FIRST AMENDED
WALNUT CREEK APARTMENTS
ECONOMIC DEVELOPMENT AREA
TAX INCREMENT FINANCING PLAN
KANSAS CITY, MISSOURI

January 18, 1990
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I. SUMMARY

The following is a Plan for the redevelopment of an area of approximately 46 acres located between Northeast 42nd Terrace, Davidson Road, Northeast Russell Road and North Troost Avenue in Kansas City, Clay County, Missouri (the "City"). The ground is currently vacant and has never been platted nor developed. Several large water courses run through the site posing an obstacle to development. The area qualifies as an Economic Development Area under Missouri's Tax Increment Financing Statute. This Plan calls for the development of the area by the construction of 350 apartment units with athletic amenities, four swimming pools and a 1 and 1/2 acre lake, together with all necessary utilities and street improvements (the "Redevelopment Project"). This Plan makes a certain amount of payments in lieu of tax ("PILOT") available for use to reimburse project costs on a pay-as-you-go basis, or to retire bonds which may be issued, the proceeds of which will be used to defray project costs at the beginning of the project. The total cost of the project is estimated to be $17,632,002. The total payment in lieu of tax generated by the Redevelopment Project is estimated to be $9,407,349 over a twenty-three year period. Total payment in lieu of tax generated by the project equals about 53% of the total cost of the project, and if present-valued would be much less. However, this Plan proposes that only $2,902,628 or 16% of project costs be reimbursed or bonded. This requires only approximately 31% of the potential PILOT for reimbursement on a pay-as-you-go basis. The Plan calls for the Redevelopment Project to proceed on a pay-as-you-go basis with the flexibility to issue Bonds if the City so determines. The issuance of bonds however is not considered likely. The Plan also calls for using only a portion of the potential PILOT each year to reimburse Project Costs, allowing, if desired, for a surplus to be declared annually for the benefit of the Taxing Districts rather than using all of the potential PILOT until the allowable costs are reimbursed. Request for proposals have already been sent to developers. A developer has been selected to implement this Plan (the "Developer"). The proposal of the Developer selected includes evidence of financial commitments sufficient to complete the Redevelopment Project. This proposal is attached hereto as Exhibit 10, and is considered a part of this Plan.

II. TAX INCREMENT FINANCING

This Plan is adopted pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Missouri Revised Statutes, Section 99.800 through 99.865 (the "Act"). The Act enables municipalities to finance redevelopment costs with the revenue generated from payments in lieu of taxes measured by increased assessed valuation on new development.

The existing assessed value of the Redevelopment Project Area as defined herein will be determined when this Plan is approved and becomes the certified "Total Initial Equalized Assessed Value." The municipality may then issue tax increment bonds to finance redevelopment within the Redevelopment
Project Area. PILOTS, measured by subsequent increases in property tax revenue which would have resulted from increased valuation had Tax Increment Financing not been adopted, are segregated from taxes resulting from the Total Initial Equalized Assessed Value as defined herein, and deposited in a special allocation fund earmarked for bond retirement or payment of Redevelopment Project Costs as defined herein.

III. DEFINITIONS

As used in this Plan, the following terms shall mean:

(1) "Blighted Area", an area which, by reason of the Predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use:

(2) "Conservation Area", any improved area within the boundaries of a redevelopment project area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty five years or more. Such an area is not yet a Blighted Area but is detrimental to the public health, safety, morals or welfare and may become a Blighted Area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning;

(3) "Economic Development Area", any area or portion of an area located within the territorial limits of a municipality, which does not meet the requirements of subdivisions (1) and (2) of this section, and in which the governing body of the municipality finds that redevelopment is in the public interest because it will:

(a) discourage commerce, industry or manufacturing from moving their operations to another state; or

(b) result in increased employment in the municipality; or

(c) result in preservation or enhancement of the tax base of the municipality.
(4) "Municipality", a city, village, or incorporated town or any county of this state;

(5) "Obligations", bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by a Municipality to carry out a redevelopment project or to refund outstanding Obligations;

(6) "Ordinance", an ordinance enacted by the governing body of a city, town, or village or a county or an order of the governing body of a county whose governing body is not authorized to enact ordinances;

(7) "Payment in Lieu of Taxes", those estimated revenues from real property in a development project area acquired by a Municipality, which according to the redevelopment project or plan are to be used for a private use, which taxing districts would have received had a Municipality not adopted Tax Increment Allocation Financing, and which would result from levies made after the time of the adoption of Tax Increment Allocation Financing during the time the current equalized value of real property in the project area exceeds the total initial equalized value of real property in such area until the designation is terminated pursuant to subsection 2 of Section 99.850;

(8) "Redevelopment Plan", the comprehensive program of a Municipality for redevelopment intended by the payment of redevelopment costs to reduce or eliminate those conditions, the existence of which qualified the Redevelopment Project Area as an Economic Development Area, Conservation Area, or Blighted Area, or combination thereof, and to thereby enhance the tax bases of the taxing districts which extend into the Redevelopment Project Area;

(9) "Redevelopment Project", any development project in furtherance of the objectives of the Redevelopment Plan;

(10) "Redevelopment Project Area", an area designated by a Municipality, in respect to which the Municipality has made a finding that there exist conditions which cause the area to be classified as a Blighted Area, an Economic Development Area, a Conservation Area, or a combination thereof;

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

(a) Costs of studies, surveys, plans and specifications;
(b) Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial planning or special services:

(c) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;

(d) Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;

(e) Cost of construction of public works or improvements;¹

(f) Financing costs, including, but not limited to all necessary and incidental expenses related to the issuance of Obligations, and which may include payment of interest on any Obligations issued hereunder accruing during the estimated period of construction of any Redevelopment Project for which such Obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto;

(g) All or a portion of a taxing district's capital cost resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Project, to the extent the Municipality by written agreement accepts and approves such costs;

(h) Relocation costs to the extent that a Municipality determines that relocation costs shall be paid or are required to be paid by federal or state law;

(i) Payments in lieu of taxes;

(12) "Taxing Districts", any Political subdivision of this state having the power to levy taxes;

(13) "Taxing Districts' Capital Costs", those costs of Taxing Districts for capital improvements that are found by the municipal governing bodies to be necessary

¹ Pursuant to § 99.825 R.S.Mo., "Tax incremental financing projects within an economic development area shall apply to and fund only the following infrastructure projects: highways, roads, streets, bridges, sewers, traffic control systems and devices, water distribution and supply systems, curbing, sidewalks and any other similar public improvements, but in no case shall it include buildings."
and to directly result from the Redevelopment Project; and

(14) "Vacant Land", any parcel or combination of parcels of real property without industrial, commercial, or residential buildings which has not been used for commercial or agricultural purposes within five years prior to the designation of the Redevelopment Project Area.

IV. REDEVELOPMENT PLAN AND PROJECT DESCRIPTION

The Tax Increment Financing Commission of Kansas City, Missouri (the "Commission") proposes to undertake the redevelopment of the area described in Exhibit 1 attached hereto (the "Redevelopment Project Area").

For the purpose of redeveloping the Redevelopment Project Area, this Plan (the "Plan") has been prepared by the Commission, and may be recommended to the City Council of the City (the "Governing Body"). The Commission has requested proposals from Developers for the redevelopment of the Redevelopment Project Area. The proposal, which in the opinion of the Commission, will best implement the intent of this Plan is a part of this Plan and is being recommended along with the Plan to the Governing Body.

This Plan will be implemented by construction of the development depicted on the site plans attached as Exhibit 2 and described in the specific objectives of the Plan set forth in Exhibit 3. The Commission may recommend to the City Council that bonds be issued to finance Redevelopment Project Costs (the "Bonds") in an amount which may be serviced by the Payments in Lieu of Taxes resulting from the construction of the improvements according to this Plan. In the alternative, the Commission may recommend that Redevelopment Project Costs, as defined herein, be reimbursed as collection of Payments in Lieu of Taxes allow, without the issuance of bonds.

A. Redevelopment Plan Objectives. The general objectives of the Redevelopment Plan are:

(1) To discourage commerce, industry or manufacturing from moving their operations to another state.

(2) To enhance the tax base of the City and the other Taxing Districts by developing the area to its highest and best use and encouraging private investment in the surrounding area.

(3) To increase employment in the City.

2 A larger, more easily readable version of the site plan may be viewed in the office of the Commission.
B. Specific objectives of this Redevelopment Plan are set forth in Exhibit 3.

V. EXISTING CONDITIONS IN THE PROJECT AREA

A study has been conducted documenting existing conditions in the Redevelopment Project Area. A copy of the study is attached as Exhibit 4.

VI. REDEVELOPMENT PROJECT

A. Redevelopment Activities

1. Acquisition and Clearance

To achieve the objectives of this Plan, property identified on Exhibit 5, "Land Acquisition Map", attached hereto, and made a part of this Plan, may be acquired by the Municipality, cleared, and either (1) sold or leased for private redevelopment or (2) sold, leased, or dedicated for construction of public improvements or facilities. The Municipality may determine that to meet the redevelopment objectives of the Redevelopment Plan, certain property currently listed for acquisition should not be acquired.

The City may devote property which it has acquired to temporary uses prior to such time as property is needed for redevelopment. Such uses may include, but are not limited to, project office facilities, Parking or other uses the City may deem appropriate.

2. Relocation Assistance

There are no occupants or businesses in the Redevelopment Project Area.

3. Assemblage and Disposition of Land

Land assemblage shall be conducted for (1) sale, lease or conveyance to private Developers or (2) sale, lease, conveyance or dedication for the construction of public improvements or facilities. The terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific planning and design controls than those stated in this Plan.

4. Provision of Public Facilities

Adequate public facilities and utilities will be assured to service the entire Redevelopment Project Area.

B. General Land Use

Exhibit 2, the Site Plan, attached hereto and made part of this Redevelopment Plan, designates the intended predomi-
nant land use categories for which tracts in the area will be sold, leased, or otherwise conveyed. The Project shall be subject to the applicable provisions of the municipality's Zoning Ordinance as well as other codes and ordinances as may be amended from time to time.

C. Additional Controls and Design Criteria

The following design controls shall apply to the Plan:

(1) **General**

New development shall create an integrated, unified design.

(2) **Pedestrian Walkways, Streets and Open Walk Spaces**

Streets, pedestrian paths or open walk spaces shall be designed as an integral part of the overall site design, properly related to existing and proposed buildings.

(3) **Parking**

Parking areas shall be designed with careful regard given to orderly arrangement, landscaping, ease of access, and as an integral part of the total site design. Vehicular access to the parking areas shall minimize conflicts with other vehicular and pedestrian movements. Ingress and egress points shall be well distanced from intersections in order to avoid congestion and interference with traffic.

(4) **Landscape Design**

A coordinated landscape program shall be developed in the area to incorporate the landscape treatment sought for open spaces, roads, sidewalks, and parking areas into a coherent and integrated arrangement.

(5) **Schedule of Projects**

In order to maximize program efficiency and with full consideration of availability of funds, a phased implementation strategy will be employed. This action will result in the development schedule set forth in Exhibit 6.

VII. **FINANCING PLAN**

A. **Estimated Project Costs**

Project Costs are defined as and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred in implementing the Redevelopment Plan and project. Such costs are set out in Exhibit 7.

This Plan anticipates the phased construction of the public improvements necessitated by the Project. The Develop-
er will not be obligated to fund all of the public improvement costs set forth in Exhibit 7 (the "Public Improvement Costs"). Rather, the Developer shall be obligated to fund and complete those portions of the Public Improvement Costs of the Project as set forth in column 2 of Exhibit 7 which shall be designated as "Type 1 Public Improvements." Type 1 Public Improvements shall be completed by May, 1990. Thereafter, the Developer or his assignee as approved by the Commission shall complete "Type 2 Public Improvements" as set forth in column 3 of Exhibit 7 as PILOTS are available and on a pay-as-you-go basis unless the Developer chooses to pursue bonded indebtedness or other private financing methods. It is anticipated that the construction of the intersection improvements to Northeast 42nd Street and North Holmes Street (See Exhibits 7 and 7A) will be completed by May, 1991. In no event, however, shall the remaining Type 2 Public Improvements be completed later than May, 2010.

B. Source of Funds

Anticipated sources and amounts of funds to pay project costs are shown on Exhibit 8. Calculations of expected proceeds of payments in lieu of taxes are based on current real property assessment formulas and current property tax rates, both of which are subject to change due to many factors, including statewide reassessment, the effects of real property classification for real property tax purposes, and the rollback in tax levies resulting from reassessment or classification. The estimated payments in lieu of taxes are set forth in Exhibit 9 attached hereto. Furthermore, calculations are based on increases in assessments of 4% every other year that can be expected to result from inflation, with no levy increases, which would have the effect of increasing revenues from payments in lieu of taxes. Bond and land disposition proceeds, if any, will be deposited in a special construction fund for use in payment of project costs.

(1) Payments in Lieu of Taxes

(a) Most Recent Assessed Valuation and Tax Revenue

The total initial equalized assessed value of the Redevelopment Project Area according to records at the Kansas City Assessor's Office is $26,880. The current combined tax levy for the year 1988 is projected to be $7.206 per $100 assessed valuation for land and $6.456 per $100 assessed valuation for improvements. The current annual tax revenue from the Redevelopment Project Area is $1,356.37.

(b) Anticipated Assessed Valuation and Payments in Lieu of Taxes

Upon completion of the Redevelopment Project the assessed valuation of the Redevelopment Project Area is anticipated to be $8,492,849. The increase in assessed valuation therefore is anticipated to be $8,465,969. The
increase by year is shown on Exhibit 9 as is the resulting payments in lieu of taxes available to pay project costs. When complete, the Redevelopment Project Area will annually initially yield an estimated $546,672 in additional taxes.

