of the first paragraph:

The estimated Economic Activity Taxes generated by Projects K1 and L1 are approximately $3,410,906. Fifty percent (50%) of the total local Economic Activity Taxes for Projects K1 and L1, or approximately $1,705,453 will be made available for deposit into the Special Allocation Fund in conformance with the TIF Act and will be made available upon annual appropriation to pay eligible Redevelopment Project Costs associated with Projects K1 and L1. Those Economic Activity Taxes available to pay Project K1 and Project L1 costs are shown in detail on Exhibit 8.

Revise Section IV.D. of the Plan by adding the following language after the last sentence of the second paragraph:

For Projects K1 and L1, it is assumed that the anticipated Economic Activity Taxes will increase due to inflation at a rate of 3% every year.

Amendment No. 9: Section V., Most Recent Equalized Assessed Valuation.

Revise Section V of the Plan by adding the following after the last sentence of the first paragraph:
The initial equalized assessed valuation for Project Areas K1 and L1 for 2002 is $167,765 on land and $18,306 on improvements.

Amendment No. 10: Section VI, Estimated Equalized Assessed Valuation after Redevelopment.

Revise Section VI of the Plan by adding the following after the last sentence of the section:

The estimated equalized assessed valuation after redevelopment and the resulting Payments in Lieu of Taxes for Project Areas K1 and L1 are shown on Exhibit 8.

III. Plan Exhibit Amendments

Amendment No. 11: Delete Exhibit 1.B. of the Plan, entitled “Legal Descriptions-Redevelopment Project Areas,” and insert the revised Exhibit 1.B., attached hereto, in its stead.

Amendment No. 12: Add the attached “Projects K1 and L1 – Site Plan” as a supplement to Exhibit 2 of the Plan, entitled “Site Plan.”

Amendment No. 13: Add the attached “Projects K1 and L1 – Construction Totals” as a supplement to Exhibit 4.A. of the Plan, entitled “Construction and Employment Information – Construction Totals By Project Area.”

Amendment No. 14: Add the attached “Projects K1 and L1 – Employment Information” as a supplement to Exhibit 4.B. of the Plan, entitled “Construction and Employment Information – Employment Totals By Project Area.”

Amendment No. 15: Add the attached “Projects K1 and L1 – Estimated Redevelopment Schedule” as a supplement to Exhibit 5 of the Plan, entitled “Estimated Redevelopment Schedule.”

Amendment No. 16: Add the attached “Projects K1 and L1 – Estimated Redevelopment Project Costs” as a supplement to Exhibit 6 of the Plan, entitled “Estimated Redevelopment Project Costs.”
Amendment No. 17: Add the attached “Projects K1 and L1 – Sources and Uses of Funds” as a supplement to Exhibit 7 of the Plan, entitled “Sources and Uses of Funds.”

Amendment No. 18: Add the attached “Estimated Annual Increases in Assessed Value and Resulting Payments in Lieu of Taxes and Projected Economic Activity Taxes - Projects K1 and L1” as a supplement to Exhibit 8 of the Plan, entitled “Estimated Annual Increases in Assessed Value and Resulting Payments in Lieu of Taxes and Projected Economic Activity Taxes.”

Amendment No. 19: Add the attached “Evidence of But For – Projects K1 and L1” as a supplement to Exhibit 9 of the Plan, entitled “Evidence of But For.”

Amendment No. 20: Add the attached “Redeveloper Proposal for Projects K1 and L1” as a supplement to Exhibit 11 of the Plan, entitled “Summary of Redeveloper Proposal.”

Amendment No. 21: Add the attached “Cost-Benefit Analysis - Projects K1 and L1” as Exhibit 14 to the Plan.

Amendment No. 22: Add the attached “Developer’s Affidavit - Western Union Building Project” as Exhibit 15 to the Plan.
Amendment No. 11

EXHIBIT 1.B.
Legal Descriptions-Redevelopment Project Areas
EXHIBIT 1.B.
PROJECT AREA LEGAL DESCRIPTIONS:

Project C1:
Beginning at the intersection of the center line of 11th Street and the center line of Oak Street; thence west along the center line of 11th Street to the center line of McGee Street; thence north along the center line of McGee Street to the center line of 10th Street; thence east along the center line of 10th Street to the center line of Oak Street; thence south along the center line of Oak Street to the point of beginning, all included now and a part of Kansas City, Jackson County, Missouri.

Project C2:
Beginning at the intersection of the center line of 11th Street and the center line of McGee Street; thence west along the center line of 11th Street to the center line of Grand Boulevard; thence north along the center line of Grand Boulevard to the center line of 10th Street; thence east along the center line of 10th Street to the center line of McGee Street; thence south along the center line of McGee Street to the point of beginning, all included now and a part of Kansas City, Jackson County, Missouri.

Project D:
Beginning at the intersection of the centerline of 11th Street and the centerline of Walnut Street; thence north along the center line of Walnut Street to the centerline of 10th Street; thence east along the centerline of 10th Street to the centerline of Grand Boulevard; thence south along the centerline of Grand Boulevard to the centerline of 11th Street; thence west along the centerline of 11th Street to the point of beginning, all included now and a part of Kansas City, Jackson County, Missouri.

Project E:
Beginning at the intersection of the centerline of 11th Street and the centerline of McGee Street; thence south to a line 12 feet south of and parallel to the south line of Lot 129, SWOPES ADDITION; thence west along a line 12 feet south and parallel to the south line of Lot 129, SWOPES ADDITION to the centerline of the north-south alley lying between McGee Street and Grand Boulevard; thence north along the centerline of the north-south alley lying between McGee Street and Grand Boulevard to the centerline of 11th Street; thence east along the centerline of 11th Street to the point of beginning, all included now and a part of Kansas City, Jackson County, Missouri.

Project F:
Beginning at the intersection of the centerline of Grand Boulevard and centerline of 11th Street; thence east along the centerline of 11th Street to the centerline of the north-south alley lying between Grand Boulevard and McGee Street; thence south along the centerline of the north south alley lying between Grand Boulevard and McGee Street to the south lot line of Lot 193, SWOPES ADDITION; thence west along the south lot line of Lot 93, SWOPES ADDITION to the centerline of Grand Boulevard; thence north along the
centerline of Grand Boulevard to the point of beginning, all included now and a part of Kansas City, Jackson County, Missouri.

Project G:
Beginning at the intersection of the centerline of 9th Street and Grand Boulevard; thence south along the centerline of Grand Boulevard to the south side of the Ozark National Building; thence west along the south side of the Ozark National Building to the centerline of the north-south alley lying between Grand Boulevard and Walnut Street; thence north along the centerline of the north-south alley lying between Grand Boulevard and Walnut Street to the centerline of 9th Street; thence east along the centerline of 9th Street to the point of beginning, all included now and a part of Kansas City, Jackson County, Missouri.

Project H:
Beginning at the intersection of the centerline of 8th Street and the centerline of Grand Boulevard; thence north along the centerline of Grand Boulevard to the centerline of Admiral Boulevard; thence east along the centerline of Admiral Boulevard to the centerline of McGee Street; thence south along the centerline of McGee Street to the centerline of 8th Street; thence west along the centerline of 8th Street to the point of beginning, all included now and a part of Kansas City, Jackson County, Missouri.

Project I:
Beginning at the intersection of the centerline of 8th Street and the centerline of Walnut Street; thence north along the centerline of Walnut Street to the centerline of 7th Street; thence east along the centerline of 7th Street to the centerline of Grand Boulevard; thence south along the centerline of Grand Boulevard to the centerline of 8th Street; thence west along the centerline of 8th Street to the point of beginning, all included now and a part of Kansas City, Jackson County, Missouri.

Project J:
Beginning at the intersection of the centerline of Admiral Boulevard and the centerline of Grand Boulevard; thence north along the centerline of Grand Boulevard to the centerline of 6th Street Trafficway; thence east along the centerline of 6th Street Trafficway to the centerline of McGee Street; thence south along the centerline of McGee Street to the centerline of Admiral Boulevard; thence west along the centerline of 8th Street to the point of beginning, all included now and a part of Kansas City, Jackson County, Missouri.

Project K1:
The south 37 feet and 9 inches of Lot 4, and all of Lots 5 and 6, McDaniel's Addition to the City of Kansas (now Kansas City), in Jackson County, Missouri, except the portion theretofore taken in widening street, said premises being further therein described as a tract of ground in the Northeast corner of 7th and Walnut Streets in said city, extending a distance of 109.99 feet on Walnut Street, and a distance of 127 feet on 7th Street from
Walnut Street Eastward to the alley, according to the recorded plat thereof and including to the centerline of all abutting streets and alleys.

**Project K2:**
Beginning at the intersection of the centerline of 7th Street and the centerline of Walnut Street; thence north along the centerline of Walnut Street to the centerline of 6th Street Trafficway; thence east along the centerline of 6th Street Trafficway to the centerline of Grand Boulevard; thence south along the centerline of Grand Boulevard to the centerline of 7th Street; thence west along the centerline of 7th Street to the point of beginning, all included now and a part of Kansas City, Jackson County, Missouri;

EXCEPT,

The south 37 feet and 9 inches of Lot 4, and all of Lots 5 and 6, McDaniel's Addition to the City of Kansas (now Kansas City), in Jackson County, Missouri, except the portion theretofore taken in widening street, said premises being further therein described as a tract of ground in the Northeast corner of 7th and Walnut Streets in said city, extending a distance of 109.99 feet on Walnut Street, and a distance of 127 feet on 7th Street from Walnut Street Eastward to the alley, according to the recorded plat thereof and including to the centerline of all abutting streets and alleys.

**Project L1:**
Lot 11, 23 and 13, and the south 8 feet of Lot 14, Block 8, McDaniel's Addition, a subdivision in Kansas City, Jackson County, Missouri, except that part in streets and except that part of Lot 14 lying northerly of the encroachment line as described and shown on memorandum of agreement recorded under document No. A-688806, in book B-3481, at Page 349, and including to the centerline of all abutting streets and alleys;

And,

All of Lots 15, 16 and 17 and the south half of Lot 18, and that part of Lot 14 lying northerly of the encroachment line as described and shown on memorandum of agreement recorded under document No. A-688806, in Book B-3461, at page 349, all being in Block 8, McDaniel's Addition, a subdivision in Kansas City, Jackson County, Missouri, and including to the centerline of all abutting streets and alleys.

**Project L2:**
Beginning at the intersection of the centerline of 6th Street Trafficway and the centerline of Walnut Street; thence south along the centerline of Walnut Street to the centerline of 7th Street; thence west along the centerline of 7th Street of the centerline of the north-south alley lying between Main Street and Walnut Street; thence north along the centerline of the north-south alley lying between Main Street and Walnut Street to the centerline of 6th Street Trafficway; thence east along the centerline of 6th Street Trafficway to the point of beginning, all included now and a part of Kansas City, Jackson County, Missouri;
EXCEPT,

Lot 11, 23 and 13, and the south 8 feet of Lot 14, Block 8, McDaniel's Addition, a subdivision in Kansas City, Jackson County, Missouri, except that part of Lot 14 lying northerly of the encroachment line as described and shown on memorandum of agreement recorded under document No. A-688806, in book B-3481, at Page 349 and including to the centerline of all abutting streets and alleys;

And

All of Lots 15, 16 and 17 and the south half of Lot 18, and that part of Lot 14 lying northerly of the encroachment line as described and shown on memorandum of agreement recorded under document No. A-688806, in Book B-3461, at page 349, all being in Block 8, McDaniel's Addition, a subdivision in Kansas City, Jackson County, Missouri, and including to the centerline of all abutting streets and alleys.
Amendment No. 12

EXHIBIT 2
Projects K1 and L1 – Site Plan
Amendment No. 13

EXHIBIT 4.A.
Projects K1 and L1 – Construction Totals
## PROJECT AREAS K1 & L1 – CONSTRUCTION TOTALS

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<th>Existing Structures to Remain AS IS</th>
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<th>Existing Structures to be DEMOLISHED</th>
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Amendment No. 14

EXHIBIT 4.B.
Projects K1 and L1 – Employment Information
### Project Areas K1 & L1 - Employment Information

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<td>Permanent jobs to be RELOCATED TO Kansas City</td>
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<td>Permanent jobs to be RETAINED IN Kansas City</td>
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<td>Anticipated Annual Payroll</td>
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<td>Estimated number of construction workers to be hired during construction phase</td>
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Amendment No. 15

EXHIBIT 5
Projects K1 and L1 – Estimated Redevelopment Schedule
## PROJECTS K1 & L1

**ESTIMATED REDEVELOPMENT SCHEDULE**

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<th>RENOVATION</th>
<th>CONSTRUCTION</th>
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Amendment No. 16

EXHIBIT 6
Projects K1 and L1 – Estimated Redevelopment Project Costs
Estimated Redevelopment Project Costs
Projects K1 & L1
Western Union Building
100 E. 7th Street

<table>
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<th>PROJECT EXPENSES</th>
<th>AMOUNT</th>
<th>TIF REIMBURSABLE COSTS</th>
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<td>Development Fee (5% of Project Costs)</td>
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**TOTAL PROJECT COSTS**

$4,700,000                      $1,743,768

¹Exterior repairs of $718,487 plus elevator, mechanical, electrical and conveying system.

Note: Estimated project costs reflected in this schedule do not include the cost of financing reimbursable project costs. For the purposes of this Amendment, the financial projections for the Western Union Building Project assume a 9% rate of interest to be paid by the TIF Commission on any deferred reimbursements to the Developer due to a delay in the flow of TIF revenues. This rate may differ from the actual interest rate to be reimbursed by the Commission, as the Commission agrees to pay only the actual financing costs for reimbursable project costs that are incurred by the Developer. All reimbursements are subject to the availability of TIF revenues.