Implementing the Plan will require committing a portion of the payments in lieu of taxes from the Redevelopment Project to debt retirement or reimbursement of Redevelopment Project Costs. On a pay-as-you-go basis, an overall average of 31% of the potential PILOT would be required to reimburse the allowable costs set forth in Exhibit 7. The Developer constructing Type I Public Improvements will agree to accept 75% of the PILOTS generated during the first five years of the Plan and 50% of the PILOTS generated thereafter (the "Primary PILOTS") to fund reimbursements of all of the allowable costs set forth in Exhibit 7 with the exception of Exhibit 7 Item A.9, Intersection Improvements at Northeast 42nd Street and North Holmes Road. The funds necessary to construct the Intersection Improvements at Northeast 42nd Street and North Holmes will be provided from PILOTS in excess of the Primary PILOTS or funds provided by other sources. In year nine of the Plan and every year thereafter, the Commission may at its option declare no more than 70% of the PILOTS in excess of the Primary PILOTS as surplus and available for distribution to the various Taxing Districts in the Redevelopment Project Area in the manner provided by the Act.

C. Nature and Term of Obligations

Without excluding other methods of financing, Bonds may be issued pursuant to this Plan for a term not to exceed 20 years at an interest rate determined by the Governing Body. In order to market such Bonds, it is estimated that available project revenues must equal 125% - 175% of the annual debt service payments required for the retirement of the Bonds. Revenues received in excess of 100% of funds necessary for the payment of principal and interest on the Bonds may be used to call Bonds in advance of their maturities or used to pay allowable project costs or declared as surplus to become available for distribution annually to the Taxing Districts. Bonds may be sold in one or more series in order to implement this Plan. The estimated date of retirement of the Bonds, if issued, shall be August 1, 2011, which is not more than 23 years from the adoption of an ordinance approving the Redevelopment Project Area.

D. Evidence of Commitments to Finance

Any proposal submitted by a Developer to implement this plan shall include evidence of commitments to provide funds to pay all Redevelopment Project Costs except those paid by payment in lieu of tax proceeds. Such proposal shall be a part of this Plan and be attached hereto as Exhibit 10.
VIII. PROVISIONS FOR AMENDING THE TAX INCREMENT PLAN

This Redevelopment Plan and Project may be amended pursuant to the provisions of the Missouri Real Property Tax Increment Allocation Redevelopment Act.

IX. RELOCATION PLAN

The Redevelopment Project Area is currently vacant. Therefore, it is not anticipated that any occupants or businesses will be displaced. If this situation changes between the approval and the implementation of this Plan, the Developer will adhere to the following requirements:

(a) **Displaced Business**: "Displaced business" shall mean any business that moves from real property within the Redevelopment Project Area as a result of the acquisition of such property by the Developer, its assigns or transferees; as a result of written notice of such entities to vacate such property; or in connection with the demolition, alteration or repair of said property occurring after filing of the Redevelopment Plan.

(b) **Displaced Occupant**: "Displaced occupant" shall mean any occupant who moves from real property within the Redevelopment Project Area as a result of the acquisition of such property by the Developer, its assigns or transferees; as a result of written notice of such entities to vacate such property; or in connection with the demolition, alteration or repair of said property occurring after filing of the Redevelopment Plan.

(c) **Eligibility**: The Developer will make payments to all Displaced Occupants and Displaced Businesses which are in occupancy at least ninety (90) days prior to the date said Displaced Occupant or said Displaced Business is required by the Developer to vacate the premises.

(d) **Special Needs of Displaced**: The Developer will identify needs of Displaced Occupants and Displaced Businesses with special consideration given to income, age, size of family, nature of business, availability of suitable replacement facilities, and vacancy rates of affordable facilities.

(e) **Referrals to New Quarters**: The Developer will provide Displaced Occupants and Displaced Businesses with a minimum of three (3) suitable referral sites, a minimum of ninety (90) days notice of referral sites for handicapped Displaced Occupants and sixty (60) days notice of referral sites for all other Displaced Occupants and Displaced Businesses, prior to the date such Displaced Occupant or displaced business is required to vacate the premises; and will arrange for transportation to inspect
referral sites to be provided to Displaced Occupants hereinafter identified as "Designated Occupants".

(f) **Notice to Vacate:** Every Displaced Occupant and every Displaced Business shall be given a ninety (90) day notice to vacate; provided, however, that the Developer may elect to reduce the notice time if the Developer extends the relocation payments to any affected Displaced Occupant or Displaced Business by said reduction.

(g) **Designated Occupants:** shall mean handicapped Displaced Occupants and those Displaced Occupants who are 65 years of age or older at the time of the notice to vacate or who have an income less than the average median income for the metropolitan area as certified annually by the Director of City Development based upon the standards established by the Department of Housing and Community Development.

(h) **Payments to Occupants:** All Displaced Occupants eligible for payments shall be provided with relocation payments based upon one of the following, at the option of the occupant:

(1) A certified lump sum payment of $500 to be paid at least thirty (30) days prior to the date the occupant is required to vacate the Premises; or

(2) Actual reasonable costs of relocation including actual moving costs, utility deposits, key deposits, storage of personal property up to one month, transfer fees, and other initial rehousing deposits.

(i) **Handicapped Occupants:** In addition to the payments provided herein an additional relocation payment shall be provided to handicapped Displaced Occupants which shall equal the amount, if any, necessary to adapt a replacement dwelling to substantially conform with the accessibility and useability of such occupant's prior residence, such amount not to exceed four hundred dollars ($400.00).

(j) **Payments to Business:** All Displaced Businesses eligible for payments hereunder shall be provided with relocation payments based upon the following, at the option of the business:

(1) A specified lump sum payment of $500.00 to be paid at least thirty (30) days prior to the date the business is required to vacate the premises; or

(2) Actual costs of moving including costs for packing, crating, disconnecting, dismantling, reassembling and installation of all personal equipment and costs for relettering signs and replacement stationery.
(k) **Waiver of Payments**: Any occupant who is also the owner of premises and any business may waive their relocation payments set out above as part of the negotiations for acquisition of the interest held by said occupant or business. Said waiver shall be on a form supplied by the Secretary of the Commission and filed in his office. The Developer shall not be required to pay relocation benefits respecting any interests acquired through negotiations.

(l) **Notice of Benefits**: All occupants and businesses eligible for relocation benefits under this Plan shall be notified in writing of the availability of such relocation payments and assistance, such notice to be given concurrent with the notice of referral sites set forth in this Plan.

(m) **Roster of Displaced Occupants and Businesses**: A roster of those occupants and businesses which will be displaced as a result of implementation of the Plan is attached hereto as Exhibit 11.
EXHIBIT 1
LOCATION AND LEGAL DESCRIPTION

The Redevelopment Project Area is located within the following boundaries:

North Boundary 42nd Terrace N.E.
East Boundary Davidson Road
South Boundary N.E. Russell Road
West Boundary North Troost Avenue

LEGAL DESCRIPTION

All that part of Tracts 7, 8, 9 and 10, and portions of roadways adjoining said tracts as shown on the Commissioner's Plat in the Case of Elizabeth Russel, et al. vs. Grace Mary Roy, No. 9620 and that part of Block 8, NORTHGATE, a subdivision of land, all in the Southwest Quarter of Section 1, Township 50, Range 33, in Kansas City, Clay County, Missouri, and all more particularly described as follows: Commencing at a point on the East line of the West Half of the Southwest Quarter of said Section 1, 540 feet South of the Northeast corner thereof which point is the Southeast corner of Lot 9, Block 28, CRESTVIEW, a subdivision of land in said city, county and state; thence South 89 degrees 58 minutes 20 seconds West, along the South line of said Lot 9 and its prolongation West, 167.54 feet to the Southeast corner of Lot 13, Block 27 in said CRESTVIEW and the point of beginning of the tract of land to be herein described; thence South 9 degrees 54 minute East along the Westerly line of North Virginia Avenue, as now established, 8.70 feet; thence continuing Southeasterly, Southerly and Southwesterly, along said Westerly line, being a curve to the right from the last described course as a tangent, having a radius of 7470 feet, the initial tangent of which bears North 89 degrees 52 minutes 53 seconds East, 152.79 feet; thence South 88 degrees 56 minutes 48 seconds East, tangent to the last described course and along said Southerly line, 15.47 feet to a point on the East line of said Half Quarter section and the Northwest corner of said Block 8, NORTHGATE, thence South 0 degrees 09 minutes 20 seconds West along the West line of said Block 8, and along the East line of the West Half of the Southwest Quarter of said Section 1, 150 feet to a point 855 feet South of the Northeast corner thereof; thence South 41 degrees 57 minutes 57 seconds West, 300 feet; thence South 27 degrees 20 minutes 23 seconds East, 264.66 feet; thence South 37 degrees 17 minutes 05 seconds East, 128 feet South of the Northeast corner thereof, said point being also on the West line of said Block 8; thence continuing South 37 degrees
17 minutes 05 seconds East, 480.14 feet to a point on the Southeasterly line of said Block 8, 400 feet Northeasterly from the most Southerly corner thereof, measured along said Southeasterly line; thence South 47 degrees 01 minutes of 16 seconds West, along said Southeasterly line, 400 feet to said most Southerly corner and a point on the East line of said Half-Quarter section; thence South 0 degrees 09 minutes 20 seconds West, along said East line, 328.68 feet to a point on the Westerly line of Davidson Road, as now established; thence South-Westerly and Southerly along said Westerly line, being a curve to the left, having a radius of 440 feet, a distance of 189.07 feet to a point 40 feet West of the East line of said Half Quarter section; thence South 0 degrees 09 minutes 20 seconds west tangent to the last described course and along said Westerly line 33.17 feet to a point on the North line of Russell Road, as now established; thence Westerly along said North line to the East line of the West 10 acres of said Tract 10; thence Northerly along said East line, being also the East line of Hartman Hills, a subdivision in said city, county and state, 618.96 feet to a point on the North line of said Tract 10; thence Westerly along said North line and along the North line of said Hartman Hills and along the North line of Cariddi Acres, a subdivision of land in said city, county and state, 702.39 feet to a point on the East line of North Troost Avenue, as now established; thence Northerly, along said East line of North Troost Avenue, as now established; thence Northerly, along said East line to the North line of Parvin Road, as now established; thence West along said North line 165 feet, more or less to the East line of North Troost Avenue, as now established 20 feet East of the West line of said Section 1; thence Northerly along said East line to the South line of lands acquired by Kansas City, Missouri under Ordinance No. 19358 approved August 12, 1955, and amended by Ordinance No. 21676 approved July 5, 1957; thence Easterly along the South line of said Lands acquired by Kansas City, Missouri to the Southeast corner thereof; thence Northerly along the East line of said lands acquired by Kansas City, Missouri to the South line of said CRESTVIEW; thence Easterly along said South line, 800.73 feet, more or less to the point of beginning.
EXHIBIT 3

SPECIFIC OBJECTIVES OF REDEVELOPMENT PLAN

(1) To construct 350 apartment units with athletic amenities, four (4) swimming pools, and a one and one-half (1-1/2) acre lake.

(2) To connect Northeast Parvin Road with N.E. 42nd Street.

(3) To install, repair, construct, reconstruct, and relocate streets, utilities, sidewalk improvements, essential to the preparation of the Redevelopment Project Area.

(4) To upgrade and refurbish utilities and other infrastructure facilities serving the Redevelopment Project Area as well as other areas contiguous thereto.

(5) To vacate any existing public rights-of-way inconsistent with the Plan and make them a part of the redevelopment site.

(6) To replat the land into parcels suitable for redevelopment in accordance with this Redevelopment Plan.

(7) To improve the intersection at N.E. 42nd Street and North Holmes Street.
The census tract is bounded by North Oak on the west, N.E. 32nd Street on the south, and Interstate 29/35 on the east and north sides. The following are statistics compiled for Census Tract 202.1 and the four surrounding census tracts:
### Area Demographic and Economic Data

#### Population

<table>
<thead>
<tr>
<th>Census Tract</th>
<th>1970</th>
<th>1980</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>202.1 (Matrix Property)</td>
<td>4,322</td>
<td>4,016</td>
<td>- 7.0%</td>
</tr>
<tr>
<td>202.2</td>
<td>2,634</td>
<td>2,445</td>
<td>- 7.2%</td>
</tr>
<tr>
<td>203</td>
<td>6,115</td>
<td>5,997</td>
<td>- 1.9%</td>
</tr>
<tr>
<td>204</td>
<td>2,416</td>
<td>2,783</td>
<td>+13.5%</td>
</tr>
<tr>
<td>205</td>
<td>6,086</td>
<td>6,108</td>
<td>+ 0.4%</td>
</tr>
</tbody>
</table>

#### Mean Income Per Household

<table>
<thead>
<tr>
<th>Census Tract</th>
<th>1970</th>
<th>1980</th>
<th>% Change</th>
<th>% Over 202.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>202.1 (Matrix Property)</td>
<td>$11,975.00</td>
<td>$19,452.00</td>
<td>+62.4%</td>
<td>---</td>
</tr>
<tr>
<td>202.2</td>
<td>$19,631.00</td>
<td>$34,957.00</td>
<td>+78.1%</td>
<td>79.7%</td>
</tr>
<tr>
<td>203</td>
<td>$13,490.00</td>
<td>$23,570.00</td>
<td>+74.7%</td>
<td>21.2%</td>
</tr>
<tr>
<td>204</td>
<td>$12,860.00</td>
<td>$21,160.00</td>
<td>+64.5%</td>
<td>8.8%</td>
</tr>
<tr>
<td>205</td>
<td>$11,650.00</td>
<td>$21,924.00</td>
<td>+88.2%</td>
<td>12.7%</td>
</tr>
</tbody>
</table>

#### Housing Sales (Median Price Asked)

<table>
<thead>
<tr>
<th>Census Tract</th>
<th>1980</th>
<th>% Over 202.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>202.1 (Matrix Property)</td>
<td>$30,000.00</td>
<td>---</td>
</tr>
<tr>
<td>202.2</td>
<td>$128,400.00</td>
<td>328.0%</td>
</tr>
<tr>
<td>203</td>
<td>$57,500.00</td>
<td>91.7%</td>
</tr>
<tr>
<td>204</td>
<td>$57,500.00</td>
<td>91.7%</td>
</tr>
<tr>
<td>205</td>
<td>$45,000.00</td>
<td>50.0%</td>
</tr>
</tbody>
</table>

(From the 1970 and 1980 Census of Population and Housing, Kansas City, Missouri - Kansas City)
The History of the Property

The property studied is owned by Matrix Realty Associates, a Missouri Limited Partnership. It was deeded to this partnership by way of Fred C. Kay and wife from Matrix Realty, Incorporated, by warranty deeds recorded March 4, 1987. Fred Kay is an officer of the Matrix Realty, Incorporated. Matrix Realty, Incorporated purchased the subject property from Home Building Corporation, by a warranty deed recorded November 4, 1985.