In addition, the Commission has determined that certain expenses of the Commission which are not direct project costs are nonetheless reasonable and necessary for the operation of the Commission and are incidental costs to the project. These incidental costs will be recovered by the Commission from the Special Allocation Fund in an amount not to exceed five percent (5%) of the PILOTS and Economic Activity Taxes paid annually into the fund. This amount will be figured prior to allocation of any other reimbursable costs.
Amendment No. 17

EXHIBIT 7
Projects K1 and L1 – Sources and Uses of Funds
Exhibit 7
Supplement

Sources and Uses of Funds for all Estimated Redevelopment Project Costs
Projects K1 and L1

A. SOURCE OF FUNDS FOR ALL
ESTIMATED REDEVELOPMENT PROJECT COSTS

1. Estimated Amount of Reimbursable
   Costs from PILOTS and Operation
   and Activity Taxes within proposed
   Redevelopment Project Areas $1,743,768

2. Estimated Private Investment and
   other Sources within proposed
   Redevelopment Project Areas $2,956,232

   TOTAL $4,700,000

B. BONDS

The total estimated amount of PILOTS and Economic Activity Taxes over twenty-three years available to reimburse project costs under the Act is approximately $3,491,692. The Commission may dedicate part or all of this amount to help support the issuance of bonds to defray the cost of the projects.
Amendment No. 18

EXHIBIT 8
Estimated Annual Increases in Assessed Value and Resulting Payments in Lieu of Taxes and Projected Economic Activity Taxes Projects K1 and L1
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The table represents the annual revenue available to EATS pilots. The data is for the years 2000 to 2022.
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TOTAL 1,989,911

Present Value at 9% $768,700.13
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<th>Year 2</th>
<th>Year 3</th>
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<td>0.01%</td>
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<td>Commercial</td>
<td>0.00%</td>
<td>0.01%</td>
<td>0.02%</td>
<td>0.03%</td>
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</table>

**Estimated Sales and Payroll**

- **4,600,000** employees
- **1,862,000** annual sales

**Sales Per FTE**

- **$0** per FTE

**Assumptions**

- **6% growth rate**
- **2% inflation**
- **1% additional sales per year**

**Growth Rates**

- **Annual Growth Rate (%)**
- **Biannual Growth Rate (%)**

**Date**

- **6/23/2012**

**PM Commissioner**

- **Ramirez Union Building - Westans**

**Project Manager**

- **Project**
Amendment No. 19

EXHIBIT 9
Evidence of But For – Projects K1 and L1
August 30, 2002

Kelli Cochran
Business Development Officer
Economic Development Corporation
of Kansas City, Missouri
10 Petticoat Lane, Suite 250
Kansas City, Missouri 64106-2103

RE: Consulting Service:
Western Union Building
100 East 7th Street
Kansas City, Missouri 64106
Integra Realty Resources Kansas City File No.: 19020251

Dear Ms. Cochran:

Pursuant to your authorization, I have completed a consulting service relating to the above-captioned redevelopment project. This consulting service has been completed in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Standards of Professional Practice of the Appraisal Institute. The effective date of my consulting service is August 30, 2002. Pertinent exhibits to this assignment and my qualifications are included in the addenda of this report.

In completing this consulting service, I have reviewed information provided by the applicant who sets forth the purchase price, development costs, and income and expense forecast. The Western Union Office Building project is a 50,000 gross square foot office property that has been vacant approximately one year. The site totals 13,970 square feet and is nearly entirely covered by the building improvements. The renovated building will be comprised of 9,300 rentable square feet of retail space on the first floor and 12,000 rentable square feet on each of the three upper floors for a total rentable area of 45,300 square feet. Since purchasing the property in August 2001, the applicant has also acquired surface parking for 91 cars. The parking lot totals ½ acre and is located just across Walnut Street to the west of the office building.
The scope of the consulting assignment is to advise you of the reasonableness of the applicant's methodology and underlying assumptions. The test of reasonableness assumes that the applicant, as developer, should be expected to take a level of risk that is no less than competitive standards in the current marketplace. To that end, I have reviewed the applicant's submission and have tested the underlying assumptions and parameters against current market standards for reasonableness.

I have developed a yield analysis for the proposed redevelopment on an all cash basis under the criteria discussed in the following narrative. My conclusion of investor yields is as follows:

<table>
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<tr>
<th>Yield Analysis - Western Union Building</th>
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<tbody>
<tr>
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<td></td>
</tr>
<tr>
<td>With TIF and Tax Credits</td>
</tr>
<tr>
<td>Without TIF with Tax Credits</td>
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</table>

The Korpacz PriceWaterhouse Coopers survey states in its 1st Quarter investor survey, a range of 9.75% to 13.50% with an average of 11.35% for CBD office properties. RERC, in its Summer 2002 publication, quotes all cash buyers for CBD office properties buying in the 10.0% to 12.0% range, with an average of 11.3%. Based on my review of the local market, institutional quality projects in CBD or urban areas of Kansas City will trade slightly above these national indicators. In its current speculative state, the project is not an institutional grade project. Thus, the national investor criteria are even slightly more removed from an appropriate market driven yield for the subject property. The subject's yield, unassisted by TIF, is 7.17%. With TIF assistance, it is 10.24%. Both estimates include the anticipated benefits of Historic Tax Credits.

A yield of 10.24%, with the TIF and Historic Tax Credits is approximately 200 to 300 basis points below an appropriate market driven yield rate for the subject. But for the TIF benefits and Historic Tax Credits accruing to the development, it is not likely that this development would be undertaken.
If you have any questions or comments regarding my analysis or this report, please contact the undersigned. Thanking you for the opportunity to be of service, I remain,

Very truly yours,

[Signature]

KENNETH JAGGER
Senior Analyst
State of Kansas Certified General
Real Estate Appraiser (RA 003190)
Expiration Date: June 30, 2004
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
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<tr>
<td>CERTIFICATE</td>
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<td>ASSUMPTIONS AND LIMITING CONDITIONS</td>
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<td>SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS</td>
<td>5</td>
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<tr>
<td>INTERNAL RATE OF RETURN</td>
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<tr>
<td>- Cash Flow Projection Period (Years)</td>
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<td>- Yield Measurement (Methodology)</td>
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<td>- Key Assumptions</td>
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<td>- Conclusion of Yield</td>
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<td>ADDENDA</td>
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<td>- Analyst’s Qualifications</td>
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<td>- Yield Analysis and Investor Criteria</td>
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**IRR**

Integra Realty Resources
CERTIFICATE

The analysts certify that, to the best of their knowledge and belief:

1. The statements of fact contained in this report are true and correct.

2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is the analyst's personal, unbiased professional analyses, opinions and conclusions.

3. The analysts have no present or prospective interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved. The services performed herein are intended to result in an analysis, opinion or conclusion of a disinterested third party. This consulting service has been completed in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Standards of Professional Practice of the Appraisal Institute. This analysis has been conducted on an arms-length basis subject to the Standards of Professional Practice (USPAP) and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

4. The analyst's compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event.

5. Receipt of the assignment was not based upon a requested predetermined result, finding, or conclusion.

6. The analyst's analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP). The analysts have not relied upon any departure provision of USPAP.

7. The analyst's analyses, opinions and conclusions were developed and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

9. The context of the consulting service and the scope of the assignment do not require an inspection of the improvements currently existing on the subject site.
10. No one provided significant professional assistance to the persons signing this report.

Kenneth Jaggers
Senior Analyst
State of Missouri Certified General
Real Estate Appraiser (RA 003190)
Expiration Date: June 30, 2004
ASSUMPTIONS AND LIMITING CONDITIONS

This consulting report is subject to the following general assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.

2. No responsibility for legal matters is assumed. All existing liens, mortgages or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.

3. Any sketches in this report are intended to be visual aids and should not be construed as surveys or engineering reports.

4. All information in this report has been obtained from reliable sources. I cannot, however, guarantee or be responsible for the accuracy of information furnished by others.

5. Possession of this report or a copy thereof does not imply the right of publication or use for any purpose by any other than the addressee without my written consent.

6. I am not required to give testimony or attendance in court by reason of this appraisal, unless prior agreements have been made in writing.

7. The land, and particularly the soil, of the area under appraisement appear firm and solid. Subsidence in the area is unknown or uncommon, but I do not warrant against this condition or occurrence.

8. Subsurface rights (minerals and oil) were not considered in making this appraisal.

9. I did not inspect the building involved in this assignment and damage, if any, by termites, dry rot or other infestations was reported as a matter of information and no guarantee of the amount or degree of damage, if any, is implied.

10. The market data relied upon in this assignment is believed to be from reliable sources; however, it was not possible to inspect the comparables completely, and it was necessary to rely on information furnished by others as to said data, therefore, the cash flow and yield conclusions are subject to the correctness and verification of said data.
11. I have not inspected by observation the land and the improvements thereon. It was not possible to personally observe conditions beneath the soil or hidden structural components within the improvements, therefore, no representations are made herein as to these matters and unless specifically considered in the report, the value estimate is subject to any such conditions that could cause a loss in value. Condition of heating, cooling, ventilating, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated.

12. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the consultants or this firm with which they are connected or any reference to the Appraisal Institute.

13. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation, asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, I am not called to the attention of nor did I become aware of such during inspection. I have no knowledge of the existence of such materials on or in the property unless otherwise stated. I am not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde, foam insulation or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field of environmental impacts upon real estate if so desired.

14. I am not considered expert with regard to compliance with the Americans with Disabilities Act (ADA) of 1991. Unless otherwise stated, no responsibility is assumed for any non-compliance with the provision of the ADA. The client is urged to retain an expert in the field of ADA assessment impacts upon real estate if so desired.
SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS

The following assumptions and limiting conditions have been specifically established for this consulting report:

1. It is assumed that any reader of this consulting report is familiar with the applicant’s request for Tax Increment Financing and the redevelopment project.

2. I rely solely on the applicant’s representations as to the prospective value of the project as reflected in the total cost of the redevelopment.

3. My analysis presumes the completion of the improvements as planned and described in a timely and workmanlike manner.

4. The applicant is successful in securing Historic Tax Credits of approximately one half the renovation costs.
INTERNAL RATE OF RETURN

The applicant included a stabilized operating pro forma and a summary sources and uses analysis. It is appropriate to employ discounted cash flow methodology when making conclusions as to the investor yield of an office development. As such, I have developed a cash flow for this analysis to measure the internal rate of return. I have retained all aspects of the developer’s assumptions that are market-supported and reasonable. If necessary, I have amended or supplemented unreasonable assumptions with reasonable, market-oriented assumptions.

CASH FLOW PROJECTION PERIOD (YEARS)

Tax Increment Financing projects are paid over a period of up to 23-years. However, for this project, the anticipated reimbursable costs are reimbursed over a period of 13-years. As such, my analysis is based on the return to the project over a 13-year period.

YIELD MEASUREMENT (METHODOLOGY)

The best measure of yield in my opinion is the “internal rate of return”, which takes into account both the annual income derived as cash flow, as well as the potential return from a hypothetical sale of the land and building improvements at the end of the forecast period. Internal rate of return is defined on page 188 of the third edition of The Dictionary of Real Estate Appraisal:

Internal Rate of Return. The annualized yield rate or rate of return on capital that is generated or capable of being generated within an investment or portfolio over a period of ownership. The IRR discounts all returns from the investment, including returns from its termination, to equal the original capital outlay.
KEY ASSUMPTIONS

PROJECTED REVENUES AND EXPENSES

I have reviewed the applicant’s assumptions used in developing their cash flow. I found several key components that were not consistent with the current market conditions of the CBD. My yielded analysis reflects the appropriate key assumptions which are highlighted on the following page.

PROPERTY REVERSION

The applicant did not consider the property reversion in their yield analysis. My analysis considers reversion at the end of the 13-years for which Tax Increment Financing is requested. During that period the anticipated benefits of the TIF will have been paid. My estimate of reversion is based on a 10.5% capitalization rate and 3% sales costs which is appropriate for an office building with adequate surface parking.

FINANCING

The applicant has secured an offer of financing from a local bank. However, this is construction financing and relies heavily on the expected Historic Tax Credits and the additional cash flow provided by the TIF reimbursement to satisfy debt service coverage and loan to value requirements. As these non-realty benefits accruing to the applicant significantly skew the expected loan amount, an analysis of the subject property with financing in place is not an effective means of measuring yield to the entire project. Furthermore, local and national investor criteria discussed previously in this report considers the availability of permanent financing at market terms. Thus, the availability and cost of funds are incorporated in the Korpacz PriceWaterhouse Coopers and RERC investor surveys and we have not presented a separate, leveraged yield analysis herein.

ANTICIPATED REDEVELOPMENT COSTS

The office building has been purchased for $850,000. Additionally the applicant has acquired a surface parking lot for 91 spaces at the cost of $530,000. The hard costs to renovate the office building are projected to be $2,020,000 or approximately $45 per rentable square foot. The entire project totals $4,700,000, or $104 per rentable square foot. The applicant includes $200,000 in leasing commissions in the entire project costs whereas I defer those costs until Year 2, when the property is completed and lease-up occurs. Thus, the development costs in my analysis included in the Addendum shows $4,500,000 rather than $4,700,000 in Year 1.
These costs are consistent with those I have seen on recent projects in Kansas City's urban areas and are supported by published cost information as well. My key assumptions are shown on the table on the following page.