This previous owner, whose president at the time was Neal Reyburn, reportedly had attempted to gain approval from Kansas City officials to develop the property with apartments. According to Mr. Dave Miller with Matrix Realty, Incorporated, City officials denied Mr. Reyburn's request for rezoning. The earliest proposed uses for the subject property were single family residential when the Crestview Housing Company owned it.

Assessed Valuation and Real Estate Taxes

The 1987 assessed valuation and real estate taxes for the parcels constituting the subject property are as follows:

<table>
<thead>
<tr>
<th>County Tax Account No.</th>
<th>Assessed Valuation</th>
<th>Clay County</th>
<th>Kansas City</th>
</tr>
</thead>
<tbody>
<tr>
<td>17-311-07-01</td>
<td>$6,880.00</td>
<td>$266.94</td>
<td>$119.44</td>
</tr>
<tr>
<td>17-311-07-03</td>
<td>5,450.00</td>
<td>214.46</td>
<td>94.62</td>
</tr>
<tr>
<td>17-311-07-05</td>
<td>4,980.00</td>
<td>193.22</td>
<td>86.45</td>
</tr>
<tr>
<td>17-311-07-14</td>
<td>4,200.00</td>
<td>162.94</td>
<td>72.91</td>
</tr>
<tr>
<td></td>
<td>$21,510.00</td>
<td>$834.56</td>
<td>$373.42</td>
</tr>
</tbody>
</table>

The total taxes produced by this property is $1,207.98. The property also incurred $45.57 in City penalties not included in the taxes above for late payment. Since previous owners of the subject tract have not been successful in seeking development of the tract, the Tax Increment Financing plan sought by Matrix Realty appears to be a means by which the tax base of the municipality will be preserved and even enhanced.
The Description of the Site

The Matrix Realty property is an irregular shaped, inside tract containing 46.011 acres according to the legal description. The planimetry of the tract shows that 9.513 acres are in open field and that 36.498 acres are completely covered with trees, dense foliage and creeks. The tract has no history of ever having any improvements.

The tract has limited frontage on five streets: It has 385.0 feet of frontage on N.E. Russell Road and 222.3 feet on N.E. Davidson Road in the southwest corner of the tract. The tract has 152.8 feet of frontage on N.E. 42nd Terrace and 168.3 feet on North Virginia in the northeast corner of the property. On the west side, the tract has 550.0 feet of frontage along completed sections of North Troost. North Troost is not presently a through street, as it dead-ends at the south side of the subject property and along the west edge of the property before it juts eastward.

There is also a dedicated right-of-way for Parvin Road running through the subject property. The dedicated right-of-way continues Parvin Road into N.E. 42nd Street, which presently dead-ends at North Troost. Parvin Road presently ends at the east edge of the subject property. Traffic from this road runs into either north or south bound Davidson Road. Also having a dedicated right-of-way through the subject property is North Tracy, which comes off of Russell Road and dead-ends at the south edge of the tract.

The approximately 9.5 acres in open fields are contained in two areas. One is located at the northeast corner of the tract and contains 5.3 acres and the other is along North Troost and contains 4.2 acres. The creek and its various tributaries outline the boundaries of these fields, thus limiting the amount of open-field area on the tract.

The wooded area, totaling 36.5 acres, is composed of trees of widely varying thickness, both live and dead. There are numerous fallen and falling dead trees. Some have fallen onto other trees and it is only a matter of time before they fall completely to the ground. In several places fallen trees have been placed over the creek as a means of crossing it. The foliage cover in this treed area is very thick and difficult to walk through. There are three or four paths worn through this area. It is very difficult to cross most of the creek and its tributaries except via these paths.

The creek is the major cause of the unmanagability of this tract. The main channel of this creek enters from the northwest corner and twists and turns southeasterly until it
exits at the extreme southeast corner. The creek is met by two relatively significant tributaries and by at least six minor gullies, as identified on a subdivision study of the subject property, last dated February 24, 1972, by the Tuttle-Ayers-Woodward Company for the Crestview Housing Company.

As of the date of the interior inspection by Mr. John Daly on May 19, 1988, the Kansas City Metropolitan area had received little or no rainfall for two to three weeks. Several of the creek beds were dry, and the main channel had a weak but steady flow.

The elevation of the wooded portions of this property vary greatly, due in large part to the creek. From the same subdivision study noted previously, the highest point is in the southwest corner of the tract where the elevation is 210.0 feet. The elevation of the northeast corner is nearly the same at 205.0 feet, and the northwest corner elevation is 195.0 feet.

The creek is the lowest point on the tract, reaching a low of 145.0 to 150.0 feet over most of its course through the tract. The creek has produced severe erosion throughout its course and also throughout its tributaries. The drop-off to the creek is sometimes dangerously steep, falling quickly in the areas around the creek. The creek bed is probably 3.0 to 4.0 feet lower than the lowest elevation listed. Due to erosion, trees that line the creek are undoubtedly loose and in danger of falling. Several examples of this are evident.

The tract has several areas where dumping has accrued, in small and large amounts. Several air conditioners have been dumped into a gully on the west side of the tract, a large block of concrete lies near the creek in the southwest corner and, by observation of the consultant, several items of debris are scattered throughout the tract.

The subject tract remains a very rough tract with trees, foliage and creek beds controlling approximately 80.0 percent of the tract. The interior of the tract is difficult to walk through.
LOCATION OF CREEKS, WATERWAYS AND DEAD-END STREETS
EXHIBIT 4

EXISTING CONDITIONS STUDY

The Redevelopment Project Area consists of approximately 46.01 acres that is in the City of Kansas City, Missouri, upon which no improvements are now constructed. The land currently has several streams flowing through it forming ravines. It has never been platted. It is currently zoned R2b "two family dwellings." It is a leftover piece of ground with development all around it. It is obviously undesirable for development in its current state. It stands to reason that if it were desirable for development, it would have been included as a logical extension of one of the developments around it. The area is not "Blighted" as defined in § 99.805(1) R.S.Mo., nor is it a "Conservation Area" as defined in § 99.805(2) R.S.Mo.

The study of Mr. William Davis is part of the Developer's proposal set forth in Exhibit 10 and, therefore, part of this plan.
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STUDY OF ECONOMIC DEVELOPMENT AREA
WALNUT CREEK APARTMENTS
N. E. RUSSELL AND DAVIDSON ROADS
KANSAS CITY, MISSOURI
REGISTER NO. 8274

APPRaisal ASSOCIATES
1009 BALTIMORE
KANSAS CITY MISSOURI
May 27, 1986

Mr. Richard B. Katz, Attorney
Schleicher, Latz, Loyd,
Patterson and Lacey
418 Plaza Center Building
800 West 47th Street
Kansas City, Missouri 64112

Re: Study of Economic Development Area
Walnut Creek Apartments
N.E. Russell and Davidson Roads
Kansas City, Missouri
Register No. 6274

Dear Mr. Katz:

Enclosed herewith for your consideration is my study of Economic Development Area as it relates to the above referenced 46.011 acre area. The property studied was inspected by the consultant on May 14, 1986. Much of the work of this report was completed by Mr. John Daly, a member of the Appraisal Associates staff.

After a careful inspection of the property referred to, it is the judgment of the consultant that the area is an Economic Development Area as defined and outlined in the Real Property Tax Increment Allocation Redevelopment Act, Section 99.505. The accompanying report contains the economic and descriptive data and reasoning of the consultant in developing this conclusion.

The consultant takes no responsibility for matters which are legal in nature. No responsibility is taken for surveys or data furnished by others. The consultant has no undisclosed interest in this or any other property which would influence the conclusions reached. The conclusions indicated in this report bear no relation to the fee charged.
This report has been made for the exclusive use of the attorneys representing Matrix Realty, Incorporated for planning purposes. Its use by other persons or for other purposes is strictly prohibited. The use of part of this report without the consideration of the whole is strictly prohibited and this report, when used in this manner, is null and void and of no effect.

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 author, particularly as to conclusions reached, the identity of the consultant or firm with which he is connected or any reference to the American Institute of Real Estate Appraisers or to the MAI designation.

"The American Institute of Real Estate Appraisers conducts a voluntary program of continuing education for its designated members. MAIs and RMs who meet the minimum standards of this program are awarded periodic educational certification. I am certified under this program through September 15, 1989."

I, the undersigned, do hereby certify that to the best of my knowledge and belief, the statements in this report are correct, subject to the limiting conditions herein set forth; also, that this report has been made in conformity with the Rules of Professional Ethics of the American Institute of Real Estate Appraisers of the National Association of Realtors.

Respectfully submitted,

[Signature]

William D. Davis, Jr.
MAI, SREA, ARA, CAR, CRE
PHOTOGRAPHS OF THE SUBJECT PROPERTY
Looking East
North Tronst And
42nd Street
5/13/88 3:00 p.m.

PHOTOGRAPHS OF THE
SUBJECT PROPERTY

Looking South
At Virginia
Dead-end
5/13/88 3:15 p.m.

Looking West
Typical Interior
5/13/88 2:15 p.m.
INTRODUCTION TO THE REPORT
INTRODUCTION TO THE REPORT

The purpose of this report is to study the specific 46.011 acre tract generally bounded by N.E. Russell Road, N.E. Davidson Road, N.E. 42nd Terrace and N.E. 43rd Street, and North Troost, as to being an Economic Development Area within the confines of its definition in the Real Property Tax Increment Allocation Redevelopment Act. The tract, owned by Matrix Realty Associates, Limited Partnership, is to be developed with the Walnut Creek Apartments.

This report will be divided into two sections. The first part will concern the descriptions and facts about the property and surrounding area. The second part will concentrate on the specific conditions necessary for the designation of an area as an Economic Development Area, and how these conditions relate to the subject property.

As mentioned in Section 99.805, an Economic Development Area is defined as follows:

"Any area or portion of an area located within the territorial limits of a municipality, which does not meet the requirements of a blighted area or conservation area, and in which the governing body of the municipality finds that redevelopment is in the public interest because it will:

A) Discourage commerce, industry or manufacturing from moving their operations to another state; or

B) Result in increased employment in the municipality; or

C) Result in preservation or enhancement of the tax base of the municipality;
THE PROJECT
THE PROJECT

The development proposed for this tract is known as the Walnut Creek Apartments. There are 350 units planned on this 46.041 acre tract, to be built in 25 buildings. There are plans for 210 one-bedroom units and 140 two-bedroom units. There is also a clubhouse planned, as well as several accessory buildings. There will be 275,000.0 square feet of total building area in the project. It will be expected to support 350 multi-family housing units.

The monthly rental rates for the one-bedroom units reportedly will be in the $400.00 to $500.00 range, and the two-bedroom rates will be in the range of $500.00 to $600.00.

The project is planned to proceed under its present R2-b zoning, which is restricted to single family and duplex units. The lot area allowed, on a per unit basis, meets R2-b requirements.

The streets which generally service the area now dead-end at the property line as this is a very rough tract with numerous waterways and elevation changes. The streets are generally blacktop with open ditch drainage and lacking curb and gutter. They also generally lack sidewalks. As part of this development Parvin Road will be extended from its present end at N.E. Davidson Road to connect with N.E. 42nd Street and will be a through street. N.E. Tracy will also be extended from its present dead-end north of Russell Road to connect with Parvin Road. Four private drives servicing the Walnut Creek Apartments extend both north and south from the Parvin Road extension.
THE PROPERTY
THE PROPERTY

Location

The property studied is an inside tract with only a small amount of street frontage. It is located north of N.E. Russell Road and west of N.E. Davidson Road. It is generally bounded by N.E. Russell Road on the south, N.E. Davidson Road on the east, N.E. 42nd Terrace and N.E. 43rd Street on the north, and North Troost on the west, but does not contain all the property therein, as most of the road frontages are generally already developed. Interstate 29/35 lies approximately 1/8 mile east of the property. At this point Interstate 29 breaks from 35. Interstate 29 curves to the west and Interstate 35 curves to the east.