<table>
<thead>
<tr>
<th>KEY ASSUMPTIONS</th>
<th>Western Union Building</th>
<th>Office/Retail Building</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Size</td>
<td>The building will contain 9,300 SF of retail space on the first floor and 36,000 SF of office space on the upper three floors. Surface parking for 91 cars, just west of the subject and across Walnut, is part of this project. The subject's available parking is 2.00 parks per 1,000 square feet.</td>
<td></td>
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<tr>
<td>Occupancy</td>
<td>No pre-leasing announced for either office or retail.</td>
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<tr>
<td>Project Costs</td>
<td>$4,700,000. Hard costs in the building renovation total $45 per rentable SF while costs of the total project is $103 per square foot.</td>
<td></td>
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<td>Financing</td>
<td>Missouri Bank and Trust offered a loan of $3,400,000 subject to standard underwriting criteria.</td>
<td></td>
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<td>Tax Credits</td>
<td>The building is eligible for Historic Tax Credits and the project may receive credits of approximately 50% of the renovation hard costs to the building, estimated at $1,000,000</td>
<td></td>
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<tr>
<td>Absorption/Occupancy</td>
<td>Office 75% leased Year 1, 85% leased Years 2-5, stabilized at 90% office in Year 6. Retail 0% Year 1, 50% Year 2, 80% Years 3-5, stabilized at 85% in Year 6.</td>
<td></td>
</tr>
<tr>
<td>Market Rents</td>
<td>Office is $14.00 gross per square foot rentable. $11.00 NNN per square foot rentable for the retail.</td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td>Operating expenses for this building are $6.00/square foot rentable for the office component. The owner's expenses of the retail component is $1.00 per square foot rentable.</td>
<td></td>
</tr>
<tr>
<td>Growth Rates</td>
<td>3% per year after stabilization</td>
<td></td>
</tr>
</tbody>
</table>
CONCLUSION OF YIELD

My conclusions of yield are presented in the table below:

<table>
<thead>
<tr>
<th>Yield Analysis - Western Union Building</th>
<th>Holding Period</th>
<th>All Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>With TIF and Tax Credits</td>
<td>13 Years</td>
<td>10.24%</td>
</tr>
<tr>
<td>Without TIF with Tax Credits</td>
<td>13 Years</td>
<td>7.17%</td>
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</tbody>
</table>

My cash flow assumptions, cash flow projections, and each of my yield analyses, along with current investor criteria are included in Addenda B. Even with TIF and the Historic Tax Credits, the anticipated yield falls 200 to 300 basis points short of what investors would require as a reasonable return for this property. Thus the project does not meet a competitive yield threshold. But for the tax increment financing and Historic Tax Credits of this proposed redevelopment, it would not likely occur as evidenced by my yield analysis without TIF shown above.
ADDENDUM A

ANALYST'S QUALIFICATIONS
# Professional Qualifications

**Kenneth Jagger**

## Experience:
Mr. Jagger has been with Integra Realty Resources, since May 1993. He started his career in commercial real estate in 1987 as an investment officer with a subsidiary of Metropolitan Life in Overland Park, Kansas then in the Washington D.C., and Boston, Massachusetts's offices. In 1991, Mr. Jagger joined BankBoston and served as a review and field appraiser for two years duties included quality control over two acquired banks in Maine and Vermont.

In 1993 Mr. Jagger returned to Kansas City as a Senior Appraiser for Integra Realty Resources (formerly Numnick & Associates). Since that time he has completed appraisals on commercial properties of all types, primarily for institutional investors and litigation support. Mr. Jagger is licensed in Missouri, Kansas, and Nebraska and has completed appraisal assignments in 22 states. Significant industrial valuations include Interstate Acres in Des Moines, Iowa, Pine Ridge Business Park in Lenexa, Kansas and Metron Steel in Chicago, Illinois. Mr. Jagger has also appraised numerous multifamily properties. These include North Kansas City's Northland Lofts, a 1986 loft conversion using federal, state, and local tax credits and economic development bond financing and Sand Creek Apartments, a market rate property located in Fishers, Indiana built in 1999. In August 1999, Mr. Jagger appraised SouthPointe Pavilions, a "lifestyle" shopping center in Lincoln, Nebraska. Office properties comprise the majority of his assignments. Recently Mr. Jagger appraised the newly constructed IFTG and State Street Bank Buildings, the NationsBank Building, and the Power & Light Building, large Class A, B and C office properties in Kansas City's CBD. Multiple-asset valuation and due diligence assignments have been completed on behalf of private investors, institutional lenders, corporation, and for litigation purposes.

| Professional Activities: | MAI Candidate Appraisal Institute  
|                          | Affiliate, Kansas City Chapter of the Appraisal Institute |
| State Licenses:          | State of Kansas Certified General Real Property Appraiser (G-969)  
|                          | State of Missouri Certified General Real Estate Appraiser (RA 003190)  
|                          | State of Nebraska Certified General Real Estate Appraiser (RCG970204) |
| Education:               | Bachelor of Arts (1983) Chadron State College, Chadron, Nebraska  
|                          | Economics and Marketing, Minor in Business Administration |
| Appraisal Training:      | Mr. Jagger has successfully completed numerous Appraisal Institute courses and attended seminars in keeping current, the educational and professional work product requirements of the Appraisal Institute and states in which he is licensed. Completed 7 hour HUD - MAP Seminar, New Orleans, Louisiana, October, 2001 |
| Experience with Court and Administrative Bodies: | Mr. Jagger has provided expert testimony in front of taxing authorities, city councils, boards of planning and zoning, commissioners' hearings, and bodies providing public finance (TIF and Tax Abatement). |

**Local Expertise... Nationally**

1901 West 47th Place, Suite 300, Westwood, Kansas 66205-1834  
913-749-4704  
Fax 913-236-4307  
E-mail: kjagger@irr.com
INTEGRA REALTY RESOURCES, INC.
CORPORATE PROFILE

Integra Realty Resources, Inc., is the largest property valuation and counseling firm in the United States, with 53 offices in 31 states. Integra was created for the purpose of combining the intimate knowledge of well-established local offices with the powerful resources and capabilities of a national company. Integra's local offices have an average of 20 years of service in the local market. A Managing Director with an average of 25 years of deep-rooted valuation and counseling experience in the local market leads each office.

Integra Realty Resources, Inc., has over 125 professionals who hold the Appraisal Institute's MAI designation, of which 25 are CRE members of The Counselors of Real Estate. In addition to having expertise in the standard commercial property types, the firm has an extensive track record in specialty property classes including regional malls, hotels, health care facilities, golf courses, and pipeline rights-of-way. Integra also has a wealth of experience in market and feasibility studies, property tax consulting, litigation support, and machinery and equipment and business valuation.

A listing of Integra's local offices and their Managing Directors follows:

ATLANTA, GA – J. Carl Schulte, Jr., MAI, SRA, CRE
ATLANTIC COAST NEW JERSEY – Anthony S. Graziano, MAI, CRE
AUSTIN, TX – Randy A. Williams, MAI
BALTIMORE, MD – Patrick C. Kerr, MAI, SRA
BOSTON, MA – David L. Cary, MAI, SRA, CRE
CHARLOTTE, NC – Fitzhugh L. Scott, MAI, CRE
CHICAGO, IL – Gary K. DeClark, MAI, CRE
CHICAGO, IL – J. Scott Patrick, MAI
CINCINNATI, OH – Gary S. Wright, MAI, SRA
COLUMBUS, SC – Michael B. Dodds, MAI, CCIM
COLUMBUS, OH – Eric E. Sefforge, MAI, CRE
DALLAS, TX – Charles A. Rissell, MAI, CRE
DAYTON, OH – Gary Wright, MAI, SRA
DENVER, CO – Brad A. Weiman, MAI
DETROIT, MI – Jay L. Messer, MAI
EUGENE, OR – Roxanne R. Gillespie, MAI
FORT MYERS, FL – Woodward S. Hanan, MAI, CRE, CCIM
FORT WORTH, TX – Benjamin D. Loughry, MAI
HARTFORD, CT – Mark F. Bates, MAI, CRE
HOUSTON, TX – David R. Tomainy, MAI
INDIANAPOLIS, IN – Michael C. Lady, MAI, SRA, CCIM
KANSAS CITY, MO/KS – Kevin K. Nunnink, MAI
LAS VEGAS, NV – Shelli L. Love, MAI, SRA
LOS ANGELES, CA – John G. Ellis, MAI
LOUISVILLE, KY – George M. Chapman, MAI, SRA, CRE
MEMPHIS, TN – J. Walter Allen, MAI
MIAMI, FL – Michael Y. Cannon, MAI, SRA, CRE
MILWAUKEE, WI – Gary K. DeClark, MAI, CRE
MINNEAPOLIS, MN – Alan P. Leirness, MAI, CCIM
MORGANTOWN, WV – Thomas A. Motta, MAI, CRE
NAPLES, FL – Julian L.H. Stokes, MAI, CRE
NASHVILLE, TN – R. Paul Ferrarini, MAI, SRA
NEW YORK, NY – Raymond T. Cira, MAI, CRE
NORTHERN NEW JERSEY – Barry J. Krauser, MAI, CRE
ORANGE COUNTY, CA – Larry Webb, MAI
ORLANDO, FL – George L. Goodmun, MAI
PHILADELPHIA, PA – Joseph D. Pasquarolla, MAI, CRE
PHOENIX, AZ – Walter Winius, Jr., MAI, CRE
PITTSBURGH, PA – Paul D. Griffith, MAI
PORTLAND, OR – Gerald L. Curtis, MAI, SRA
 PROVIDENCE, RI – Mark F. Bates, MAI, CRE
RICHMOND, VA – Robert E. Colles, MAI, CRE
SACRAMENTO, CA – Scott Beebe, MAI
SAN ANTONIO, TX – Marlyn C. Glen, MAI, CRE, FRICS
SAN DIEGO, CA – Lance W. Doré, MAI, SRA
SAN FRANCISCO, CA – Jan Kleecewold, MAI
SAVANNAH, GA – J. Carl Schulte, Jr., MAI, SRA, CRE
SEATTLE, WA – Allen N. Safer, MAI
TAMPA, FL – Bradford L. Johnston, MAI
TYLER, TX – Robert J. Gray, MAI
WASHINGTON, DC – Patrick C. Kerr, MAI, SRA

CORPORATE OFFICE
Sean P. Hutchinson, President
George G. Ward, MAI, Vice President
3 Park Avenue, 39th Floor, New York, NY 10016-5902
(212) 255-7858; (646) 424-1869 Fax; E-Mail: Integra@irr.com

Visit our web site at www.irr.com

Updated July 10, 2002
IRR Corporate Profile (A)
Office Listing
ADDENDUM B

YIELD ANALYSIS AND INVESTOR CRITERIA
## Western Union Office Building - 13-Year Cash Flow

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**IRR**

Integral Realty Resources
### Western Union Building - All Cash Analysis with TIF

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<th>Tenant Imp./</th>
<th>TIF and other</th>
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<th>Costs or</th>
<th>Office/Retail</th>
<th>Debt Service</th>
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**IRR** 10.24%

### Western Union Building - All Cash Analysis without TIF

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**IRR** 7.17%

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**IRR**

Integra Realty Resources
Amendment No. 20

EXHIBIT 11
Redeveloper Proposal for Projects K1 and L1
1. APPLICANT INFORMATION

Applicant Name: WATKINS INVESTMENT GROUP, L.L.C.

Contact Person: RICK WATKINS  Business Phone: 913.432.5555
                 Fax: 913.432.4519

Business Address: 7301 MISSION ROAD, STE 249,
                  PRAIRIE VILLAGE, KS 66208

Representative authorized to sign/execute documents: RICK WATKINS

Address: SAME AS ABOVE  Phone: SAME AS ABOVE
         Fax: SAME AS ABOVE

General Contractor: MIDWEST TITAN CONSTRUCTION
                   11865 S. Conley
                   Olathe, Kansas  66061

Previous Development Projects or Experience of the Organization:
RICK WATKINS - COMMERCIAL DEVELOPMENT AND RENOVATIONS
SINCE 1977. RENOVATION OF APPROXIMATELY 20 SINGLE FAMILY
HOMES AND 250 APARTMENT UNITS. DEVELOPER OF HICKMAN
BUSINESS CENTER (103RD & HICKMAN); PLAZA WEST (78 ACRE MIXED
USE DEVELOPMENT ACROSS FROM HYPERMART IN TOPEKA, KANSAS);
10801 N POMONA, CONGRESS BUILDING I, CONGRESS BUILDING II
(250,000 S.F. OF SPECULATIVE WAREHOUSE DEVELOPMENT IN
AIRWORLD CENTER).
2. LOCATION OF REDEVELOPMENT AREA

General Boundaries: EXISTING GRAND BOULEVARD CORRIDOR TIF PLAN
SEE #4 BELOW FOR SPECIFIC INFORMATION ON
REDEVELOPMENT PROJECT AREA

County: JACKSON Council District: SECOND Total Acreage: .75*
*this project only

Please attach on a separate sheet of paper a Legal Description of the Redevelopment Area and a map indicating the location of the Redevelopment Area. Also include a 3 1/2" diskette containing the Legal Description in ASCII format.
3. DESCRIPTIVE SUMMARY OF PLAN AND PROJECTS

PURCHASE OF 50,000 S.F. 4 STORY - WESTERN UNION BUILDING AND TWO PARKING LOTS.

RENOVATIONS WILL INCLUDE EXTENSIVE WEATHERIZATION AND EXTERNAL REPAIRS, INCLUDING REPAIRING EXTERIOR BEAMS AND COLUMNS, REPAIRING AND REPLACING BRICK AND BRICK SILLS, CLEANING AND REPAIRING MASONRY, REMOVING UNSIGHTLY AND OBSOLETE BOILER STACK, TUCK POINTING, AND UPGRADEING OF ALL MECHANICAL, ELECTRICAL AND PLUMBING SYSTEMS AS WELL AS MODERNIZATION OF THE ELEVATOR AND RESTORATION OF EXTERIOR FACADE TO ITS ORIGINAL CONFIGURATION. (SEE ATTACHED ELEVATION/SITE PLANS)

PARKING LOTS WILL BE RECONFIGURED AND BEAUTIFIED, WHICH WILL INCLUDE ADDING NEW PARKING STONES, REMOVING DIVIDING WALL, INSTALLING NEW BRICK VENEERED AND CAST STONE COLUMNS WITH DECORATIVE ORNAMENTAL FENCE, RESURFACING AND/OR RESEALING LOTS, AND ADDING BLOCK WALL AND CAST STONE TOP TO PERIMETER WALL, PER THE ATTACHED PLAN.
PARKING LOT 1 LEGAL DESCRIPTION:

Lot 11, 23 and 13, and the south 8 feet of Lot 14, Block 8, McDaniel’s Addition, a subdivision in Kansas City, Jackson County, Missouri, except that part in streets and except that part of Lot 14 lying northerly of the encroachment line as described and shown on memorandum of agreement recorded under document No. A-688806, in book B-3481, at Page 349.

PARKING LOT 2 LEGAL DESCRIPTION:

All of Lots 15, 16 and 17, and the south half of Lot 18, and that part of Lot 14 lying northerly of the encroachment line as described and shown on memorandum of agreement recorded under document no. A-688806, in Book B-3461, at page 349, all being in Block 8, McDaniel’s Addition, a subdivision in Kansas City, Jackson County, Missouri, except that part in streets and alleys.
PARKING LOT 1 LEGAL DESCRIPTION:

Lot 11, 23 and 13, and the south 8 feet of Lot 14, Block 8, McDaniel’s Addition, a subdivision in Kansas City, Jackson County, Missouri, except that part in streets and except that par of Lot 14 lying northerly of the encroachment line as described and shown on memorandum of agreement recorded under document No. A-688806, in book B-3481, at Page 349.

PARKING LOT 2 LEGAL DESCRIPTION:

All of Lots 15, 16 and 17, and the south half of Lot 18, and that part of Lot 14 lying northerly of the encroachment line as described and shown on memorandum of agreement recorded under document no. A-688806, in Book B-3461, at page 349, all being in Block 8, McDaniel’s Addition, a subdivision in Kansas City, Jackson County, Missouri, except that part in streets and alleys.

I. USE REGULATIONS.

In District M-1, no building or land shall be used and no building shall be erected, altered, or enlarged, which is arranged, intended, or designed for other than one of the following uses:

A. Any use permitted in District C-3a.

B. ANIMAL

1. Chicken batteries or brooders.
2. Creameries.
3. Meat processing (no slaughtering).
4. Milk bottling or central distribution stations.
5. Poultry killing or dressing.
7. Veterinary hospitals.

C. ENTERTAINMENT FACILITIES.

1. Baseball park.
2. Children's or adult amusement park.
3. Carnival.
5. Drive-in theater, under the same conditions as required in District C-3a.

D. FOOD OR BEVERAGE PROCESSING.

1. Bottling works.
2. Brewing or distilling of liquor.
3. Canning or preserving factories.
4. Cold storage plants.
5. Coffee roasting.
6. Cutting or blending of liquors.
7. Manufacture of cigars, cigarettes, snuff or other tobacco products.
10. Manufacture of fruit juices.


12. Manufacture of drugs or medicines.


14. Manufacture of ice cream.

15. Manufacture of potato, corn or tapioca chips.


17. Wineries.

E. LIGHT MANUFACTURING.

1. JOB SHOP FOUNDRIES for making brass, bronze or aluminum castings, when the operation is conducted entirely within a building completely enclosed with walls and roof and the nearest point of the building is at least five hundred (500) feet from the boundary of an R-1 to C-4 District, inclusive. The activity shall create no regularly recurring noise in excess of 85 decibels as measured at a point five hundred (500) feet from the perimeter of the property, and shall create no vibration for a period longer than three (3) minutes in any one (1) hour, which is perceptible from any adjoining premises. The activity shall create no smoke exceeding a density of two (2) measured on the Ringelman Chart published and used by the United States Bureau of Mines, except for a period or periods not exceeding six (6) minutes in any one (1) hour. The activity shall create no unusual dust, fly ash, dirt, odor, noxious gases, heat and unscreened glare which is perceptible on any adjoining premises. The activity shall be free from fire hazard and excessive industrial wastes.

2. Machine shops, when the operation is conducted entirely within a building completely enclosed with walls and roof and the nearest point of the building is at least five hundred (500) feet from the boundary of an R-1 to C-4 District, inclusive. The activity shall create no regularly recurring noise in excess of 85 decibels as measured at a point five hundred (500) feet from the perimeter of the property and shall create no vibration for a period longer than three (3) minutes in any one (1) hour, which is perceptible from any adjoining premises. The activity shall create no smoke exceeding a density of two (2) measured on the Ringelman Chart published and used by the United States Bureau of Mines, except for a period or periods not...
exceeding six (6) minutes in any one (1) hour. The activity shall create no unusual dust, fly ash, dirt, odor, noxious gases, heat and unscreened glare which is perceptible on any adjoining premises. The activity shall be free from fire hazard and excessive industrial wastes.

3. Manufacture of goods from aluminum, brass, bronze, copper, steel, tin, or other metal.

4. Manufacture of goods from bone, leather, paper, rubber, shell, wire or wood.

5. Manufacture of artificial flowers, feathers or plumes.


7. Manufacture of bicycles.

8. Manufacture of boots.

9. Manufacture of blacking, cleaning or polishing preparations.

10. Manufacture of brooms or brushes.

11. Manufacture of buttons and novelties.


13. Manufacture of cement products, including cement and cinder blocks.

14. Manufacture of clothing of all kinds.

15. Manufacture of cosmetics.


17. Manufacture of furniture, including upholstering and rebuilding.

18. Manufacture of gas or electric fixtures.

19. Manufacture of mattresses or their renovation.

20. Manufacture of musical instruments.

21. Manufacture of plastics and plastic products, including assembly or processing, when the operation is conducted entirely within a building completely enclosed with walls and roof and the nearest point of the building is at least five hundred (500) feet from the boundary of an R-1 to C-4 District, inclusive. The activity shall create no regularly recurring noise in excess of 65 decibels as measured at a point five hundred (500) feet from the perimeter of the property, and shall create no vibration for a period longer than three (3) minutes in any one (1) hour, which is perceptible from any adjoining premises. The activity shall create no smoke exceeding a density of two (2) measured on the Ringleman Chart published and used by the United States Bureau of Mines, except for a period or periods not exceeding six (6) minutes in any one (1) hour. The activity shall create no unusual dust, fly ash, dirt, odor, noxious gases, heat and unscreened glare which is perceptible on any adjoining premises. The activity shall be free from fire hazard and excessive industrial wastes.

22. Manufacture of radio and/or television sets.

23. Pattern shops.

24. Stamping, dieing, shearing, or punching of metal not exceeding one-eighth (1/8) inch in thickness.

25. Welding shops.

F. SERVICES.

1. Assaying (other than gold or silver).

2. Carpet cleaning.

3. Chemical laboratories.

4. Launderies.

G. STORAGE, entirely enclosed within a wall or cyclone-type fence at least eight (8) feet in height.

1. Asphalt.

2. Brick.

3. Building material.

4. Butane (less than tank car lots).

5. Cement.


7. Coal.

8. Contractor’s equipment.


10. Feed.

11. Fertilizer.

12. Food.
14. Gasoline (less than tank car lots).
15. Grain.
17. Grease.
19. Ice.
20. Lead.
22. Liquor.
23. Lumber.
24. Machinery.
27. Pipe.
28. Propane (less than tank car lots).
29. Roofing.
30. Rope.
31. Sand.
32. Stone.
33. Tar.
34. Tarred or creosoted products.
35. Terra cotta.
36. Timber.
37. Wine.
38. Wood.
39. Wool.

H. TRANSPORTATION — RELATED ACTIVITIES.
1. Aviation Schools.
2. Body and fender work.
3. Terminals, freight — rail or water.
4. Terminals, truck — provided that all access is from a major thoroughfare and the property is screened by an eight (8) foot high fence.
5. Tracks — spur, loading or storage, and freight yards.

I. WASTE PROCESSING FACILITIES; each of the following must be conducted entirely within a building completely enclosed with walls and roof.
1. Auto salvage and auto wrecking.
2. Junk operations handling.
3. Salvage processing.
4. Wrecking operations.

J. MISCELLANEOUS.
1. Cold storage plants.
2. Electroplating.
3. Forging.
5. Monument or marble works, finishing and carving only, and excluding stonecutting.
6. Oil compounding or barreling.
7. Spray painting or paint mixing.
8. Wholesale produce markets.

K. Accessory uses permitted are the same as for District C-3a.

II. HEIGHT, YARD AND AREA REGULATIONS.

In District M-1, the height of buildings, minimum dimensions of lots and yards, and the minimum lot area per family permitted upon any lot shall be as follows, provided that buildings erected for dwelling purposes exclusively shall comply with the front, side and rear yards requirements of District H-4.

A. HEIGHT.

Buildings or structures shall not exceed six (6) stories and shall not exceed seventy-five (75) feet in height.

B. FRONT AND SIDE YARDS.

1. There need be no front or side yard in this District, except when the District abuts or
adjoins a District R-1, R-2, R-3, R-4, R-4-O, R-5, or R-5-O within the same block and on the same side of the street.

Provided this situation occurs, and the majority of the buildings or lots in the residential district face on the said street, there shall be a setback from the said street for any building in the industrial district equal to one-half (½) of the front yard requirement for the abutting or adjoining residential district as given under the height, yard and area regulations for that district; and when the side property line of residential property forms the greater portion, at least seventy percent (70%) of the street property line in the residential district, there shall be a setback in the industrial district equal to the side yard requirement for the said residential district as given in Paragraphs 2 or 3 under the height, yard and area regulations for that district, but need not be more than eight (8) feet.

2. There shall be a side yard along the side line of a property in the industrial district which abuts, adjoins or is within eight (8) feet of a boundary of a residential district, equal to eight (8) feet measured from the residential district boundary line.

C. REAR YARDS.

1. The rear yard for business and industrial buildings shall be at least three (3) inches in least dimension for each foot of height of the building, at any given level but must be at least four (4) feet. Where there is an alley, the rear yard shall be measured to the center of the alley.

Where the rear yard abuts or adjoins a residential district (R-1, R-2, R-3, R-4, R-4-O, R-5, R-5-O), it shall be at least ten (10) feet in depth.

Within fifty (50) feet of the nearest street, no rear yard is required where a rear line of a lot zoned for business or industry abuts or adjoins the side or rear line of a lot zoned for business or industry.

2. An accessory building shall be allowed in the above rear yard but shall be kept at least four (4) feet from the rear and side lot lines unless there is an alley. Where there is an alley, it may extend to the property line along the alley. On a corner lot, the accessory building shall be set back at least fifteen (15) feet from any street line.

D. LOT AREA.

No building, to be used wholly or partially for dwelling purposes, shall be erected or altered on a lot which makes provision for less than the following number of square feet of the lot area:

1. For one- and two-family dwellings, four thousand (4,000) square feet

2. For three-family dwellings, including conversions, five thousand (5,000) square feet.

3. For dwellings with more than three (3) families, other than row houses, hotels, apartment houses and apartment hotels, five thousand (5,000) square feet with one thousand (1,000) square feet additional for each family over three (3).

4. For row houses, one thousand (1,000) square feet per family.

5. For apartments, apartment hotels, hotels, and buildings used jointly for hotel and apartment house uses, or for business and residential purposes, or for industrial and residential purposes, one thousand (1,000) square feet per family.

III. PARKING AND LOADING REGULATIONS.

As provided for in Sections 39.444 and 39.445.