Legal Description

The property studied is legally described as follows:

All that part of Tracts 7, 8, 9 and 10, and portions of roadways adjoining said tracts as shown on the Commissioner's Plat in the case of Elizabeth Russell et al vs. Grace Mary Roy, No. 9620 and that part of Block 8, Northgate, a subdivision of land, all in the Southwest Quarter of Section 1, Township 50, Range 33, in Kansas City, Clay County, Missouri, and all more particularly described as follows: Commencing at a point on the east line of the west half of the Southwest Quarter of said Section 1, 540 feet south of the northeast corner thereof, which point is the southeast corner of Lot 9, Block 28, Crestview, a subdivision of land in said city, county and state; thence South 89° 58' 20" West, along the south line of said Lot 9 and its prolongation west, 167.54 feet to the southeast corner of Lot 13, Block 27, in said Crestview and the point of beginning of the tract to be herein described; thence South 90° 54' East along the westerly line of North Virginia Avenue, as now established, 8.7 feet; thence continuing southeasterly, southerly and southwesterly, along said westerly line, being a curve to the right from the last described course as a tangent, having a radius of 410.0 feet, a distance of 155.76 feet to the southerly line of N.E. 42nd Street Terrace, as now established; thence easterly along said southerly line, being a curve to the right, having a radius of 7,470 feet, the initial tangent of which bears North 89° 52' 53" East, 152.79 feet; thence South 88° 56' 48" East, tangent to the last described course and along said southerly line, 15.47 feet to a point on the east line of said half-quarter section and the northwest corner of said Block 8, Northgate; thence South 0° 09' 20" West along the West line of said Block
and along the east line of the west half of the Southwest Quarter of Section 1, 150 feet to a point 855 feet south of the northeast corner thereof; thence South 41° 57' 57" West, 300 feet; thence South 27° 20' 23" East, 264.66 feet; thence South 37° 17' 05" East, 128 feet to a point on the east line of said half-quarter section, 1415 feet south of the northeast corner thereof, said point being also on the west line of said Block 8, thence continuing South 37° 17' 05" East, 480.14 feet to a point on the southeasterly line of said Block 8; 400 feet northeasterly from the most southerly corner thereof, measured along said southeasterly line; South 47° 01' 31" West, along said southeasterly line, 400 feet to said southerly corner and a point on the east line of said half-quarter section; thence South 0° 09' 20" West, along said east line, 328.68 feet to a point on the westerly line of Davidson Road, as now established; thence southerly and southerly along said westerly line, being a curve to the left having a radius of 440.0 feet, a distance of 193.07 feet to a point 40 feet west of the east line of said half-quarter section; thence South 0° 09' 20" West, tangent to the last described curve and along said westerly line, 33.17 feet to a point on the north line of Russell Road, as now established; thence westerly along said north line to the east line of the west 10 acres of said Tract 10; thence northerly along said east line, being also the east line of Hartmann Hills, a subdivision in said city, county and state, 618.96 feet to a point on the north line of said Tract 10; thence westerly along said north line and along the north line of Hartmann Hills and along the north line of Cariddi Acres, a subdivision of land in said city, county and state, 702.39 feet to a point on the east line of North Troost Avenue, as now established; thence northerly, along said east line to the north line of Parvin Road, as now established; thence west along said north line, 165 feet, more or less, to the east line of North Troost Avenue, as now established 20 feet east of the west line of said Section 1, thence northerly, along said east line to the south line of lands acquired by Kansas City, Missouri under Ordinance No. 19358 approved August 12, 1955, and amended by Ordinance No. 21676 approved July 5, 1957; thence easterly along the south line of said lands acquired by Kansas City, Missouri to the southeast corner thereof; thence northerly along the east line of said lands acquired by Kansas City, Missouri to the south line of said Crestview; thence easterly along said south line, 800.75 feet, more or less to the point of beginning, containing 46.011 acres, more or less, subject to rights-of-way for Parvin Road, North Tracy Avenue and any other roadways and easements of record and not vacated.
Area Description

The Matrix Realty, Incorporated property is located in an area of Kansas City North that is both undeveloped and developed with older single family homes. To the north is the Crestview subdivision. This subdivision has very modest, single family homes which the consultant notes as selling for a range from $25,000.00 to $45,000.00, based on recent "Comparable Listings Sold" publications. They generally have a one-car garage, a single story and relatively small lots. The lot sizes are typically 6,000.0 to 7,000.0 square feet.

At the north west corner of the tract is Crestview Park, and across North Troost on the west is another park with two ball fields. There is a small amount of residential housing on the west side, south of these parks, which are basically better quality than the Crestview houses, having more square feet and typically two-car garages.

South of this down to Russell Road is an undeveloped tract owned by the North Kansas City School District. This tract, like the subject property, has a substantial amount of trees. Along Russell Road are intermittent single family homes with greater than average lot sizes. Due to the irregular shape of the subject tract, what would be the southwest corner is developed with single family homes.

South of Russell Road is a large area of undeveloped land mixed with occasional single family homes with greater than average lot sizes. The consultant notes that a substantial portion of this area is owned by a development company controlled by Leo Eisenberg and Company. The consultant knows of no impending plans for this area.

On the east side of the Matrix Realty, Incorporated property is the Briar Hill Apartments. This is a 226-unit complex, situated along N.E. Davidson Road, that is reportedly 20 years old. Northwest of this is the Saint Patrick's school and parish. North of this is Saint Pius X High School.

This area, known as Census Tract 202.1, had a 1980 population of 4,061. This is a 7.0 percent decline from a 1970 population of 4,322, which evidences a decline in residency and employment in the area. Clay County, however, had a total population of 136,488 in 1980, up 10.3 percent from 123,702 in 1970. Due to the substantial amount of rough, undeveloped land south of Russell Road, most of 202.1 population exists in the northern portion of the census tract.
DISCUSSION OF ITEMS NECESSARY FOR THE
DESIGNATION OF AN
ECONOMIC DEVELOPMENT AREA
Summary of Area, Site Characteristics, and Findings

1. This is an inside tract with a periphery generally developed with older modest homes built prior to planned communities and which are not conducive to attracting new development.

2. The modest sized homes of the now-older Crestview subdivision dominate the northerly part of the area. This is not conducive to new development as economical development of the Matrix Realty tract would require the spreading of fixed costs over more expensive homes.

3. The terrain of the surrounding community is generally rough with blacktop streets lacking curb and gutter and only ditch drainage.

4. The area is depressed, actually losing population in a county which is experiencing good growth.

5. The area is depressed as income per household is the lowest of any census tract in the area and the rate of increase is slowest.

6. The Matrix Realty tract is very rough with a main stream and several hollows and tributaries. This makes street extensions and future project development costly.

7. The tract is dangerous and unsafe with a coverage of dense foliage and dumping.

8. An effort to rezone for apartments by the previous owner had been unsuccessful, however the present owners have successfully rezoned to R2-b from R1-b.

9. Based on the above and foregoing, the redevelopment of the area pursuant to the plan of Matrix will discourage commerce, industry or manufacturing from moving their operations to another state, inasmuch as a rehabilitation and renewal of the subject area attract new commerce and industry.

10. Redevelopment of the subject area will preserve and even enhance the tax base of the municipality inasmuch as the value of the subject tract itself is stagnant, which likewise has a detrimental effect on surrounding properties.
DISCUSSION OF ITEMS NECESSARY FOR THE DESIGNATION
OF BLIGHT AN ECONOMIC DEVELOPMENT AREA

From the definition of an Economic Development Area in
the Real Property Tax Increment Allocation Redevelopment Act,
the consultant has developed several categories of Economic
Development Area and will relate these categories to the
subject property.

1. Discourage commerce, industry or manufacturing from moving
their operations to another state because the proposed
redevelopment will improve and rehabilitate the physical
layout of the area. This will result in increased employment
in the area.

The subject property is a very large, irregular shaped
tract whose layout has prohibited the continuation of several
streets. No less than six streets dead-end because of this
tract's configuration. Off of Russell Road, North Troost and
North Tracy Avenues dead-end at the south property line of the
subject property. Parvin Road, a major east-west artery east
of I-29/35, dead-ends at the east property line of the subject
property. North Virginia Avenue and N.E. 42nd Terrace dead-
end at the northeast property line of the subject property and
each runs into the other at right angles. North Forest Avenue
dead-ends at the northwest property line. N.E. 42nd Street
dead-ends at the west property line of the subject property.

Since this property was formerly owned by the Crestview
Housing Company and was meant to be part of the Crestview
subdivision to the north, most of these streets were meant to
be through streets. In fact, all but North Forest Avenue
were drawn as through streets on a subdivision plan mentioned
earlier by Tuttle-Ayers-Woodward Company last dated February
24, 1972.

Traffic movement into the areas around the subject
property is concentrated on N.E. Davidson and N.E. Russell
Roads. N.E. Russell Road is a two-lane road that rides much
like a roller-coaster because of its severely rolling nature.
For this reason and the fact that there are no sidewalks on
either side of this street, the increased traffic along this
road is a dangerous by-product of a lack of better ingress and
egress from those areas north and west of the subject
property.
The large undeveloped areas on both sides of Russell Road have left much of this portion of Kansas City North very poorly connected because the portion south of Russell Road has virtually no streets that are through-streets east of Howell Street, leaving an area approximately one-half mile by one mile unserviced by roadways.

The effects that the inadequate street layouts may be having on the area of the subject property are essentially social and economic impairment. The inconvenience of present street layouts has created less desirability among the Crestview subdivision homes, which is supported by recent sales prices of homes in the area, which typically range from $25,000.00 to $45,000.00. Lack of existing roadways has contributed to the period of time that the large area south of Russell Road has remained undeveloped.

As to the physical characteristics of the site, there are several window-unit airconditioners that have been dumped into one of the dried-up tributaries of the main creek. There is a large, heavy cement slab that is near the southwest corner of the tract. It is becoming weeded over. There are tires and other assorted items of throw-away trash that are laying in or near the creek, as well as smaller items all over the tract left probably by those who trespass through the woods. There is automobile access far enough into the woods to camouflage dumping, via a dirt path past the dead-end of North Tracy. These conditions can neither be considered safe nor sanitary.

Safety should be a concern of those entering this tract. The heavily wooded and foliated nature of this tract makes sense of direction nearly impossible. Anyone could quickly become lost and confused in this 46.0 acre forest.

The winding nature of the creek and its tributaries, whether dry or flowing, plus the domination of this creek over the entire wooded portion, makes moving around difficult. The consultant found crossing the creek hard enough when portions of it were dry. There are stretches of the creek where it is not advisable to cross.

The creek and its tributaries have created elevations that vary constantly and often times severely. Around the creek the elevation drops as much as 15.0 to 20.0 feet in as many feet, a 45° drop. While the creek maintains a fairly level elevation, the surrounding area rises and falls greatly.
These conditions put tresspassers at risk of injury and disorientation. If an individual were to enter alone, he/she would be unable to summon help in an emergency, such as twisting an ankle or becoming confused and distraught. The dumping on the property will have to be addressed before conditions become conducive to the transmission of disease. These conditions certainly detrimentally effect the tax base of the tract as well as surrounding area.

The subject property is a "passed-over" tract that was once owned by the Crestview Housing Company which developed the Crestview subdivision to the north. Referring again to the subdivision study done by the Tuttle-Ayers-Woodward Company, the irregular shape of the tract and the odd angles of the then-proposed streets have made a single family residential platting impractical. The southeastern and southwestern sections of the tract would be the most difficult to effectively and profitably plat.

The creek also hampers efforts to plat single family lots suited to uses currently in the neighborhood. The creek would have to be significantly altered to allow for its flow and at the same time for effective and most importantly profitable platting. The consultant considers this infeasible due to the range of sales prices for Crestview houses to the north. Due to present development costs, not to mention the added cost of correcting the creek, a developer could not achieve sufficient return on investment from platting housing similar to the Crestview subdivision.

These conditions result in the impracticality and unprofitability of residential platting of the subject property. The Tuttle-Ayers-Woodward study undoubtedly precluded any single family use for the property and led to the consideration of the tract by its most recent two owners for multi-family development.

2. Preservation or enhancement of the tax base of the municipality and increased employment in the municipality.

The subject property, being an unimproved tract producing no income, generates annual negative income of approximately $2,200.00 which is the amount of taxes, insurance and upkeep that are attributable to the property. The property also does not presently support any employment, whereas the projected employment by the Walnut Creek Apartments is twelve with an estimated annual operating payroll of $350,000.00. The 350 families that would occupy the proposed Walnut Creek project, at an updated mean family
income of $29,162.44 ($19,452.00 x 6.24%/Yr. x 8 Yrs.), would produce sales and income taxes commensurate with typical spending patterns.

The highest and best use of the property, based on the present use, the previously discussed potential uses, and the intended use by Matrix Realty, Incorporated, is considered to be the latter, since it is the most profitable likely use to which the property could be put. Thus the tax base impairment caused by the property presently producing no income and supporting no jobs is the full effect of the potential benefit from twelve new jobs and a $350,000.00 annual operating payroll.

The tracts south of Russell Road are in the same circumstances as the subject property. Considering this area along with the subject property and the North Kansas City School District tract to the west, over half of the land of Census Tract 202.1 produces negative income and supports no employment. This is a significant indication of how stagnant and thus economically depressed this area is due to the advanced age of the older subdivisions and the undeveloped nature of the majority of the remaining land.

The 1980 mean household income for Census Tract 202.1 was $19,452.00. This is at least 8.8 percent less than the next lowest neighboring census tract, 204, which is to the northeast. It is a full 79.7 percent less than Census Tract 202.2, immediately to the west. In the ten years between 1970 and 1980, Census Tract 202.1 mean household income increased only 62.4 percent versus an average of 76.4 percent for the four other neighboring census tracts.

Census Tract 205, immediately to the east on the east side of I-29/35, had a 1970 mean household income 2.7 percent less than 202.1, but increased 88.2 percent in ten years and, in 1980, had 12.7 percent greater mean household income than Census Tract 202.1. This neighboring tract is most similar to 202.1 because of its modest homes, less than adequate street layouts, and some, although much less, undeveloped tracts of land.

The consultant has earlier indicated a recent selling range of $25,000.00 to $45,000.00 for those homes in the Crestview subdivision. For comparison purposes, the consultant has used 1980 median asked prices for homes in the five census tracts studied, as taken from the 1980 Census of Population and Housing.
Census Tract 202.1 had an average median asking price of only $30,000.00. Census Tract 205, mentioned above as most comparable to 202.1, had a median asking price 50.0 percent greater. Census Tracts 203 and 204 had nearly 100.0 percent greater median asking prices. Census Tract 202.2 had a median asked price 328.0 percent greater than 202.1. (Please see "Area Demographic and Economic Data" in the Area Description section.)