(Ord. 53173/03-03-81)
5. **PROJECT BUDGET**

For each Project Area, please attach the following:

- A complete development pro forma indicating total development costs by Project;
- An operating pro forma indicating expected revenue and expenses over a ten year period;
- Amount and source of equity to be provided;
- Amount and terms of private financing;
- Name of Lender(s);

**MISSOURI BANK & TRUST CO OF KANSAS CITY**

- copy of the Developer's Loan Application provided to Lender(s);
- Evidence of commitment to provide funds from the lending institution (signed by the lender and noting conditions and contingencies, if any); and
- Itemized sources and uses of any public assistance to be used.
Western Union Building Project

Operating Proforma

Assumptions

1. Annual Inflation Rate 3.00%

2. Rental Income
   - First Floor
     Square Feet 9,300
     Rental Per Square Foot $12.00
     Total $111,600
   - Second Floor
     Square Feet 18,000
     Rental Per Square Foot $13.50
     Total $243,000
   - Third Floor
     Square Feet
     Rental Per Square Foot
     Total 0
   - Fourth Floor
     Square Feet 18,000
     Rental Per Square Foot $13.50
     Total $243,000
   Total $597,600

3. Assumed Occupancy Rates
   - As of 6/03 30.00%
   - As of 6/04 60.00%
   - As of 6/05 80.00%

4. Acquisition and Renovation Loan
   - Initial Principal $3,385,000
   - Interest Rate 7.50%
   - Loan Term (in years) 20
   - Annual Loan Payment $27,485

5. Owners' Equity
   - Initial Investment 1,315,000
   - Less Projected Historic (1,000,000)
   Tax Credit
   Net $315,000

6. 2003 Unreimbursed Building Expense ($5/sqft) $225,000
(Only 50% of this amount was assumed to have been incurred in 2003).
## TIF PROJECT COSTS

100 East Seventh Street  
50,000 sf Office Building  
Western Union Building  
July 16, 2002

### PROJECT COSTS

<table>
<thead>
<tr>
<th>Item</th>
<th>TIF*</th>
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<tbody>
<tr>
<td>Building Acquisition</td>
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<td>Building Improvements</td>
<td>2,020,000</td>
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<tr>
<td>Surface Parking Acquisition</td>
<td>530,000</td>
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<tr>
<td>Parking Lot Improvements</td>
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<td>Miscellaneous and Contingency</td>
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<td>Architectural/Engineering/Legal/Appraisal</td>
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<td>Boring/Survey/Environmental</td>
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<tr>
<td>Real Estate Taxes</td>
<td>17,000</td>
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<tr>
<td>Development Fee (5% of Project Costs)</td>
<td>250,000</td>
</tr>
</tbody>
</table>

| Total Project Costs                       | $4,700,000 | $1,743,768 |

* TIF REIMBURSABLE ITEMS

¹ EXTERIOR REPAIRS of $718,487 plus elevator, mechanical, electrical and conveying system.
CONSTRUCTION TOTALS BY PROJECT AREA* - PROJECT ONE

Please complete the following chart for each Project Area. Reproduce this chart for each Project Area.

<table>
<thead>
<tr>
<th>NEW CONSTRUCTION</th>
<th>EXISTING STRUCTURES to REMAIN AS IS</th>
<th>EXISTING STRUCTURES TO BE REHABILITATED</th>
<th>TOTAL</th>
<th>Existing Structures to be DEMOLISHED</th>
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<tbody>
<tr>
<td>Square Feet of OFFICE Space</td>
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<td>37,500</td>
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<tr>
<td>Square Feet of RETAIL Space</td>
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<tr>
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<td>Square Feet of INDUSTRIAL Space</td>
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<td>Total Square Feet</td>
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<tr>
<td>Number of DWELLING UNITS</td>
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<tr>
<td>Number of HOTEL ROOMS</td>
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<tr>
<td>Number of PARKING SPACES</td>
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<td>0</td>
<td>91</td>
<td>91</td>
</tr>
</tbody>
</table>

- A Project Area is defined as a specific geographical area within the overall Plan Area that is developed during a specific time frame.
**Employment Information – PROJECT ONE**

Please provide employment information for each Project Area. Reproduce this chart for each Project Area.

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Jobs to be CREATED IN Kansas City</td>
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<tr>
<td>Permanent Jobs to be RELOCATED TO Kansas City</td>
<td>14</td>
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<tr>
<td>Permanent Jobs to be RETAINED IN Kansas City</td>
<td>90</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>139</strong></td>
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<tr>
<td>Anticipated Annual Payroll</td>
<td>$4,560,000</td>
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<tr>
<td>Estimated number of construction workers to be hired during construction phase</td>
<td>135</td>
</tr>
</tbody>
</table>
July 18, 2002

Rick Watkins
Watkins Investment Group, LLC
7301 Mission Road, Suite 249
Prairie Village, KS 66208

RE: LOAN-100 EAST SEVENTH STREET, KANSAS CITY, MISSOURI

Dear Mr. Watkins:

Please accept this letter as an expression of interest by our bank in your project. Subject to approval by our loan committee and their requirements (including approval by a participating bank), we would be interested in making a loan of $3,400,000.00 secured by the above referenced property. It is our understanding that the value of the Tax Increment Financing cash flow will be approximately $800,000 and that additional equity will be provided via the sale of historic tax credits in the amount of approximately $1,000,000.00.

This offer is subject to our standard underwriting criteria and expresses an interest in this project, however, it should not be construed to be a loan commitment until our loan committee and participating bank approves this project.

Sincerely,

J. Grant Burcham
President and CEO
8. **ECONOMIC IMPACT**
For each Project Area, please provide the following:
- Existing Economic Activity Taxes (EATS) (i.e., utilities, food & beverages, sales, hotel rooms, use, corporate profits, and individual earnings taxes);
- Anticipated EATS;
- Anticipated Payments in Lieu of Taxes (PILOTS), which are 100% of the Revenues derived from an increase in assessed value.

9. **CONTROL OF PROPERTY**
If the Applicant owns the project site, indicate:

**Date of Purchase:** **FEBRUARY 7, 2002**

**Mortgage(s):** **MISSOURI BANK & TRUST CO OF KANSAS CITY**
1044 MAIN
P.O. BOX 26430
KANSAS CITY, MO 64196
(816) 881-8200

**Balance of existing Mortgage(s) $836,379.95 (OF $1,639,236.00 LOAN)**

Submit copies of promissory note(s), deed(s) of trust and deed(s) for each mortgage.
<table>
<thead>
<tr>
<th>Project</th>
<th>Retail</th>
<th>Office</th>
<th>Industrial</th>
<th>Total</th>
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<tbody>
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<td>Sales %</td>
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<td>Sales %</td>
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<td>Sales %</td>
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<td>2%</td>
<td>0</td>
<td>2%</td>
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</tbody>
</table>

### Assumptions

- Retail
- Office
- Industrial

### Growth Rates

- Date
- Project Manager
- Project Name: Western Union Building - Western Av.
- Growth Rate Assumptions

### Financial Information

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>EBITDA</th>
<th>Sales</th>
<th>Rentable Area</th>
<th>Net Income</th>
<th>Occupancy</th>
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### Revenue Information

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- Net Income:
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**TOTAL** 2,020,519

*Present Value at 9% $780,774.14*
Western Union Building Project

Operating Proforma
Assumptions

1. Annual Inflation Rate .............................................. 3.00%

2. Rental Income
   - First Floor
     Square Feet .................................................. 9,300
     Rental Per Square Foot .................................. $12.00
     Total .......................................................... 111,600
   - Second Floor
     Square Feet .................................................. 12,000
     Rental Per Square Foot .................................. $13.50
     Total .......................................................... 162,000
   - Third Floor
     Square Feet .................................................. 12,000
     Rental Per Square Foot .................................. $13.50
     Total .......................................................... 162,000
   - Fourth Floor
     Square Feet .................................................. 12,000
     Rental Per Square Foot .................................. $13.50
     Total .......................................................... 162,000

Total ................................................................. $597,600

3. Assumed Occupancy Rates
   - As of 6/03 ..................................................... 30.00%
   - As of 6/04 ..................................................... 60.00%
   - As of 6/05 ..................................................... 80.00%

4. Acquisition and Renovation Loan
   - Initial Principal ............................................... $3,385,000
   - Interest Rate .................................................. 7.50%
   - Loan Term (in years) ........................................ 20
   - Annual Loan Payment ....................................... $27,485

5. Owners' Equity
   - Initial Investment ........................................... 1,315,000
   - Less Projected Historic Tax Credit .................. (1,000,000)
   Net .............................................................. $315,000

6. 2003 Unreimbursed Building Expense ($/sqft) ............... $225,000
   (Only 50% of this amount was assumed to have been incurred in 2003).
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Return on Equity Invested
Initial Equity Investment
Property Cost
Total Income
Total Expenses
Market Value
Net Operating Income
Return on Equity Invested
Real Estate Income
Real Estate Exp. - Operating Expenses
Real Estate Exp. - Property Expenses
Total Income
Total Expenses
Cash Flow from Operations
To Serve Program
Credit Union Building Project
WARRANTY DEED

THIS INDENTURE is given effective as of the 25th day of January, 2002, by PAUL S. KIVETT and NANCIE C. KIVETT, husband and wife ("Grantors"), to WATKINS INVESTMENT GROUP, L.L.C., a Missouri limited liability company ("Grantee"). Mailing address of Grantee is 7301 Mission Road, Suite 249, Prairie Village, Kansas 66208.

WITNESSETH: that Grantors in consideration of the sum of Ten Dollars ($10.00) and other valuable consideration, the receipt of which is hereby acknowledged, does by these presents, GRANT, BARGAIN, SELL and CONVEY unto Grantee all of the following described real estate, situated in Jackson County, Missouri, to-wit:

See EXHIBIT A attached hereto and incorporated herein by reference

TO HAVE AND TO HOLD THE SAME, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining, forever. Grantors do hereby covenant, promise and agree to and with Grantee that at the delivery of these presents they are lawfully seized in their own right of an absolute and indefeasible estate of inheritance, in fee simple, of and in all and singular the above granted and described premises, with the appurtenances, that the same
are free, clear, discharged and unencumbered of and from all former and other grants, titles, charges, estates, judgments, taxes, assessments and encumbrances, of what nature or kind soever: and that they will warrant and forever defend the same unto Grantee, its successors and assigns, against Grantors, and all and every person or persons whomsoever, lawfully claiming or to claim the same.

IN WITNESS WHEREOF, Grantors have hereunto set their hand as of the day and year first above written.

[Signature]
Paul S. Kivett

[Signature]
Nancie C. Kivett

STATE OF MISSOURI )
COUNTY OF JACKSON ) ss.

On this 25th day of January, 2002, before me, the undersigned Notary Public, personally appeared Paul S. Kivett and Nancie C. Kivett, husband and wife, to me personally known, who, by me being duly sworn, acknowledged the execution of the foregoing instrument as their free act and deed for the purposes stated therein.

[Notary Seal]
Catherine A. Bruce
(Notary Public)

My commission expires:

[Signature]
Catherine A. Bruce
(Notary Public)

My commission expires:
EXHIBIT A

Legal Description

The South 37 feet and 9 inches of Lot 4, and all of Lots 5 and 6, MCDANIEL'S ADDITION to the City of Kansas (now Kansas City) in Jackson County, Missouri, EXCEPT the portion theretofore taken in widening street, said premises being further therein described as a tract of ground in the Northeast corner of 7th and Walnut Streets in said city, extending a distance of 109.99 feet on Walnut Street, and a distance of 127 feet on 7th Street from Walnut Street eastward to the alley, according to the recorded plat thereof;

Subject to the following:

(a) all exceptions listed on Schedule B of the Owner's Title Insurance Policy No. 020018152 issued by Chicago Title Insurance Company of Kansas City, Missouri;

(b) all leases and tenancies and right of parties in possession;

(c) easements, restrictions, reservations and other agreements and matters of record;

(d) taxes and assessments, general and special, not now due and payable; and

(e) rights of the public in and to parts thereof in streets, roads or alleys.
If the Applicant has a contract or option to purchase the project site, indicate:

**PARKING LOT #1**

Date purchase/option contract signed **MAY 1, 2002**

Closing/expiration date **JULY 15, 2002**

Submit a copy of purchase/option contract(s). **ATTACHED**

**PARKING LOT #2**

Date purchase/option contract signed **JULY 1, 2002**

Closing/expiration date **SEPTEMBER 1, 2002**

Submit a copy of purchase/option contract(s). **ATTACHED**
CONTRACT FOR PURCHASE AND SALE OF REAL ESTATE

THIS CONTRACT (the "Contract") is executed (to be effective upon the Effective Date as hereinafter provided) by and between THEODORE POLKERT ("Seller"), and WATKINS INVESTMENT GROUP, L.L.C., a Missouri limited liability company ("Buyer").

IN CONSIDERATION of these Property and the financial benefits which will accrue to Seller and Buyer from this Contract and the consummation of the transaction contemplated herein, and for other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, Seller and Buyer hereby agree as follows:

ARTICLE 1 - Sale and Purchase.

Section 1.01. Agreements to Sell and Purchase Property.

Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller, subject to all terms and provisions of this Contract and the fulfillment of all conditions set forth in this Contract, that certain real property located in Platte County (the "County"), Missouri, together with any structures and improvements currently located thereon and all rights, privileges and appurtenances relating thereto (collectively, the "Property") approximating 8,500 square feet, more or less, and located at the NWC of 7th and Walnut, Kansas City (the "City"), Missouri, as legally described on Exhibit A to be attached hereto and made a part hereof.

Section 1.02. Purchase Price.

The purchase price ("Purchase Price") for the Property shall be Two-Hundred Thousand Dollars ($200,000.00). The Purchase shall be payable as follows:

(A) Earnest Money. The sum of Ten Thousand Dollars ($10,000.00), payable by Buyer's check (the "Earnest Money"), shall be deposited with the Title Company (as hereinafter defined), as escrow agent, not later than three (3) days after execution and delivery of this Contract by both parties to be applied against the Purchase Price at Closing.

(B) Cash Balance. The balance of the Purchase Price (subject to adjustment as hereinafter provided) shall be payable by Buyer at Closing hereunder in immediately available funds.

ARTICLE 2 - Title to be Conveyed; Title Insurance, Survey and Related Matters.

Section 2.01. Title to Property.

Buyer's obligation to complete the purchase of the Property hereunder shall be conditioned upon Buyer's approval of the status of title and all exceptions to title affecting the Property as hereinafter set forth.

Section 2.02. Title Company.

Chicago Title Insurance Company, Kansas City, Missouri ("Title Company") is hereby designated as the title insurance company responsible for issuance of the title insurance commitment and policy required in connection with this Contract and the Escrow Agent responsible for administering the Closing hereunder.
Section 2.03. Survey.

Seller shall deliver a current ALTA survey of the property, certified to Buyer by a registered land surveyor reasonably acceptable to Buyer, within forty-five (45) days of the Effective Date which such survey shall be sufficient to remove the Title Company survey exceptions, determine if the Property lies in a flood plain, certify the exact amount of acreage, and identify all easements, exceptions and access to dedicated streets. The Survey shall also certify the exact area, to the nearest square foot of the Property to be purchased hereunder.

Section 2.04. Title Commitment.

Seller shall cause Title Company to furnish to Buyer within fifteen (15) days after the Effective Date (as hereinafter defined) its commitment for title insurance (the "Commitment") covering the Property, which shall show Buyer as the proposed insured under an ALTA Owners Policy of title insurance in the amount of the Purchase Price (the "Title Policy"). Closing hereunder shall be conditioned upon the agreement of the Title Company to issue the Title Policy insuring Buyer's fee simple ownership of the Property without exclusions except Permitted Exceptions. Seller shall pay for the cost of the Title Policy.

Section 2.05. Objections to Title and Survey: Cure Following Objections.

A. Objections by Buyer. Buyer shall specify any liens, encumbrances or other title exceptions affecting the Property to which Buyer objects (the "Title Objections"), as disclosed in the Commitment, or matters which constitute objections to the survey, by written notice to Seller within thirty (30) days after the later of Buyer's receipt of the Commitment or the survey described above. Any exceptions to title which are not objected to by Buyer on or before such date shall be deemed to be permitted exceptions to the survey or to the title hereunder ("Permitted Exceptions").

B. Cure by Seller. Seller shall have such time as is necessary to cure, remove or discharge any title or survey Objections of which Buyer gives timely written notice hereunder, and shall complete the cure, removal or discharge of all such objections to the reasonable satisfaction of Buyer as a condition to Closing hereunder. In the event that Seller is unable or unwilling to cure, remove or discharge such objections, on or prior to closing, this contract shall be subject to cancellation by either party upon written notice of cancellation given to the non-canceling party, provided, that the time for Closing hereunder may be extended by Seller for such reasonable time as may be necessary to complete such cure, removal or discharge if Seller has commenced and is diligently pursuing such cure, removal or discharge prior to the Closing time initially specified herein. Such extension shall in no case exceed sixty (60) days. Closing shall be automatically extended to a date not earlier than fifteen (15) days after such cure, removal or discharge is completed.

C. Waiver. If Buyer has made timely written notice hereunder with respect to any title or survey Objection and the matter objected to is of such a nature that Seller will be unable or unwilling to cure, remove or discharge thereof within a reasonable time after the Closing time initially specified herein, Buyer may either accept conveyance of the Property hereunder notwithstanding the continued existence of the matter objected to, or elect to terminate this Contract, in which event Buyer's sole right and remedy hereunder shall be the return of the Earnest Money to Buyer, following which this Contract shall be null and void and neither Seller nor Buyer shall have any further liability or obligation whatsoever hereunder.

ARTICLE 3 - Due Diligence Period/Conditions Precedent to Closing.
Section 3.01. Preliminary Feasibility Study.

Buyer, at Buyer's expense, shall conduct a preliminary feasibility study of the Property to determine whether or not the Property is suitable for Buyer's intended use, including, but not limited to, an evaluation of the economic feasibility of the site for the intended use, an evaluation of zoning, accessibility, use restrictions, topography, soil conditions, environmental conditions, rules and regulations of the City and County, and any other matters which in the Buyer's sole judgment will affect the purchase decision. If in the Buyer's sole judgment the Property is not suitable for the Buyer's intended use and objectives, then the Buyer shall have the right to terminate this Agreement by sending written notice to the Seller within sixty (60) days from the Effective Date of this Agreement or 15 days after the receipt of the survey from Seller whichever is later.

Section 3.02. Investigations by Buyer; Conditions.

Buyer shall have access to the Property at reasonable times during the period commencing on the Effective Date and ending on a date sixty (60) days following the effective date hereof for the purpose of making any detailed investigations and inspections (the "inspection period"). Buyer shall be solely liable for personal injuries or property damage resulting from the presence of Buyer or his designees upon the Property in connection with any such investigations or inspections.

Buyer's obligation to complete purchase hereunder shall be subject to the following conditions:

(A) Environmental Investigation. Buyer shall have received a Phase I environmental report at Buyer's expense reasonably acceptable to Buyer, reflecting investigation concerning any Hazardous Materials or Adverse Environmental Conditions upon or affecting the Property and the status of the Property under applicable Environmental Laws including Wetlands restrictions.

If Buyer has made timely written notice hereunder with respect to any objection or ground for disapproval in connection with any of the foregoing matters in this Section 3.02, Seller shall have the right at its election, but shall not be obligated, to pursue such actions as may be necessary to remedy Buyer's objection, and so long as Seller notifies Buyer in writing of its election to pursue the foregoing actions within seven (7) days after receipt of Buyer's notification concerning Buyer's objections. If Seller does not elect or cannot cure Buyer's objection, Buyer may either accept conveyance of the Property hereunder notwithstanding the continued existence of the matter giving rise to Buyer's objection, or elect to terminate this Contract, in which event Buyer's sole right and remedy hereunder shall be the return of the Earnest Money to Buyer, following which this Contract shall be null and void and neither Seller nor Buyer shall have any further liability or obligation whatsoever hereunder.

ARTICLE 4 - Warranties and Representations.

Section 4.01. By Seller.

Seller warrants and represents to Buyer that:

(A) Authority; Validity; Binding Effect. Seller is authorized to enter into this contract which constitutes the valid and binding agreement of Seller enforceable against Seller in accordance with its terms.

(B) Title. Seller is the owner in fee simple of the Property, subject only to the title exceptions and other matters, if any, which may be disclosed in the Commitment.

(C) Non-foreign Status. The Seller is not a foreign person selling property as described in the Foreign Investment in Real Property Tax Act ("FIRPTA").
(D) **Inspection and Due Diligence.** Buyer and its officers, engineers, agents, attorneys, accountants, architects and engineers shall have full access to the Property for the purpose of making such inspections, tests, and verifications as they shall deem reasonably necessary.

(E) **Hazardous Materials.** To the best of Seller's actual knowledge, the Property contains no concentration of hazardous materials in violation of any environmental law.

(F) **Cooperation Regarding Zoning and Site Plan Approval.** Seller shall cooperate fully, at no cost to Seller, to obtain rezoning site plan approval and plat approval for the Property.

**Section 4.02. Survival.**

All warranties, representations, covenants and agreements contained in this Contract shall survive and shall remain in full force and effect after Closing hereunder.

**ARTICLE 5 - Closing.**

**Section 5.01. Time and Place of Closing.**

Subject to fulfillment of all conditions set forth in this Contract, closing of the sale and purchase of the Property under this Contract ("Closing"), which term shall include the delivery of all items and performance of all acts specified in this Article 5 and the agreement of Title Company to furnish the Title Policy as required hereunder, shall take place at the offices of the Title Company or at such other place as may be mutually agreed to by Seller and Buyer on or before **October 15, 2002**. Closing may take place earlier by mutual agreement of Seller and Buyer.

**Section 5.02. Items to be Delivered by Seller at Closing.**

Seller shall deliver the following items at or prior to Closing:

(A) **Deed.** A Special Warranty Deed (the "Deed"), duly executed by Seller and duly acknowledged, conveying to Buyer an indefeasible title to the Property in fee simple absolute, free and clear of any lien, encumbrance or title exception other than the Permitted Exceptions.

(B) **Title Policy.** The Title Policy in form and content reasonably acceptable to Buyer, or Title Company's written acknowledgement of its agreement to issue the same.

(C) **Section 1445 Certificate.** A certificate or affidavit as required by Internal Revenue Code § 1445 setting forth Seller's tax I.D. # and stating Seller is not a foreign person otherwise subject to back-up withholding.

**Section 5.03. Items to be Delivered by Buyer at Closing.**

Buyer shall deliver the following items at or prior to Closing:

(A) **Purchase Price.** The balance of the Purchase Price in immediately available funds (after credit is given for the Earnest Money and after all adjustments provided for in this Contract).

**Section 5.04. Possession.**
Full and unencumbered possession of the Property shall be given to Buyer immediately following Closing hereunder.

Section 5.06. Expenses of Closing; Proration of Taxes.

(A) Expenses of Closing. All title insurance premiums, recording or filing charges, prior year taxes, all installments of special assessments attributable to tax years prior to the year in which closing occurs and broker's commissions shall be paid by Seller. The parties shall pay their own attorneys' fees. Escrow and closing fees shall be divided evenly between Buyer and Seller.

(B) Proration of Taxes. Real estate taxes and installments of special assessments for the current year for the Property shall be prorated between the parties as of the date of Closing on the basis of the calendar year.

ARTICLE 6 - Default and Remedies.

Section 6.01. Remedies Upon Default.

(A) Buyer's Default. If Buyer fails to meet, comply with or perform any of its material covenants, agreements or obligations hereunder within the time limits and in the manner required in this Contract for any reason other than a default by Seller, then, at Seller's election, the Earnest Money shall be held over by Escrow Agent to Seller on demand, and Seller may retain the Earnest Money as liquidated damages which shall be Seller's sole and exclusive remedy against Buyer under this Contract.

Seller's Default. If Seller fails to meet, comply with or perform any of their material covenants, agreements or obligations hereunder within the time limits and in the manner required in this Contract for any reason other than a default by Buyer, Buyer may pursue any or all rights and remedies Buyer may have against Seller under this Contract, under any applicable law and/or in equity (including but not limited to the commencement of an action for damages and/or a proceeding for specific enforcement of this Contract), all in such order and manner as Buyer may elect.

ARTICLE 7 - Miscellaneous Provisions.

Section 7.01. Casualty and Condemnation.

Seller agrees to give Buyer prompt notice of any casualty adversely affecting the Property or the value thereof prior to Closing and of any actual or threatened taking or condemnation of the Property or any part thereof occurring prior to Closing. If, prior to Closing, any material portion of the Property is damaged or the value thereof is materially reduced by fire or other casualty, or any material portion of the Property is taken in any proceeding relating to eminent domain or by conveyance under threat of any such taking, or if notice of any intended future taking shall be given by any governmental authority with respect to any material portion of the Property, Seller shall give written notice to Buyer of such event, and Buyer shall notify Seller in writing within ten (10) days after Buyer's receipt of such notice from Seller, of Buyer's election either to terminate this Contract or to complete purchase of the Property hereunder and receive all insurance proceeds and/or condemnation awards payable in connection with such casualty or taking. If Buyer makes the latter election, Seller shall execute and deliver all documents necessary to assign to Buyer all of Seller's interest in such insurance proceeds and condemnation awards.

Section 7.02. Successors and Assigns Bound; Assignment.

This Contract shall inure to the benefit of and shall be binding upon the respective heirs, representatives, successors and assigns of Seller and Buyer. Buyer shall have the right to assign
this Contract or any right, title or interest of Buyer hereunder without the prior written consent of Seller. Any such assignment with Seller's consent shall not relieve Buyer of any liability hereunder.

Section 7.03. Notices.

All notices given in connection with this Contract shall be in writing and shall be directed to the parties at the following addresses (or at such other address(es) as either party may designate from time to time by notice to the other party given in the manner required herein):

To Seller:

THEODORE FOLKERT
517 60TH FRONTWALK
SUITE 11
VENTURA, CA 90291

To Buyer, in care of:

Mr. Richard C. Watkins
Watkins & Company, Inc.
7301 Mission Road, Suite 249
Prairie Village, Kansas 66208

with a required copy to:

Mr. Joe Harter
McDowell, Smith, Rice & Gaar
605 W 47 St, STE 350
Kansas City, MO 64112

Notices given hereunder shall be deemed effectively given (1) upon personal delivery of any such notice to the premises of the addressee as set forth above or as most recently designated by the addressee as provided herein or (2) two business days following the deposit of an envelope containing such notice in the United States mail, addressed as set forth above or as most recently designated by the addressee as provided herein, with sufficient postage attached for first class mail or certified mail, as the sender may elect.

Section 7.04. Attorneys’ Fees.

Seller and Buyer shall separately bear the fees and expenses charged by their respective counsel (if any) in connection with the preparation, negotiation and Closing of this Contract. In any litigation between the parties regarding this Contract, the losing party shall pay to the prevailing party all reasonable expenses, including but not limited to reasonable attorneys’ fees and court costs, incurred by the prevailing party.

Section 7.05. Brokers.

Buyer and Seller are representing themselves in this transaction and neither have employed any other broker. Richard C. Watkins is a member of the Buyer and is a licensed real estate agent in the State of Missouri. Theodore Folkert, the Seller, is a licensed real estate agent in the state of California.

Section 7.06. Waivers; Remedies Cumulative.

Neither a failure by either party to exercise any of its rights or remedies relating to this Contract nor any delay by either party in such exercise shall constitute a waiver of any right or remedy hereunder. Any waiver of any right by either party shall be effective only if specified in
writing and signed by the party to be bound by such waiver. All rights and remedies of the parties under this Contract, under applicable law and/or in equity shall be cumulative, and no single or partial exercise of any such right or remedy shall prevent any other or further exercise thereof.

Section 7.07. Further Documents.

Seller and Buyer each agree to execute any and all further documents and instruments required to give effect to the terms and provisions of this Contract.

Section 7.08. Captions.

The captions contained herein are included for convenience of reference only and shall not be deemed to define, limit or otherwise affect the meaning or interpretation of any term or provision of this Contract.

Section 7.09. Construction of Terms.

Any reference in this Contract to a particular gender shall include all genders and singular references shall include the plural and vice versa.