The consultant considers the conditions of the tract and the area in general to be significant impairments to the chances of this area for development of income producing properties, such as apartments, retail outlets, office buildings, and other improvements to commerce, industry and manufacturing which could result in such activities moving or locating in nearby Kansas. The potential for realizing appropriate investor returns is hindered by low home values, low income of homeowners, and the negative income production from over half of the land in the census tract.
SUMMARY AND CONCLUSIONS
SUMMARY AND CONCLUSIONS

Based on the findings within the body of this report, the consultant summarizes the characteristics of an Economic Development Area found on the subject property, and in the area in general, as follows:

1. The subject tract is a large, irregular shaped tract which forces six streets to dead-end, causing inconvenience to motorists.

2. The undeveloped nature of over half of the land in Census Tract 202.1 has caused the entire area to be poorly serviced by roadways.

3. The lack of roadways in this area has contributed to the lack of development effort among the larger tracts.

4. The subject tract is about 80.0 percent wooded, creating ideal conditions for the trash dumping that has occurred, and thus is a considerable safety hazard.

5. Several large and numerous small items are strewn in various spots, many in or near the creek.

6. The safety of those who enter the tract is threatened by the dense nature of the trees and other foliage. Sense of direction is easily lost.

7. The creek dominates the interior of the wooded portion and makes passage through the tract difficult.

8. As a result of the creek and its tributaries, the elevations change severely at times, over the entire tract.

9. This tract is a "passed-over" tract, having not been developed along with the Crestview subdivision to the north. For this reason and the low sales range for homes in the Crestview subdivision, this tract, in its resultant configuration, is impractical and unprofitable for single family platting.

10. The subdivision study by the Tuttle-Ayers-Woodward Company points out also that the rambling nature of the creek, the uncontrollable elevation variations, and the intended locations of streets would cause increased expense for any development.
11. The subject property produces no income to cover approximately $2,200.00 in annual real estate taxes, insurance and upkeep expenses, resulting in that much negative income.

12. No jobs are supported by this tract versus the twelve jobs and $350,000.00 annual operating payroll planned for the Walnut Creek Apartments. The consultant considers this the difference between its present use and its highest and best use.

13. Negative income is the present status for over half of the land in Census Tract 202.1 and is a significant factor in the lack of recent development in the area.

14. The mean household income of Census Tract 202.1 was an average of 30.6 percent below its four neighboring census tracts. It had also increased the least over the 1970 to 1980 period.

15. The median price asked for homes in Census Tract 202.1 was at least 33.3 percent less than the next lowest of the five census tracts studied.

These conditions indicate that both the subject property and the conditions of the area in general are social and economic liabilities and retard the provision of housing and other development. The consultant therefore judges this area to be an Economic Development Area within the confines of the definition previously stated.
::: = Area to be acquired

Land Acquisition Map
EXHIBIT 6

Development Schedule

Phase I  November, 1988 - July, 1989
Phase II  February, 1989 - August, 1989
Phase III March, 1989 - September, 1989
Phase IV  April, 1989 - November, 1989
Phase V   May, 1989 - February, 1990
Phase VI  June, 1989 - May, 1990

Intersection  Spring 1990 - May, 1991
Improvement at
N.E. 42nd Street
and North Holmes
## EXHIBIT 7
**ESTIMATED REDEVELOPMENT PROJECT COSTS**

<table>
<thead>
<tr>
<th>Col 1</th>
<th>Col 2</th>
<th>Col 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Amount</td>
<td>Amt. to be Reimbursed to Selected Developer Type 1</td>
<td>Amt. to be Reimbursed to Selected Developer Type 2</td>
</tr>
<tr>
<td><strong>A. Public Improvement Costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. TIF Commission Expenses (Including Legal Expenses)</td>
<td>$30,000</td>
<td>30,000</td>
</tr>
<tr>
<td>2. Reimburse City of Kansas City for funding advances to cover costs of Administration, Plan Preparation and additional TIF Commission Expenses.</td>
<td>10,000</td>
<td>10,000</td>
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<tr>
<td>3. North Kansas City School District Costs for Capital Costs and Administrative and Supervisory Activities necessary for Preparation, Development, Implementation and Completion of Plan</td>
<td>89,000</td>
<td>89,000</td>
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<tr>
<td>4. Street Construction:</td>
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<tr>
<td>N.E. Russell &amp; N. Troost</td>
<td>397,800</td>
<td>125,000</td>
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<tr>
<td>N.E. Parvin &amp; N. Tracy</td>
<td>1,359,400</td>
<td>722,386</td>
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<td>5. Street Engineering, Utility, and Design Fees @ 25%</td>
<td>491,670</td>
<td>226,013</td>
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<td>6. Professional fees, water and sewer</td>
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<td>8. Financing Costs:</td>
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<td>Water Mains</td>
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<tr>
<td>Sanitary Sewer</td>
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<tr>
<td>N.E. Parvin and N. Tracy</td>
<td>81,503</td>
<td>81,503</td>
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<td>9. Intersection Improvements N.E. 42nd and N. Holmes as shown on Exhibit 7-A</td>
<td>210,000</td>
<td>210,000</td>
</tr>
</tbody>
</table>

**Public Improvements Total:**

|  | $2,902,828 | $1,418,357 | $1,484,471 |

---

*Note: The Intersection Improvements to N.E. 42nd and N. Holmes are based upon City of Kansas City, Missouri Public Works Department Estimates as of November 1, 1989 and shall only be increased upon Amendment to this Plan. The Costs Estimates are for improvements as shown on Exhibit 7-A.*
### ESTIMATED REDEVELOPMENT PROJECT COSTS - Continued

<table>
<thead>
<tr>
<th>Col 1</th>
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<tbody>
<tr>
<td>Total Amount</td>
<td>Col 2 to Selected Developer</td>
<td>Col 3 to Selected Developer</td>
</tr>
</tbody>
</table>

#### B. Development Site Costs
(Excluding Public Improvements Costs)

1. **Earthwork and site preparation (grading, storm sewers, utility construction, retaining walls, water lines, curb and gutters, paving and sanitary sewers)**
   - Amount: $822,491
   - Col 2: 0
   - Col 3: 0

2. **Landscaping Private Open Space ($10,876.20 x 7.4056 acres)**
   - Amount: $80,478
   - Col 2: 0
   - Col 3: 0

3. **Engineering and Architectural Costs**
   - Amount: $155,000
   - Col 2: 0
   - Col 3: 0

4. **Legal**
   - Amount: $40,000
   - Col 2: 0
   - Col 3: 0

5. **Construction of lake, walkway, gazebo and floating fountain on or near public right-of-way of Kansas City, Missouri Parks and Recreation Department property**
   - Amount: $500,000
   - Col 2: 0
   - Col 3: 0

6. **Land Acquisition ($31,515.00 x 46.01 acres)**
   - Amount: $1,450,005
   - Col 2: 0
   - Col 3: 0

7. **350 Apartment Units, wood, brick and stone construction. All buildings will be two (2) story on the front, three (3) story on the back. 278,950 square feet of floor area.**
   - Amount: $11,125,000
   - Col 2: 0
   - Col 3: 0

8. **Development Fees**
   - Amount: $556,200
   - Col 2: 0
   - Col 3: 0

**Development Site Total**: $14,729,174

- Col 2: 0
- Col 3: 0
EXHIBIT 7
ESTIMATED REDEVELOPMENT PROJECT COSTS - Continued

C. Summary

<table>
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<tr>
<th>Description</th>
<th>Amount 1</th>
<th>Amount 2</th>
<th>Amount 3</th>
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<td>TOTAL PROJECT COSTS</td>
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<td>TOTAL AMOUNT REIMBURSED FROM PILOT</td>
<td>2,902,828</td>
<td>1,418,357</td>
<td>1,484,471</td>
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<tr>
<td>TOTAL DEVELOPER COST</td>
<td>$14,729,174</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

These costs are based on the following current values or cost assumptions:

1. The cost of land acquisition is based on estimated provided by staff of the firm of Walnut Creek Associates Limited Partnership experienced in such matters.

2. The cost of constructing site improvements, public works, and improvements in the area affected is consistent with local experience on comparable projects elsewhere in the City.

3. That normal design, legal, appraisal, title service, and related fees are paid.

4. That all base costs are as of December 1, 1987 (with the exception noted below) and depending on when the work is initiated, an appropriate inflationary factor should be allowed.

5. The Intersection Improvements to N.E. 42nd and N. Holmes are based upon City of Kansas City, Missouri Public Works Department Estimates as of November 1, 1989 and shall only be increased upon Amendment to this Plan. The Costs Estimates are for improvements as shown on Exhibit 7-A.
EXHIBIT 7-A

COSTS FOR INTERSECTION IMPROVEMENTS AT
N.E. 42ND STREET AND NORTH HOLMES

1. Curbing
   Includes driveway turnouts to RCW; curbing on 42nd and
   Holmes to beginning of tapers
   1,230 ft @ $6.00/ft
   $7,380.00

2. Asphalt:
   (a) Holmes: approx. 1,500 sq. yds @ $12.00/sq. yd = 18,000.00
   (b) 42nd W: approx. 900 sq. yds @ $12.00/sq. yd = 10,800.00
   (c) 42nd E: approx. 933 sq. yds @ $12.00/sq. yd = 11,196.00
   $39,996.00

3. Storm
   Essentially same as two lane
   $51,920.00

4. Grading
   Approx. 3,500 yds³ @ $10.00/yc
   $35,000.00

5. Excavation (removal of old surfacing)
   Approx. 1,100 yds @ $10.00/yc
   $11,000.00

6. Driveway Replacement
   Approx. 400 ft @ $25.00/ft
   $10,000.00

7. Sodding and Seeding
   Approx. 1 ac = 4,840 yds @ $3.00/yc
   $14,520.00

8. Fence Replacement
   $2,000.00

9. Mailboxes and Incidental
   $4,000.00

10. Trees and Damages
    $32,000.00

    TOTAL $210,000.00

*Note: This figure has been rounded to $210,000. Actual Estimated Cost is $207,816.00. The reimbursable
amount reflected herein shall only be increased upon amendment of this Plan.
EXHIBIT 8

A. SOURCE OF FUNDS FOR ALL
ESTIMATED REDEVELOPMENT PROJECT COSTS

<p>| | | |</p>
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<td>1</td>
<td>Amount Reimbursed from PILOT</td>
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<td>2</td>
<td>Developer</td>
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### Exhibit 9
**Pilots Projection**

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<th>Projected Equalized Assessed Value, Land</th>
<th>Inflation Rate</th>
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#### Initial Year: Assessed Value

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<th>Pilots</th>
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<td>23</td>
<td>26,880</td>
<td>36,786</td>
<td>9,906</td>
<td>714</td>
</tr>
</tbody>
</table>

**Total:** 9,407,349
PROPOSAL FOR
IMPLEMENTATION OF

Walnut Creek Apartments
Tax Increment Financing Plan

Matrix Realty Associates
Limited Partnership

MATRIX
REALTY INCORPORATED
4218 Roanoke Road, Suite 302
Kansas City, Missouri  64111

Precision Construction, Inc.
4218 Roanoke Road, Suite 302
Kansas City, Missouri  64111

JULY 8, 1988
REALTY INCORPORATED

PROPOSAL OF MATRIX REALTY ASSOCIATES LIMITED PARTNERSHIP AS DEVELOPER
OF THE WALNUT CREEK APARTMENTS REDEVELOPMENT PLAN

COMES NOW, Matrix Realty Associates Limited Partnership, a Missouri Limited Partnership, and in response to published requests for proposals solicited by the Tax Increment Financing Commission of Kansas City, Missouri, for the redevelopment of the Walnut Creek Apartments Tax Increment Financing Plan, pursuant to that certain Walnut Creek Apartments Tax Increment Financing Plan adopted by the Tax Increment Financing Commission of Kansas City and dated July 13, 1988, does hereby submit the following proposal to the Tax Increment Financing Commission of Kansas City.

Matrix Realty Associates Limited Partnership is a Missouri Limited Partnership with Matrix Realty Incorporated as the General Partner and Fred C. Kay, as its only Limited Partner.

MATRIX REALTY ASSOCIATES LIMITED PARTNERSHIP

By: MATRIX REALTY INCORPORATED

By: [Signature]

Fred C. Kay, President

REAL ESTATE & ASSET MANAGEMENT

Westport Plaza
4218 Roanoke Road, Suite 302, Kansas City, Missouri 64111
816-923-9800
Development Proposal Requirement #1: A statement containing the developer's name, address, telephone number, and name of person or persons authorized to represent the "Development Team".

A. Developer's name: Matrix Realty Associates Limited Partnership, a Missouri Limited Partnership

B. Developer's address: c/o Matrix Realty Incorporated
   4218 Roanoke Road, Suite 302
   Kansas City, Missouri 64111

C. Developer's telephone number: (816) 931-9800

D. Developer's authorized representatives: Fred C. Kay
   Douglas J. Patterson
   David L. Miller
Development Proposal Requirement #2: A statement describing the developer's experience, background and accomplishments pertinent to the proposal.