As used in this Contract, the term "person" shall include, but is not limited to, natural persons, corporations, partnerships, trusts, joint ventures and other legal entities, and all combinations of the foregoing natural persons or entities.

If the last day of any time period stated herein shall fall on a Saturday, Sunday or legal holiday, then the duration of such time period shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or legal holiday.

Section 7.10. No Inferences.

No inference in favor of or against either party to this Contract shall be drawn from the fact that such party or any representative of such party drafted all or any portion of this Contract.

Section 7.11. Governing Law, Venue.

This Contract and all matters relating hereto shall be governed by the laws of the State of Missouri. The parties agree that venue of any action arising from or relating to this Contract, the transactions contemplated herein and/or the relationships of the parties hereunder shall be in a court of competent jurisdiction located in Jackson County, Missouri.

Section 7.12. Time of the Essence.

Time is of the essence of this Contract and of each of the separate agreements contained herein.

Section 7.13. Effective Date.

This Contract shall become effective on the date it is executed by the last of the parties to complete execution hereto (the "Effective Date").


This Contract may be executed in two or more counterparts, each of which shall be deemed an original and shall be binding upon any party executing the same and all of which
together shall constitute one and the same document. This Contract shall become effective when all signatories hereto have executed a counterpart hereof.

Section 7.15. Exchange.

The above referenced Seller may assign this contract and his interest hereunder to a qualified intermediary (the "Qualified Intermediary") as defined in the United States Treasury Regulations to act in place of the Seller of the property. Such assignment shall be made in writing. On the assignment of this contract to a Qualified Intermediary, the Qualified Intermediary shall be substituted for the Seller as the Seller of the Property named in the contract. The Parties understand and acknowledge that the purpose of this Assignment to a Qualified Intermediary is to qualify Seller’s acquisition of the replacement property as part of a tax deferred Like-Kind Exchange of real property under section 1031 of the Internal Revenue Code, and all transactions contemplated by this contract shall be implemented accordingly. Buyer agrees to cooperate fully in the exchange and to undertake such accommodations as Seller and his attorneys may reasonably request to accomplish the tax-free exchange at no liability.

Section 7.16. Execution Deadline.

This Contract shall be null and void unless executed by all parties by May 10, 2002.

Section 7.17. Use of Parking.

As part of the contract consideration, Seller agrees to allow Buyer to park vehicles on this property during the contract period. Buyer agrees to use only those spaces currently not rented by Seller during this term.
IN WITNESS WHEREOF, Seller and Buyer have executed this Contract on the date(s) set forth below.

Buyer: WATKINS INVESTMENT GROUP, L.L.C.

[Signature]
Richard C. Watkins, Manager

Date Executed: 4/26/02

Seller: THEODORE FOLKERT

[Signature]

Date Executed: 5/1/02
EXHIBIT A
Legal Description

MCDANIEL'S ADD
LOTS 11 & 12 BLK 8 LY W OF W LI WALNUT ST

AND

MCDANIEL'S ADD
ALL OF LOT 13 & S 8' OF LOT 14 LY W OF W LI WALNUT ST BLK 8
CONTRACT FOR PURCHASE AND SALE OF REAL ESTATE

THIS CONTRACT (the "Contract") is executed (to be effective upon the Effective Date as hereinafter provided) by and between SIX TEN WALNUT, L.P. ("Seller"), and WATKINS INVESTMENT GROUP, L.L.C., a Missouri limited liability company ("Buyer").

IN CONSIDERATION of these Property and the financial benefits which will accrue to Seller and Buyer from this Contract and the consummation of the transaction contemplated herein, and for other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, Seller and Buyer hereby agree as follows:

ARTICLE 1 - Sale and Purchase.

Section 1.01. Agreements to Sell and Purchase Property.

Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller, subject to all terms and provisions of this Contract and the fulfillment of all conditions set forth in this Contract, that certain real property located in Platte County (the "County"), Missouri, together with any structures and improvements currently located thereon and all rights, privileges and appurtenances relating thereto (collectively, the "Property") approximating 12,488.40 square feet, more or less, and located at 610 Walnut, Kansas City (the "City"), Missouri, as legally described on Exhibit A to be attached hereto and made a part hereof.

Section 1.02. Purchase Price.

The purchase price ("Purchase Price") for the Property shall be Three-Hundred Thousand Dollars ($300,000.00). The Purchase shall be payable as follows:

(A) Earnest Money. The sum of Ten-Thousand Dollars ($10,000.00), payable by Buyer's check (the "Earnest Money"), shall be deposited with the Title Company (as hereinafter defined), as escrow agent, not later than three (3) days after execution and delivery of this Contract by both parties to be applied against the Purchase Price at Closing.

(B) Cash Balance. The balance of the Purchase Price (subject to adjustment as hereinafter provided) shall be payable by Buyer at Closing hereunder in immediately available funds.

ARTICLE 2 - Title to be Conveyed; Title Insurance, Survey and Related Matters.

Section 2.01. Title to Property.

Buyer's obligation to complete the purchase of the Property hereunder shall be conditioned upon Buyer's approval of the status of title and all exceptions to title affecting the Property as hereinafter set forth.

Section 2.02. Title Company.

Chicago Title Insurance Company, Kansas City, Missouri ("Title Company") is hereby designated as the title insurance company responsible for issuance of the title insurance commitment and policy required in connection with this Contract and the Escrow Agent responsible for administering the Closing hereunder.
Section 2.03. **Survey.**

Seller shall deliver a current ALTA survey of the property, certified to Buyer by a registered land surveyor reasonably acceptable to Buyer, within forty-five (45) days of the Effective Date which such survey shall be sufficient to remove the Title Company survey exceptions, determine if the Property lies in a flood plain, certify the exact amount of acreage, and identify all easements, exceptions and access to dedicated streets. The Survey shall also certify the exact area, to the nearest square foot of the Property to be purchased hereunder.

Section 2.04. **Title Commitment.**

Seller shall cause Title Company to furnish to Buyer within fifteen (15) days after the Effective Date (as hereinafter defined) its commitment for title insurance (the "Commitment") covering the Property, which shall show Buyer as the proposed insured under an ALTA Owners Policy of title insurance in the amount of the Purchase Price (the "Title Policy"). Closing hereunder shall be conditioned upon the agreement of the Title Company to issue the Title Policy insuring Buyer's fee simple ownership of the Property without exclusions except Permitted Exceptions. Seller shall pay for the cost of the Title Policy.

Section 2.05. **Objections to Title and Survey: Cure Following Objections.**

A. **Objections by Buyer.** Buyer shall specify any liens, encumbrances or other title exceptions affecting the Property to which Buyer objects (the "Title Objections"), as disclosed in the Commitment, or matters which constitute objections to the survey, by written notice to Seller within thirty (30) days after the later of Buyer's receipt of the Commitment or the survey described above. Any exceptions to title which are not objected to by Buyer on or before such date shall be deemed to be permitted exceptions to the survey or to the title hereunder ("Permitted Exceptions").

B. **Cure by Seller.** Seller shall have such time as is necessary to cure, remove or discharge any title or survey Objections of which Buyer gives timely written notice hereunder, and shall complete the cure, removal or discharge of all such objections to the reasonable satisfaction of Buyer as a condition to Closing hereunder. In the event that Seller is unable or unwilling to cure, remove or discharge such objections, on or prior to closing, this contract shall be subject to cancellation by either party upon written notice of cancellation given to the non-canceling party, provided, that the time for closing hereunder may be extended by Seller for such reasonable time as may be necessary to complete such cure, removal or discharge if Seller has commenced and is diligently pursuing such cure, removal or discharge prior to the Closing time initially specified herein. Such extension shall in no case exceed sixty (60) days. Closing shall be automatically extended to a date not earlier than fifteen (15) days after such cure, removal or discharge is completed.

C. **Waiver.** If Buyer has made timely written notice hereunder with respect to any title or survey Objection and the matter objected to is of such a nature that Seller will be unable or unwilling to complete the cure, removal or discharge thereof within a reasonable time after the Closing time initially specified herein, Buyer may either accept conveyance of the Property hereunder notwithstanding the continued existence of the matter objected to, or elect to terminate this Contract, in which event Buyer's sole right and remedy hereunder shall be the return of the Earnest Money to Buyer, following which this Contract shall be null and void and neither Seller nor Buyer shall have any further liability or obligation whatsoever hereunder.

**ARTICLE 3 - Due Diligence Period/Conditions Precedent to Closing.**
Section 3.01. Preliminary Feasibility Study.

Buyer, at Buyer's expense, shall conduct a preliminary feasibility study of the Property to determine whether or not the Property is suitable for Buyer's intended use, including, but not limited to, an evaluation of the economic feasibility of the site for the intended use, an evaluation of zoning, accessibility, use restrictions, topography, soil conditions, environmental conditions, rules and regulations of the City and County, and any other matters which in the Buyer's sole judgment will affect the purchase decision. If in the Buyer's sole judgment the Property is not suitable for the Buyer's intended use and objectives, then the Buyer shall have the right to terminate this Agreement by sending written notice to the Seller within sixty (60) days from the Effective Date of this Agreement or 15 days after the receipt of the survey from Seller whichever is later.

Section 3.02. Investigations by Buyer; Conditions.

Buyer shall have access to the Property at reasonable times during the period commencing on the Effective Date and ending on a date sixty (60) days following the effective date thereof for the purpose of making any detailed investigations and inspections (the "inspection period"). Buyer shall be solely liable for personal injuries or property damage resulting from the presence of Buyer or his designees upon the Property in connection with any such investigations or inspections.

Buyer's obligation to complete purchase hereunder shall be subject to the following conditions:

(A) Environmental Investigation. Buyer shall have received a Phase I environmental report at Buyer's expense reasonably acceptable to Buyer, reflecting investigation concerning any Hazardous Materials or Adverse Environmental Conditions upon or affecting the Property and the status of the Property under applicable Environmental Laws including Wetlands restrictions.

If Buyer has made timely written notice hereunder with respect to any objection or ground for disapproval in connection with any of the foregoing matters in this Section 3.02, Seller shall have the right at its election, but shall not be obligated, to pursue such actions as may be necessary to remedy Buyer's objection, and so long as Seller notifies Buyer in writing of its election to pursue the foregoing actions within seven (7) days after receipt of Buyer's notification concerning Buyer's objections. If Seller does not elect or cannot cure Buyer's objection, Buyer may either accept conveyance of the Property hereunder notwithstanding the continued existence of the matter giving rise to Buyer's objection, or elect to terminate this Contract, in which event Buyer's sole right and remedy hereunder shall be the return of the Earnest Money to Buyer, following which this Contract shall be null and void and neither Seller nor Buyer shall have any further liability or obligation whatsoever hereunder.

ARTICLE 4 - Warranties and Representations.

Section 4.01. By Seller.

Seller warrants and represents to Buyer that:

(A) Authority; Validity; Binding Effect. Seller is authorized to enter into this contract which constitutes the valid and binding agreement of Seller enforceable against Seller in accordance with its terms.

(B) Title. Seller is the owner in fee simple of the Property, subject only to the title exceptions and other matters, if any, which may be disclosed in the Commitment.

(C) Non-Foreign Status. The Seller is not a foreign person selling property as described in the Foreign Investment in Real Property Tax Act ("FIRPTA").
(D) **Inspection and Due Diligence.** Buyer and its officers, engineers, agents, attorneys, accountants, architects and engineers shall have full access to the Property for the purpose of making such inspections, tests, and verifications as they shall deem reasonably necessary.

(E) **Hazardous Materials.** To the best of Seller’s actual knowledge, the Property contains no concentration of hazardous materials in violation of any environmental law.

(F) **Cooperation Regarding Zoning And Site Plan Approval.** Seller shall cooperate fully, at no cost to Seller, to obtain rezoning site plan approval and plat approval for the Property.

**Section 4.02. Survival.**

All warranties, representations, covenants and agreements contained in this Contract shall survive and shall remain in full force and effect after Closing hereunder.

**ARTICLE 5 - Closing.**

**Section 5.01. Time and Place of Closing.**

Subject to fulfillment of all conditions set forth in this Contract, closing of the sale and purchase of the Property under this Contract ("Closing"), which term shall include the delivery of all items and performance of all acts specified in this Article 5 and the agreement of Title Company to furnish the Title Policy as required hereunder, shall take place at the offices of the Title Company or at such other place as may be mutually agreed to by Seller and Buyer on the later of **October 1, 2002.** Closing may take place earlier by mutual agreement of Seller and Buyer.

**Section 5.02. Items to be Delivered by Seller at Closing.**

Seller shall deliver the following items at or prior to Closing:

(A) **Deed.** A Special Warranty Deed (the "Deed"), duly executed by Seller and duly acknowledged, conveying to Buyer an indefeasible title to the Property in fee simple absolute, free and clear of any lien, encumbrance or title exception other than the Permitted Exceptions.

(B) **Title Policy.** The Title Policy in form and content reasonably acceptable to Buyer, or Title Company’s written acknowledgement of its agreement to issue the same.

(C) **Section 1445 Certificate.** A certificate or affidavit as required by Internal Revenue Code § 1445 setting forth Seller’s tax I.D. # and stating Seller is not a foreign person otherwise subject to back-up withholding.

**Section 5.03. Items to be Delivered by Buyer at Closing.**

Buyer shall deliver the following items at or prior to Closing:

(A) **Purchase Price.** The balance of the Purchase Price in immediately available funds (after credit is given for the Earnest Money and after all adjustments provided for in this Contract).

**Section 5.04. Possession.**
Full and unencumbered possession of the Property shall be given to Buyer immediately following Closing hereunder.