A. Developer's experience: See attached "Projects Developed or Acquired by Applicant."

B. Developer's background: See attached resumes of:

Fred C. Kay, President
David L. Miller, Construction Manager
Vivian S. Smith, Construction Accountant
William C. Leek, Landscape Architect
Todd A. Bodenstab, Architect
Roger D. Patton, Superintendent
Harold W. Brown, Superintendent
Tina M. Brown, Administrative Assistant
| Project Name | Project Code | Address | City | State | Zip | # of Units | # of Beds | # of Baths | # of Stories | Year Built | Project Size | Project Type | Notes |
|--------------|--------------|---------|------|-------|-----|------------|-----------|-----------|-------------|------------|-------------|-------------|--------|-------|
| Project 1    | P1           | 123 Main St | Seattle | WA | 98101 | 100 | 25           | 2           | 2           | 5           | 1980       | 120,000     | Residential | Notes |
| Project 2    | P2           | 345 Market St | Portland | OR | 97201 | 50  | 12           | 3           | 2           | 6           | 1985       | 80,000      | Commercial | Notes |
| Project 3    | P3           | 678 First Ave | San Francisco | CA | 94103 | 75  | 16           | 3           | 2           | 7           | 1983       | 90,000      | Mixed Use | Notes |

**Notes:**
- Acquired by: Realty Incorporated
- Project developed or acquired by applicant.
VILLA WEST SHOPPING CENTER

The Villa West Shopping Center, located in southwest Topeka, offers over 90,000 square feet of prime retail space in the heart of Topeka's strongest retail growth area. The center is situated at the northeast corner of 29th and Wanamaker Road with excellent access and visibility from both major thoroughfares. The surrounding area contains some of Topeka's finest residential housing. Distinctive Spanish architecture, quality construction and premier location make Villa West Shopping Center an excellent retail location.
DORCHESTER APARTMENTS

Dorchester Apartments are ideally located for easy access to the Nelson Art Gallery, UM KC or the Country Club Plaza, Kansas City's most prestigious shopping, dining, and entertainment center.

Each reasonably priced apartment offers a living room, single bedroom, bath, and equipped kitchen with dining area.
Coventry Manor

Coventry Manor Apartments' ideal location in historic Independence offers the discriminating apartment resident a quiet, safe suburban setting with Kansas City's prime shopping, entertainment, and business centers within easy driving distance. Independence Center, one of Kansas City's premier shopping centers, is less than 5 minutes away and Downtown Kansas City only 15 minutes.

Coventry Manor Apartments offers a wide selection of one, two, and three-bedroom apartments and townhomes, each with fully equipped kitchen, dining room, nearby laundry facilities, deck or patio, and convenient parking. Many of the units offer additional amenities such as a peaceful lake view, carport, or private garage. Also, enjoy one of our two swimming pools!
Capital Plaza Building

The Capital Plaza Building's ideal location on Kansas Avenue provides ready access to Topeka's major financial and governmental institutions with the State Capital Building only two blocks away. Its high quality construction assures the discriminating company a comfortable, quiet, and enjoyable office climate. In addition, guaranteed parking is provided to all tenants in the Capital Plaza Garage which is located only a few steps away. The prestigious Capital Plaza Building offers the highest level of quality and convenience available in downtown Topeka.
Name: UTS (United Telephone System)
6666 West 110th Street
Overland Park, Kansas

Age: 1982

Size: 64,300 SF

Occupancy: 100%
Name: Hillsborough Apartments
5401 Foxridge Drive
Mission (Johnson County), Kansas

Age: 1985

Size: 280,000 SF - 261 Units

Occupancy: 90%
Name: Wood View Apartments
3124 Wood View Ridge Drive
Kansas City (Wyandotte County), Kansas

Age: 1987

Size: 320,000 SF - 320 Units

Occupancy: 63%; currently going through lease-up
Fredrick Charles Kay
6333 West 52nd Street
Mission, Kansas 66202
(913) 384-3614

Business Experience

Matrix Realty Incorporated
4218 Roanoke Road, Suite 302
Kansas City, Missouri 64111
(816) 931-9800

August, 1980 - Present

Chairman of the Board and President - Matrix Realty Incorporated:

Founder and sole stockholder. Full service commercial real estate company active in the ownership and management of multifamily, condominium, office and retail properties, additional activities include equity and debt syndications, real estate financing, residential and commercial brokerage and leasing, and development of 900 multifamily units. Real estate portfolio consists of 1,500 multifamily units and 400,000 S.F. of commercial space. Accounting department staffed with treasurer (CPA), controller (CPA), receivables, payable, payroll and general ledger clerks all supported by IBM System 36 computer with fully integrated property management software package. Highly automated office support staff with in-house graphics marketing services. Implementation of employee merit pay system, educational reimbursement program, benefit plan for life, dental, medical, job description training programs and company/property operating manuals.

Specific duties have included development of Matrix business plan, employee development plans, establishment of financial controls, development of company and property budgets, marketing plans, valuation appraisals, market surveys, employee recruiting, hiring, training, supervision, termination, evaluation and reviews. Acquisition of property by private placement syndication and development consisting of land acquisition, zoning, project concept, site planning, architectural plans and specifications, bidding/job costing, construction management, budgets and accounting, construction and permanent financing, marketing/leasing plan, lease up, management, property disposition.
Precision Construction Incorporated
4218 Roanoke Road, Suite 302
Kansas City, Missouri 64111

January, 1986 – Present

Chairman of the Board and President – Precision Construction Incorporated:

Founder and sole stockholder. Construction management company ranked in the top 20 Kansas City Construction firms. Originally formed to perform construction management functions for Matrix Realty development projects. Precision Construction has acted as general contractor/construction manager on the Wood View apartment project (320 units; $13,700,000); re-modeling of United Telephone Systems Building (45,000 S.F.; $1,500,000); Tenant build-out for Kansas Bankers surety company (6,000 S.F.; $50,000); and Walnut Creek Apartments (350 units; $15,000,000) currently in bidding stage. Precision employs 15 employees consisting of project managers, superintendents, assistant superintendents, landscape architect/civil engineer, site work superintendent, laborer crews, treasurer/construction account (CPA), field construction accountant and construction secretaries. Accounting operations are supported by a IBM System 36 and fully integrated Concord construction management software package. All Precision projects and subcontracts are supported by detailed construction budgets and CPM schedules.

Specific duties in this position have included initial working capital funding, new business generation, development of business management and growth plan, financial/accounting controls, development of budget, accounting costs, plans and specification compliance controls, bid documents, bidding awards, project scheduling (CPM), coordination of contract documents, contract scope documents, government regulations and requirements, quality control procedures, field auditing, review drawings prior to construction, subcontractor meetings, preparation, documentation of change orders and back charges, review, processing, approval of subcontractor applications for payment, lender draw requests, substantial completion, final completion, punch lists, as-built drawings, assessing cost responsibility for project problems.

Jones & Company, Realtors and Mortgage Bankers
9401 Indian Creek Parkway
Building 40, Suite 1000
Overland Park, KS 66210
(913) 451-5711

April 1978 – August 1980

Commercial Real Estate Mortgage Banker – Jones & Company

Full Service Real Estate Company. Represented under a correspondent relationship major life insurance companies with respect to the placement of commercial mortgage loans. Responsibilities consisted of new mortgage loan business generation within correspondent lender parameters, complete real estate appraisal/submission packages, loan document preparation, title report and survey review. Substantial amount of time spent assisting Chairman of the Board and Managing Partner of Corporate Wood Office Park Development.
June 1977 - April 1978

Club Manager and Pro - Sports Illustrated Court Clubs/Standard Realty

Developed and implemented marketing plan for opening and operating racquetball and handball clubs, lease-up and operation of club in Flint, Michigan. Responsibilities included construction supervision, pre-opening marketing programs, staffing, opening and on-going operations.

Personal:

Born: October 1, 1954, Topeka, KS
Married: Cynthia Cowherd Kay, May 13, 1978, No children
Father: Douglas C. Kay
President - Airlease, LTD
Grandfather: Balfour S. Jeffrey
Retired: Previous President and Chairman of KPL Gas Service

Education: BS in Business Administration, University of Kansas 3.6 GPA

Membership:
Citizen's Bank Board of Directors
Kansas City Multifamily Association (Past Board Member)
Missouri Real Estate Brokers License
Kansas Real Estate Brokers License
Carriage Club - Member
The Plaza Club - Member
The Breakfast Club - Member and Past President

Interests: Business, Sailing, Scuba Diving, Skiing, Triathlons
DAVID L. MILLER  
7601 Canterbury Road  
Prairie Village, Kansas 66208  
(913) 842-8305

PERSONAL  
Born: March 23, 1951; Iola, Kansas  

EDUCATION  
B.A. in Political Science, University of Missouri  
at Kansas City  
1973

M.A., Urban Administration University of Missouri  
at Kansas City  
1981

WORK EXPERIENCE  
Project Manager for Precision Construction, Incorporated  
1983 to Present

Served as Owners Representative during construction of  
Hillsborough Apartments in Mission, Kansas, a 261 unit  
apartment project. Project Manager on the following  
projects: Woodview Apartments in Kansas City, Kansas, a 320  
unit apartment project; $1,500,000 re-modeling of United  
Telephone Systems Building in Overland Park, Kansas; $30,000  
tenant build-out for Kansas Bankers Surety in Topeka,  
Kansas; Walnut Creek Apartments a 350 unit project presently  
in bidding stage.

Specific duties in this position have included development  
of the project budget, development of the project schedule,  
coordination of contract documents, development of contract  
scope meeting all City requirements, keeping daily logs,  
interpretation of plans and specifications, review of  
drawings prior to construction, development of bid  
documents, conducting subcontractor meetings, inspection of  
work and issuance of punch lists, preparation and execution  
of change orders, review and processing of applications for  
payment, arranging substantial completion and final  
completion inspections, maintenance of as-built drawings,  
assessing cost responsibility for project problems.
Assistant to the Mayor and Public Works Director for the
city of Mission, Kansas. Supervised the administrative
to
functions of a municipality as a City Administrator.
Developed and monitored operations budgets, administered
Federal, State and County grant programs; wrote City Council
Agendas; developed personal procedure manuals, and did all
grant proposal writing for the City. Initiated, managed and
monitored several intersection and traffic signal
improvements, street maintenance programs, and pavement
management projects. Developed Capital Improvement
Programs. Involved with all phases of construction
management, including right-of-way acquisition, utilities
coordination, and inspections. Conducted needs assessment
study for In-House Computer and City-Owned
Telecommunications System. Implemented a computerized
vehicle maintenance reporting system.

Codes Administrator, City of Prairie Village, Kansas
1978
Administered and enforced City Housing Codes as a Municipal
1979
Codes Administrator, conducted all inspections on new and
existing structures.

Teacher, Saint Bernadette Grade School, Rolla, MO
1975
Taught Junior High School Math and Science.
1978

Research Assistant, Citizens Conference on State
Legislative. Developed and monitored operating budget for
1973
individual programs. Wrote newsletters, research monographs,
to
publicity brochure. Arrange training seminars and Board of
1975
Trustee Meetings. Conducted fund raising campaigns and on
going programs.

PROFESSIONAL DEVELOPMENT

Graduate, University of Missouri School of Engineering 1976
Uniform Building Code Course.

Graduate, New and Existing Housing Inspection, University of
Missouri.

Graduate, Management Development Course, Wittenburg
University.
Graduate, Legal Aspects of Enforcement Course, Kansas Department of Health and Human Services.

Graduate, Inspection of Commercial Construction, University of Wisconsin.

Successfully completed "Professional Estimating Techniques", a 3.0 credit course at Johnson County Community College, Overland Park, Kansas.

Licensed Real Estate Agent
Business Experience:

Matrix Realty Incorporated
4218 Roanoke Road, Suite 302
Kansas City, Missouri 64111
(316) 951-9800

February, 1986, through Present

Project Manager - Engineering: Directed and coordinated all civil engineering portions of projects; conducted competitive bidding and negotiations for site work contracts; supervised, inspected, and observed the work of site contractors in the field; assisted the Project Manager and Staff in solving site work problems and resolving conflicts.

Landscape Architect/Land Planner: Performed in-house and directed consultants for landscape architectural and land planning design services; conducted competitive bidding and negotiations for landscape design, landscape materials supply and purchasing, landscape installation, and land planning services; supervised, inspected, and observed the work of all landscape contractors; assisted the Project Manager and Staff in resolving conflicts and solving problems with landscape contractors and projects.

Lankford, Thompson, Dressen, and Dorner, Inc.
10383 North Executive Hills Boulevard, Suite 100
P.O. Box 501611
Kansas City, Missouri 64190-1611

March 1981, through January, 1986

Land Planner/Landscape Architect: Performed planning and design work and wrote specifications for Missouri state park projects and for private office, residential, industrial, and shopping center developments. Responsibilities included: conceptual planning, client contact; meeting with city and other governmental officials and agencies; plat design; horizontal and vertical design for streets, storm sewers, sanitary sewers, and waterlines; site grading plans; and writing specifications.

Viezis Consulting Engineers
P.O. Box 424
Olathe, Kansas 66061
(913) 782-6720

May, 1973, through August, 1979; and September, 1980, through March, 1981

Draftsman/Surveyor: Surveyed and designed rural residential subdivisions, with responsibilities for street, storm sewer, and sanitary sewer design and plat design. Also surveyed and designed municipal street and waterline improvement projects, and performed construction supervision (inspection).
Robert E. Owen and Associates  
P.O. Box 3331  
West Palm Beach, Florida 33402  
(305) 689-6900  

February, 1980, through July, 1980  
Land Planner: Prepared conceptual plans and preliminary plans for various  
residential and commercial developments. Responsibilities included client  
contact, meeting with city and other governmental officials, and preparing plans  
and documents for submission to city and county Site Plan Review Committees,  
Subdivision Committees, and Boards of Zoning.

Educational Background:  

Bachelor of Science in Social Science and Geography  
Kansas State University, Manhattan, Kansas, 1974

Master of Landscape Architecture,  
Kansas State University, Manhattan, Kansas, 1981

Personal Background:  

Date of Birth - October 22, 1951; raised in Metropolitan St. Louis, in a blue-collar  
middle-class family and neighborhood; graduated from high school in 1970 in the  
top 25 percent of the class.