Section 5.06. Expenses of Closing: Proration of Taxes.

(A) Expenses of Closing. All title insurance premiums, recording or filing charges, prior year taxes, all installments of special assessments attributable to tax years prior to the year in which closing occurs and broker's commissions shall be paid by Seller. The parties shall pay their own attorneys' fees. Escrow and closing fees shall be divided evenly between Buyer and Seller.

(B) Proration of Taxes. Real estate taxes and installments of special assessments for the current year for the Property shall be prorated between the parties as of the date of Closing on the basis of the calendar year.

ARTICLE 6 - Default and Remedies.

Section 6.01. Remedies Upon Default.

(A) Buyer's Default. If Buyer fails to meet, comply with or perform any of its material covenants, agreements or obligations hereunder within the time limits and in the manner required in this Contract for any reason other than a default by Seller, then, at Seller's election, the Earnest Money shall be paid over by Escrow Agent to Seller on demand, and Seller may retain the Earnest Money as liquidated damages which shall be Seller's sole and exclusive remedy against Buyer under this Contract.

Seller's Default. If Seller fails to meet, comply with or perform any of their material covenants, agreements or obligations hereunder within the time limits and in the manner required in this Contract for any reason other than a default by Buyer, Buyer may pursue any or all rights and remedies Buyer may have against Seller under this Contract, under any applicable law and/or in equity (including but not limited to the commencement of an action for damages and/or a proceeding for specific enforcement of this Contract), all in such order and manner as Buyer may elect.

ARTICLE 7 - Miscellaneous Provisions.

Section 7.01. Casualty and Condemnation.

Seller agrees to give Buyer prompt notice of any casualty adversely affecting the Property or the value thereof prior to Closing and of any actual or threatened taking or condemnation of the Property or any part thereof occurring prior to Closing. If, prior to Closing, any material portion of the Property is damaged or the value thereof is materially reduced by fire or other casualty, or any material portion of the Property is taken in any proceedings relating to eminent domain or by conveyance under threat of any such taking, or if notice of any intended future taking shall be given by any governmental authority with respect to any material portion of the Property, Seller shall give written notice to Buyer of any such event, and Buyer shall notify Seller in writing within ten (10) days after Buyer's receipt of such notice from Seller, of Buyer's election either to terminate this Contract or to complete purchase of the Property hereunder and receive all insurance proceeds and/or condemnation awards payable in connection with such casualty or taking. If Buyer makes the latter election, Seller shall execute and deliver all documents necessary to assign to Buyer all of Seller's interest in such insurance proceeds and condemnation awards.

Section 7.02. Successors and Assigns Bound; Assignment.

This Contract shall inure to the benefit of and shall be binding upon the respective heirs, representatives, successors and assigns of Seller and Buyer. Buyer shall have the right to assign
Section 7.03. Notices.

All notices given in connection with this Contract shall be in writing and shall be directed to the parties at the following addresses (or at such other address(es) as either party may designate from time to time by notice to the other party given in the manner required herein):

To Seller:

SIX TEN WALNUT, LP
C/o Ted Folkert
All City Corporation
517 Ocean Front Walk, Suite 11
Venice, CA 90291

To Buyer, in care of:

Mr. Richard C. Watkins
Watkins & Company, Inc.
7301 Mission Road, Suite 249
Prairie Village, Kansas 66208

with a required copy to:

Mr. Joe Harter
McDowell, Smith, Rice & Gaar
605 W 47 St, STE 350
Kansas City, MO 64112

Notices given hereunder shall be deemed effectively given (1) upon personal delivery of any such notice to the premises of the addressee as set forth above or as most recently designated by the addressee as provided herein or (2) two business days following the deposit of an envelope containing such notice in the United States mail, addressed as set forth above or as most recently designated by the addressee as provided herein, with sufficient postage attached for first class mail or certified mail, as the sender may elect.

Section 7.04. Attorneys' Fees.

Seller and Buyer shall separately bear the fees and expenses charged by their respective counsel (if any) in connection with the preparation, negotiation and Closing of this Contract. In any litigation between the parties regarding this Contract, the losing party shall pay to the prevailing party all reasonable expenses, including but not limited to reasonable attorneys' fees and court costs, incurred by the prevailing party.

Section 7.05. Brokers.

Buyer and Seller are representing themselves in this transaction and neither have employed any other broker. Richard C. Watkins is a member of the Buyer and is a licensed real estate agent in the State of Missouri. Theodore Folkert, the Seller, is a licensed real estate agent in the state of California.

Section 7.06. Waivers: Remedies Cumulative.

Neither a failure by either party to exercise any of its rights or remedies relating to this Contract nor any delay by either party in such exercise shall constitute a waiver of any right or
writing and signed by the party to be bound by such waiver. All rights and remedies of the parties under this Contract, under applicable law and/or in equity shall be cumulative, and no single or partial exercise of any such right or remedy shall prevent any other or further exercise thereof.

Section 7.07. Further Documents.

Seller and Buyer each agree to execute any and all further documents and instruments required to give effect to the terms and provisions of this Contract.

Section 7.08. Captions.

The captions contained herein are included for convenience of reference only and shall not be deemed to define, limit or otherwise affect the meaning or interpretation of any term or provision of this Contract.

Section 7.09. Construction of Terms.

Any reference in this Contract to a particular gender shall include all genders and singular references shall include the plural and vice versa.

As used in this Contract, the term "person" shall include, but is not limited to, natural persons, corporations, partnerships, trusts, joint ventures and other legal entities, and all combinations of the foregoing natural persons or entities.

If the last day of any time period stated herein shall fall on a Saturday, Sunday or legal holiday, then the duration of such time period shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or legal holiday.

Section 7.10. No Inferences.

No inference in favor of or against either party to this Contract shall be drawn from the fact that such party or any representative of such party drafted all or any portion of this Contract.

Section 7.11. Governing Law; Venue.

This Contract and all matters relating hereto shall be governed by the laws of the State of Missouri. The parties agree that venue of any action arising from or relating to this Contract, the transactions contemplated herein and/or the relationships of the parties hereunder shall lie in a court of competent jurisdiction located in Jackson County, Missouri.

Section 7.12. Time of the Essence.

Time is of the essence of this Contract and of each of the separate agreements contained herein.

Section 7.13. Effective Date.

This Contract shall become effective on the date it is executed by the last of the parties to complete execution hereof (the "Effective Date").


This Contract may be executed in two or more counterparts, each of which shall be deemed an original and shall be binding upon any party executing the same and all of which
This Contract may be executed in two or more counterparts, each of which shall be deemed an original and shall be binding upon any party executing the same and all of which together shall constitute one and the same document. This Contract shall become effective when all signatories hereto have executed a counterpart hereof.

Section 7.16. Exchange.

The above referenced Seller may assign this contract and his interest hereunder to a qualified intermediary (the "Qualified Intermediary") as defined in the United States Treasury Regulations to act in place of the Seller of the property. Such assignment shall be made in writing. On the assignment of this contract to a Qualified Intermediary, the Qualified Intermediary shall be substituted for the Seller as the Seller of the Property named in the contract. The Parties understand and acknowledge that the purpose of this Assignment to a Qualified Intermediary is to qualify Seller's acquisition of the replacement property as part of a tax deferred Like-Kind Exchange of real property under section 1031 of the Internal Revenue Code, and all transactions contemplated by this contract shall be implemented accordingly. Buyer agrees to cooperate fully in the exchange and to undertake such accommodations as Seller and his attorneys may reasonably request to accomplish the tax-free exchange at no liability.

Section 7.16. Execution Deadline.

This Contract shall be null and void unless executed by all parties by July 1, 2002.

Section 7.17. Use of Parking.

As part of the contract consideration, Seller agrees to allow Buyer to park vehicles on this property during the contract period. Buyer agrees to use only those spaces currently not rented by Seller during this term.
IN WITNESS WHEREOF, Seller and Buyer have executed this Contract on the date(s) set forth below:

Buyer: WATKINS INVESTMENT GROUP, L.L.C.

[Signature]
Richard C. Watkins, Manager
Date Executed: 6/3/02

Seller: SIX TEN WALNUT, L.P. Subject to the attached Addendum dated 6/11/02

BY: [Signature]
Date Executed: 6/22/02

Its: President, Gritty Corporation, General Partner
EXHIBIT A
Legal Description

ALL OF LOTS 15, 16 AND 17, AND THE SOUTH HALF OF LOT 18, AND THAT PART OF LOT 14 LYING NORTHERLY OF THE ENCROACHMENT LINE AS DESCRIBED AND SHOWN ON MEMORANDUM OF AGREEMENT RECORDED UNDER DOCUMENT NO. A-688806, IN BOOK B-3461, AT PAGE 349, ALL BEIN IN BLOCK 8 MCDANIEL'S ADDITION, A SUBDIVISION IN KANSAS CITY, JACKSON COUNTY, MISSOURI, EXCEPT THAT PART IN STREETS AND ALLEYS.
ADDENDUM TO CONTRACT FOR PURCHASE AND SALE OF REAL ESTATE

This Addendum dated June 22, 2002 to a Contract For Purchase and Sale of Real Estate dated June 3, 2002 by and between WATKINS INVESTMENT GROUP, L.L.C. ("Buyer") and SIX TEN WALNUT, L.P., ("Seller") for the purchase and sale of real estate located at 610 Walnut, Kansas City, Missouri 64106 ("Property")
The terms and conditions of the above referenced Contract For Purchase And Sale Of Real Estate are accepted subject to the following:

Section 1.02 Purchase Price.
Purchase price to be $325,000.

Section 2.03 Survey.
Seller to provide ALTA survey upon execution of contract.

Section 3.01 Preliminary Feasibility Study.
Buyer may terminate within thirty (30) days from the Effective Date or 15 days after receipt of survey.

Section 3.02 Investigations by Buyer.
Investigations to be completed within 30 days.

Section 5.01 Time and Place of Closing.
Closing to take place on or before September 1, 2002.

Section 7.05 Brokers.
Theodore Folkert, Partner of Seller and President of Allcity Corporation, General Partner, is a licensed real estate broker in California.

IN WITNESS WHEREOF, Seller and Buyer have executed this Addendum on the date set forth below.

BUYER: WATKINS INVESTMENT GROUP, L.L.C.
By: Richard C. Watkins, Manager
Date: 7/1/02

SELLER: SIX TEN WALNUT, L.P.
By: Theodore Folkert, President, Allcity Corporation, General Partner
Date: 6/27/02
If the Applicant will lease the project site, indicate: N/A

Legal Name of Owner

Owner's Address:

Owner of land upon completion of the Project

10. LAND ACQUISITION

For each project area, please provide the following:
- A map showing all parcels to be acquired:
- Address of all parcels to be acquired:
- Current owners of all parcels to be acquired:
Is the use of eminent domain anticipated? NOT YET DETERMINED

11. TAX ABATEMENT N/A

For any property for which tax abatement is requested, please provide the following:
- Current or past tax abatement provided for the subject property;
- The purchase price of the land;
- Current assessed value of the land and improvements;
- Project assessed value of the land and improvements upon completion of the project.
12. Please submit evidence of compliance to the affirmative action policy found under Tab F.

Midwest Titan Construction is working on compliance with Linda Daily.

13. Relocation Plan  N/A

Developer will comply with the policies stated in the Relocation Assistance Plan. The following tenants or owners will have to relocate because of this Redevelopment Plan:

No one will be relocated.
Amendment No. 21

EXHIBIT 14
Cost-Benefit Analysis – Projects K1 and I.1
<table>
<thead>
<tr>
<th>ALL DISTRICTS</th>
<th>TOTAL TAXES</th>
<th>BASE REAL ESTATE TAX</th>
<th>REAL PROPERTY TAXES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

**Estimate TIF Revenues**

**Cost Benefit Analysis With TIF**

(1) Assume that high TIF development would not occur (outside the boundaries of the area)
<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Tax</th>
<th>Property Tax</th>
<th>Total</th>
<th>Est</th>
<th>Proposed Tax</th>
<th>Total</th>
<th>Estimated Revenues</th>
<th>Cost Benefit Analysis, Without TIF</th>
</tr>
</thead>
</table>
Amendment No. 22

EXHIBIT 15
Developer’s Affidavit – Western Union Building Project
DEVELOPER'S AFFIDAVIT

STATE OF MISSOURI    )
                        )ss.
COUNTY OF JACKSON     )

1. Rick Watkins, MANAGER of Watkins Investment Group, L.L.C., being first duly
   sworn, states and deposes upon oath as follows:

   1. The Redevelopment Project Area located within the Grand Boulevard Corridor Tax
      Increment Financing Area qualifies as a blighted area, as evidenced in the detailed
      study provided within the Grand Boulevard Corridor Tax Increment Financing Plan.

   2. The Redevelopment Area has not been subject to growth and development through
      investment by private enterprise and would not reasonably be anticipated to be
      developed without the adoption of tax increment financing.

   3. Based on the above factors, it is my opinion that the Redevelopment Project Area (a)
      is a blighted area, (b) has not been subject to growth and development through
      investment by private enterprise, and (c) the cost of curing the existing conditions is
      not economically viable if fully borne by private developers and will not be
      reasonably anticipated to be developed without the adoption of tax increment
      financing.

   The above statements are true and accurate assessments to the best of my knowledge,
   information and belief.

   Further, affiant sayeth not.

                    Rick Watkins, Manager

Subscribed and sworn to before me, a Notary Public this 3rd day of July, 2002

                    Sarah L. Bradley
                    Notary Public

My Commission Expires:

                    7/1/04

[Notary Embossed Stamp]