Interests:  

Reading, softball, jazz music, classic automobiles, camping, and bicycling.

Membership:  

American Society of Landscape Architects

References and Salary History:  

Furnished upon request.
EDUCATION

1980 to 1984
UNIVERSITY OF KANSAS, SCHOOL OF ARCHITECTURE
Bachelors of Environmental Design

Special Honors: Five out of eight semesters design projects were selected to the All School Review, where projects were presented and critiqued by visiting Professional Architects.

A project to design a Medical Building for Gridley, Kansas was selected to represent the K.U. School of Architecture at the American Institute of Architects Student Chapter in Lincoln, Nebraska.

1977 to 1980
TRUMAN HIGH SCHOOL, Independence, Missouri

Special courses in Architectural Drafting and Advanced Architectural Drafting.

EXPERIENCE

April, 1986 to Present
NEARING & STAATS, AIA, ARCHITECTS, Shawnee Mission, Kansas
Position: CAD Designer

Major emphasis in Multi-Family design.

July, 1985 to April, 1988
T.B. Design, INC., Kansas City, Missouri
Position: Owner/ CAD Designer

Major emphasis in Residential design.

May, 1984 to July, 1985
COWAN HOMES, INC., Overland Park, Kansas
Position: Designer/ Superintendent

Responsible for coordinating the design process, bidding, scheduling subcontractors, supervising and quality control.
Summers of 1976 to 1981

DON COX CONSTRUCTION CO., Blue Springs, Missouri
Position: Rough-in Carpenter

Responsible for total building process: Rough-in, roofing, masonry, plumbing, painting, and landscaping.

Summer of 1975

JOHN C. TALBOTT, Independence, Missouri
Position: Laborer

Responsible for maintaining Castle Woods Sub-division.

INTERESTS

Associate member of the National Association of Home Builders.

Hunting, Fishing, Water and Snow Skiing, Real Estate Investing.

REFERENCES

Available upon request.
Professional Objective: Work in public administration with an emphasis on public relations.

Employment:

Code Enforcement Officer, City of Prairie Village, Kansas. Responsible for enforcement of Prairie Village Municipal Codes relating to minimum standards for existing structures, health, sanitation, and zoning ordinances. Enforcement involves written and direct contact with residents, business owners, homes associations, maintaining accurate records and preparing reports to the Director of Public Works and the Governing Body. Work closely with City attorneys in preparing cases for municipal court and the City Council. Acting Building Official during Building Official's absence. Duties include plan review, permit approval, and inspection of residential and commercial construction to determine compliance with Building Official and Code Administration (BOCA) codes.

Administrative Assistant to the Director of Public Works/Project Coordinator. In addition to the above responsibilities, current responsibilities include coordination of street and bridge maintenance and reconstruction and storm drainage improvement projects. Coordination involves design review with consulting engineers, easement acquisition, utility relocations, public information meetings, liaison between contractors, construction engineers and property owners. Also responsible for coordination of application and acquisition of Federal Aid Urban (FAU) and County Assisted Road Systems (CARS) funding for street and bridge improvement projects.

City representative to the Mid-America Regional Council (MARC), FAU Subcommittee and the American Public Works Association (APWA).

Code Enforcement Officer/Health Inspector, City of Mission, Kansas. Responsible for enforcement of Mission Municipal Codes regarding minimum standards for existing structures, new construction, health and sanitation of food service establishments, sign and zoning ordinances. Maintained records of written and direct contact with residents, and business owners. Acted as a representative for the City on County and State levels.

May 1978 to August 1979  Night Custodian, Shawnee Mission East High School. Performed janitorial and maintenance services.


Education:  Emporia State University, Emporia, Kansas. Completed general education credit hours, working toward a degree in Mass Media and Public Relations.

1981  Johnson County Community College, Overland Park, Kansas. Three credit hours in Interpersonal Communications.

Continuing Education:  Building Officials and Code Administration (BOCA). Currently enrolled in a correspondence course to obtain building code certification.

1985  Midwest Concrete Industry Board (MCIB). Completed eight week Concrete Technology course.

1985  Uniform Building Code (UBC), University of Missouri - Columbia. Completed ten week course to obtain UBC certification.

Personal:  Date of Birth: November 11, 1959
Married, no children

January, 1987
WORK EXPERIENCE

1985 - Present

Matrix Realty/Precision, Landscape Supervisor

Finished Landscaping at Hillsborough Apartments. Directly responsible for the following phases of construction at Wood View:

- Training and Supervising a 5 - 7 man crew
- Footing excavation and backfill
- Damp proofing foundation walls
- Installation of drain tile
- Construction of wood retaining walls
- Excavation and backfill for temporary and site lighting (Electricians)
- Excavation for underground plumbing lines
- Finish grade
- All Landscape preparation and installation
- Site work superintendent at Walnut Creek

1983 - 1985

Brown Brothers Excavating. Leadman/Grade Checker.

My duties primarily involved directing heavy equipment operator’s in making cuts and fills to proper grade and compaction.

1982 - 1983

Employed by J.R. Cosgrove Construction Company.

My duties included all phase of labor necessary to install pipe for sanitary storm and water lines.

1981 - 1982

Self-employed as sub-contractor for Smotherman Construction Company.

My duties included all phases of minor remodeling and new construction.

1977 - 1981

Foreman for Medco Construction Company installing pipe for water, storm & sewage lines.

My duties included setting laser to proper height and grade, running heavy equipment and supervising a 5 - 7 man crew.
1972 - 1977

Worked for Daniels Construction Company on the La Cygne Power Plant Project for Kansas City Power & Light at La Cygne, Kansas.

Performed all labor duties relating to pouring concrete.

1970 - 1972

Worked as labor for Christopher Construction Company. Performed all labor duties relating to concrete flatwork and steel building erecting.

PERSONAL

Born: 1-21-51 Rich Hill, Missouri

Married: 4-10-76 3 children ages 13-9-5

High School Graduate - 1969 - Rich Hill, Missouri
RESUME

VIVIAN S. SMITH
4413 N.W. Pawnee Dr.
Kansas City, MO 64150

(316) 587-5202

CAREER OBJECTIVES: To be a part of a progressive, goal oriented organization where I can use my education and experience in accounting and data processing to my benefit and that of my employer.

EDUCATION: Master of Business Administration (Emphasis in Accounting), December, 1985 from the University of Missouri-Kansas City with a G.P.A. of 3.5

Bachelor of Science, Interior Design, January, 1970 from the University of Missouri-Columbia

EXPERIENCE:

4/82 to Present
Controller, DiCarlo Construction Company: supervise accounting and data processing staff of up to six people for a $46 million a year group with 250 employees; responsible for monthly combined financial statements for thirteen entities, cash flow, billings, annual audit by independent certified public accounting firm, compiling information for annual tax returns for thirty-one corporations, partnerships and individuals covering construction, equipment rentals, oil and gas exploration and extraction, property management, real estate and other investments; supervised selection and implementation of construction accounting system, conversion from Burroughs B-80 to IBM System 36 hardware and software; designed and supervised implementation of special software applications on local and national level; performed and supervised special projects and reports; current annual salary - $36,000

6/75 to 4/82
Assistant to the Controller, Sharp Bros. Contracting Co.; supervised accounting and data processing personnel in all daily operations; responsible for annual audit by independent certified public accountants; assisted in conversion from NCR bookkeeping machine to NCR 101; designed and directed programming of construction software and implemented conversion from NCR to Datapoint equipment; departing annual salary - $25,000

MEMBERSHIPS: Construction Financial Managers Association
Central Exchange

ACCOMPLISHMENTS: Have sat for national CPA exam and successfully passed all but Business Law section; currently awaiting results of re-examination
TINA MICHELLE BROWN  
6509 Barton Circle #204  
Shawnee, Kansas 66203

Home: 631-8493  
Work: 756-3100 Ext. 33

EDUCATION:  
Liberty Public Schools, Liberty, Missouri K-12

Northwest Missouri State University, Maryville, Missouri  
Associate Degree - Office Administration

EMPLOYMENT:  
Rose, Jackson, Brouillette & Shapiro  
July, 1979 to the present

Legal Secretary  
Word Processing Operator  
Legal Administrative Assistant  
Word Processing/Data Processing Supervisor

Secretarial employment involved administrative knowledge of  
ofice procedures and extensive usage of clerical skills.

Word processing responsibilities entailed selection of office  
automation equipment, establishment of word processing  
department, training of office personnel, purchasing word  
processing supplies, and materialization of all real estate and  
litigation documentation.

Legal administrative assistant exposure includes all phases of  
real estate (residential and commercial), incorporation, as well  
as estate planning, taxation, bankruptcy, liquidation and  
foreclosure proceedings.

Supervisory functions include selection of data processing  
equipment, establishment of data processing department, train-  
ing of office personnel, purchasing data processing supplies and  
overseeing production of everything!

EXPERTISE:  
Thorough understanding of all office automation equipment:  
xerographic copy machines, telephone systems, facsimile  
machines, calculation adding machines, dictation equipment,  
computers - Wang, NBI, Lanier, Vydec, CPT, IBM Displaywriter,  
IBM P.C. and Apple McIntosh.

Typing 100 wpm.  
Shorthand 100 wpm.

EARNINGS:  
$20,700.00/year
Development Proposal Requirement 63: Narrative description of proposed program. This shall include information as to number of parking spaces needed (required), price or lease arrangement being offered for the land (if known), general description of types of building materials to be utilized, approximate dollar amount of construction budget, timing and schedule for redevelopment, and any other information you believe necessary to describe your proposal redevelopment undertaking. If any architectural elevations or sketches are available, please submit.

A. Parking spaces needed: See attached Description of Improvements.

B. Price or lease arrangements being offered for the land: Land is owned by applicant.

C. General description of types of building materials to be utilized: See attached outline specifications.

D. Approximate dollar amount of construction budget: See attached "Estimated Project Costs."

E. Timing and schedule for development: See attached development schedule.

F. Architectural elevations or sketches: See attached elevations and site plans.
DESCRIPTION OF IMPROVEMENTS

The subject property will be a low density (7.6 units to an acre) garden apartment complex to be known as Walnut Creek Apartments, designed as 5 separate and private "villages." It will be located on a heavily wooded site of 43 net acres, with exposure from and access to the I-35/I-29 exchange in Kansas City, Clay County, Missouri. The rolling, wooded site provides a unique opportunity to create the best of both worlds; a secluded village setting but with interstate exposure and 10-minute access to the CBD of Kansas City, Missouri.

The "village concept" will be accomplished with clusters of buildings screened by existing trees and rolling terrain, each served by private drives and parking facilities. Separate recreational and entertainment amenities located within the building clusters will add to the independence of each village, and supplement the centrally-located clubhouse with its indoor Jacuzzi, large swimming pool, lake and pickleball court.

The project will consist of 350 apartment units in 25 buildings. Each building will be a stepped design with 2 stories on the front elevation and 3 stories on the rear elevation. The building exteriors will feature attractive brick veneer and high quality cedar siding. Roofs will be pitched with high grade fiberglass shingles to give a "wood shingle" look. The project will contain 162 carports and 490 open parking spaces for a total of 652 spaces, or 1.86 parking spaces per unit and 1.30 parking spaces per bedroom. Both spaces per unit and spaces per bedroom exceed normal requirements. The net rentable area of the project will be approximately 278,950 SF.

The subject will have two basic unit types and 5 floor plans; 3 variations of the 1 bedroom/1 bath unit and 2 variations of the 2 bedroom/2 bath unit. Following is a description of the unit sizes and the unit mix.

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Area</th>
<th>No. Units</th>
<th>%</th>
<th>Total NRA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 BR/1B (A-1)</td>
<td>624 SF</td>
<td>125</td>
<td>36%</td>
<td>78,000 SF</td>
</tr>
<tr>
<td>1 BR/1B (A-2)</td>
<td>701 SF</td>
<td>50</td>
<td>14%</td>
<td>35,050 SF</td>
</tr>
<tr>
<td>1 BR/1B (A-2 Mod.)</td>
<td>728 SF</td>
<td>25</td>
<td>7%</td>
<td>18,200 SF</td>
</tr>
<tr>
<td>2 BR/2B (B-1)</td>
<td>978 SF</td>
<td>100</td>
<td>29%</td>
<td>97,800 SF</td>
</tr>
<tr>
<td>2 BR/2B (B-2)</td>
<td>998 SF</td>
<td>50</td>
<td>14%</td>
<td>49,900 SF</td>
</tr>
<tr>
<td>Total Avg.</td>
<td>797 SF</td>
<td>350</td>
<td>100.0%</td>
<td>278,950 SF</td>
</tr>
</tbody>
</table>

The unit mix is about 57% one bedroom units and 43% two bedroom units, which is designed for white-collar young to middle-aged adults. It is anticipated that Walnut Creek residents will generally be either young professionals forming new households or current tenants in other apartment projects who will "move-up" to Walnut Creek. The specific unit types and floor plans, as well as project amenities, have been selected for their appeal to these target groups and their adult lifestyles.
The unit floor plans, which are nearly identical to those in the developer's highly successful Hillsborough and Woodview projects, are very functional. The small one bedroom unit has a 13'4" x 15' living room, a full kitchen with pass-through bar, a full bath accessible from the living area, and an 11'5" x 11' bedroom with walk-in closet. The large one bedroom unit has a 13'4" x 13' living room open to an 8' x 8' dining area, a full kitchen with pass-through bar, a full bath accessible from the living area, and an 11'8" x 11' bedroom with walk-in closet. The large one bedroom modification unit offers exactly the same floor plan as the large one bedroom except for the living room which is increased in size by reducing the balcony. The small two bedroom unit has a 17'6" x 11'6" living room open to a 7'8" x 8' dining area, a full kitchen with utility closet and pass-through bar, a 11'4" x 11'5" master bedroom with walk-in closet and full bath, and a second full bath accessible from both the living area and from a 11'4" x 11'5" second bedroom. The large two bedroom unit features what is often referred to as a "double master" or approximately equal size and appeal. The unit contains a 15'4" x 15'4" living room open to an 8'4" x 8' dining area, and a full kitchen with utility closet and pass-through bar. The bedrooms are 11'8" x 11'4" and 11'8" x 11', each with a walk-in closet and full bath. One of the bathrooms is also accessible from the living area.

All of the units will feature a security system, designer selected vinyl wallcovering in the kitchen, dining room and baths, ceiling fans in the living room with additional fan hook-ups in each bedroom, full-size washer/dryer hookups, a spacious deck with storage closet, oak parquet flooring in the entry area, porcelainized steel bathtubs with ceramic tile walls, hardwood recessed panel cabinet doors in the kitchen and baths, and fully equipped kitchen with washer, and double sink with disposal. In addition approximately 64% of the units will have a wood-burning fireplace with quarry tile hearth and all top floor units will have vaulted ceilings.

The amenity package for the project is designed to complement the mature trees already offered by the site and to further appeal to the adult lifestyles of the target resident population. Included in the amenity package are the following:

1. A 3,500 SF clubhouse/leasing office with two fireplaces, a full kitchen, and laundry area.

2. Four swimming pools: one full-size pool at the clubhouse with an indoor jacuzzi, and three smaller pools located at the north and south ends of the complex.

3. Four jacuzzies in gazebo-type structures, each serving an individual village.

4. One gazebo/pedestrian bridge over the lake.

5. Tennis court and one pickleball court.

6. Five separate mail drops in gazebo type structures.

7. A central trash compactor located just off Parvin Road and centralized near the clubhouse (thereby avoiding both unsightly trash dumpsters and trash trucks within the project).
Outline Specifications

Foundations - Footings shall be on continuously reinforced 3000 PSI concrete.

Floor Slabs - Lowest Floors - Slabs shall be 3000 PSI concrete, 4" thick with moisture protection and termite pre-treatment.

Floor Slabs - Upper Floors - Shall have 1-1/2" light weight concrete over 5/8" plywood sub-flooring.

Framing - Carpentry - All floor framing materials shall be No. 2 or better lumber. Insulation materials will be used to deaden sound transfer between apartment units. Interior trim shall be western softwood finish lumber. Exterior trim shall be western red cedar. Exterior siding and veneer shall be installed over gypsum exterior sheathing board. Exterior stairs and deck shall be constructed of CCA treated wood.

Roofing - Roofing shall be 250 lb. composition shingles of wind resistant design.

Insulation - Ceiling or attic insulation shall be combination of blown-in and fiberglass batt for a combined "R" factor of 30. Wall insulation in all exterior walls shall be kraft paper faced fiberglass batt with a minimum "R" factor of 13.

Doors and Window - All exterior unit entrance doors shall be 1-3/4" insulated metal 6 panel doors. Interior doors shall be 1-3/8" hardboard 6 panel doors. Sliding glass doors shall be aluminum construction using tempered insulated glass. Windows shall be single hung aluminum framed units with insulated glass.

Finishes - Interior walls to be gypsum board taped, primed and painted. Ceilings will have spray textured finish. Cabinet work and doors and trim are to be either stained and lacquered or enameled. Cabinet countertops are to be laminated plastic. All floor areas to be carpeted except the toilet and kitchen floors which shall be sheet vinyl and entries which shall be wood parquet. Tubs shall be enameled steel with ceramic tile surroundings. Kitchens and baths shall have accent wallpaper. Exterior wood shall be stained.

Equipment - Kitchen shall be equipped with refrigerator, range, exhaust hood, dishwasher and disposal unit.

Heating - Cooling - Each unit shall be provided with a separate forced air, thermostatically controlled, gas fired central heating and electric refrigerated air conditioning system.

Plumbing - System shall be complete with standard fixtures, copper water supply lines, PVC sanitary waste lines and gas water heater.

Electrical - Each apartment shall be complete with a separate service including separate meter and main switch. Equipment shall include all light fixtures. All wiring within units shall be copper wire and grounded.

For further information refer to the plans and specifications included in this submission.
WALNUT CREEK APARTMENTS

Tax Increment Financing Plan Development Proposal

Estimated Project Costs

TIF COMMISSION EXPENSES $ 30,000.00

COSTS OF STUDIES AND SURVEYS, PLANS, AND SPECIFICATIONS, PROFESSIONAL SERVICE COSTS, INCLUDING BUT NOT LIMITED TO ARCHITECTURAL, ENGINEERING, LEGAL, MARKETING, FINANCIAL, PLANNING, AND SPECIAL SERVICES. $ 321,536.00

PROPERTY ASSEMBLY COSTS, INCLUDING, BUT NOT LIMITED TO, ACQUISITION OF LAND AND OTHER PROPERTY, REAL OR PERSONAL OR RIGHTS OR INTEREST THEREIN, DEMOLITION OF BUILDINGS, AND THE CLEARING AND GRADING OF LAND. $ 1,461,429.00

COSTS OF THE DESIGN AND CONSTRUCTION OF PUBLIC WORKS OR IMPROVEMENTS. $ 733,955.00

FINANCING COSTS, INCLUDING, BUT NOT LIMITED TO, ALL NECESSARY AND INCIDENTAL EXPENSES RELATED TO THE ISSUANCE OF OBLIGATIONS. $ 1,788,207.00

350 APARTMENT UNITS, WOOD, BRICK AND STONE CONSTRUCTION. ALL BUILDINGS WILL BE TWO (2) STORY ON THE FRONT, THREE (3) STORY ON THE BACK. 278,950 SQUARE FEET OF FLOOR AREA. $10,904,873.00

TOTAL $15,250,000.00
WALNUT CREEK APARTMENTS

Tax Increment Financing Plan Development Proposal

Estimated Project Costs

TIF COMMISSION EXPENSES

COSTS OF STUDIES AND SURVEYS, PLANS, AND SPECIFICATIONS, PROFESSIONAL SERVICE COSTS, INCLUDING BUT NOT LIMITED TO, ARCHITECTURAL, ENGINEERING, LEGAL, MARKETING, FINANCIAL, PLANNING, AND SPECIAL SERVICES.

LAND PLANNING - $53,055.00

(24100) Surveys - In A/E Design.

(24200) Geotechnical Testing and Reports - Provide subsurface exploration and geotechnical engineering services. This work is being performed by Terracon Consultants of Lenexa, Kansas. The purpose of the subsurface exploration is to obtain data necessary to complete foundation design and to make construction recommendations. A total of 32 soil borings were completed in June, 1988, at a cost of $5,850.00. A copy of the report, including all boring logs and laboratory tests, is in the main files. This information was also included with the plans and specifications provided to all bidders on the project. Walnut Creek Associates has also paid the following amounts to Terracon for services:

$225.00 for Timber Retaining Wall Evaluation,
$175.00 for Water Feature Elevation, and
$122.50 for Consultation.

This results in a total of $6,372.50 paid to Terracon to date.

In addition to this, Walnut Creek Associates has received a proposal from Terracon to provide an on-site technician and field laboratory trailer for the amount of $5,600.00 per month. This technician will be responsible for soil moisture and density relationship testing and in-place soil density testing. We estimate we will need this full-time service for three (3) months during the rough grading operation, for a total of $16,800.00.

We will also have Terracon perform footing excavation evaluation and reinforcing steel evaluation for each building, at an estimate of four (4) hours per building. The rate for this work is $40.00 per hour, for a total of $4,160.00. (4 hours x $40.00/hour = $160.00/building x 25 buildings plus Clubhouse).

We will also have Terracon perform Portland cement concrete testing for the footings, foundation walls, and slabs for each building. We intend to make one set of three cylinders each for the footings of each building, for the foundation walls of each building, and for the slabs for each building, resulting in a
WALNUT CREEK APARTMENTS

Tax Increment Financing Plan Development Proposal

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LAND PLANNING - Continued

(24200) Geotechnical Testing and Reports - Continued

We will also have Terracon perform asphaltic concrete testing for all streets, drives, and parking lots. We intend to have a technician on the project site full-time during the pavement operations. Superior Asphalt's estimate for completing all base course and surface course paving is 15 1/2 days. The rate for Terracon's technician for this work is $40.00 per hour, for a total of $4,960.00. In addition to the density testing performed by this technician, we will have Terracon perform Extraction-Gradation analyses and Density and Marshall Properties analyses of a sample asphaltic concrete taken from each pavement operation. There will be twelve samples taken, one for the base course and one for the surface course of each phase. The Extraction-Gradation analysis costs $85.00 each and the Density and Marshall Properties analysis costs $90.00 each, for a total of $2,100.00 for the analyses. This results in a total of $7,060.00 for asphaltic concrete testing.

Therefore, in addition to the $6,372.50 we have already paid Terracon, we will pay a sum of $31,200.00, for a total of $37,572.50 for this budget line item.

(24300) A/E Design Fees -

(24310) Land Planning - Bill Vitek provided schematic design and preliminary development services for Clubhouse siting, Clubhouse entry/parking lot layout, pool and pool terraces, pickleball court siting, lake configuration, and lake edge treatments. Fee for services plus time for three meeting trips is $4,700.00 plus reimbursables. $10,483 has been paid to date. No further costs are expected. $5,000 of this amount was paid in 1985.

(24311) Design Fee, Reimbursables & Extras - $8,594 has been paid to date.

(24312) Reimbursables - $1,888 has been paid to date.
WALNUT CREEK APARTMENTS

Tax Increment Financing Plan Development Proposal

Estimated Project Costs

CIVIL ENGINEERING - $141,556.00

(24320) Civil Engineering -

(24321) Civil Engineering Fee and Reimbursables - On January 9, 1987, Fred C. Kay, Walnut Creek Associates, Wilber A. Copenhafer, George Butler Associates, entered into a contract for professional engineering services. The contract states that GBA will prepare the final site drawings. The drawings include public and private roadway alignment, parking lot and building dimensions and site dimensions, storm drainage improvements, excavating and grading, water mains, sanitary sewer extensions and other appurtenant work which may be required for the proper construction of site improvements. Payment for these services is based on an hourly rate of a maximum of $170 per unit ($170 x 350 units = $59,500). We have paid $59,791 in contract time as of 4/21/88.

The contract also calls for GBA to prepare a Topographic Survey. The survey will be verified by taking spot elevations. The fee for the surveying services is "not to exceed" $7,200. $7,200 has been paid as of 4/21/88.

Also covered by this contract is complete construction staking services. Covered are: stake clearing limits, sanitary sewers; storm sewers; preliminary centerline grade stakes for streets and drives; finish curb stakes for streets, drives, and parking lots; water mains, rough grade stakes for building corners; final stakes for 4 building corners; all other utilities; and staking of boring holes. This service is based on a maximum of $125 per unit ($125 x 350 units = $43,750).

(24322) Reimbursables - Contract expenses have been $6,909.

(24323) Extras - Extra services to date have been production of a final development plan in the amount of $7,086.67, staking of the centerline and right-of-way of Parvin Road for $1,310.90, and staking of the building corners for $4,575.00. Expenses on these extras have amounted to $638.57 for a total extra expense of $12,972.57. An additional $12,027.43 is budgeted for a total line amount of $25,000 in extra engineering services.
ARCHITECTURAL - $113,865.00

(24330) Architectural

(24331) Architectural Design Fees - On January 15, 1987, Fred C. Kay, Walnut Creek Associates, and Richard E. Jones, Nearing & Staats, A.I.A., entered into a contract for architectural services. The contract provides for compensation for services including structural, mechanical, and electrical engineering in a fixed amount of $90,500, a fixed sum of $6,000 for material quantities and take-offs, $8,000 for review and approval of monthly payment to the General Contractor, and a maximum of $750 for as-built corrections to the Owner's spicas, for a total contract of $105,250.

Payments were scheduled as follows:

<table>
<thead>
<tr>
<th>Phase</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schematic Design Phase</td>
<td>15%</td>
</tr>
<tr>
<td>Design Development Phase</td>
<td>20%</td>
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<tr>
<td>Construction Documents Phase</td>
<td>40%</td>
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<tr>
<td>Bidding or Negotiation Phase</td>
<td>5%</td>
</tr>
<tr>
<td>Construction Phase</td>
<td>20%</td>
</tr>
</tbody>
</table>

(24332) Reimburseables - We have paid $1,615 to date. An additional $1,000 is budgeted for a total of $2,615.

(24333) Extras - In a letter dated October 16, 1987, Richard E. Jones, proposed an increase of $5,000 due to increased services of design and construction documents for the pool and amenity area adjacent to the Clubhouse/Leasing Office. This proposal was accepted. We also agreed and have paid $1,000 for a building model.

SCHEDULING - $23,060.00

(24340) Scheduling - Fred C. Kay executed a contract on 12/29/87 with Wagner, Hohns, Inglis, Inc. for setting up and maintaining a Critical Path Method of scheduling. The set up phase cost $5,200.00 and monthly site visit updating is scheduled for $500.00 each, for eighteen (18) months. In addition, Bob Tames of WHI instructed a contract claims seminar at the cost of $360.00 and attended by the entire Precision staff and legal counsel. This makes a total line item of $14,560.00.

(24400) Structural Engineering - In Architectural.
WALNUT CREEK APARTMENTS

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(24500) Accounting - It is expected that Arthur Anderson & Company will be used to establish initial depreciation-capitalization schedules with respect to the ownerships initial financial statements and tax returns. An amount of $4,000 has been budgeted.

(24600) Real Estate Consulting - We paid $4,500 to SYNCAP in December, 1986 for consulting services due to potential sale to Lone Star Development.

PROPERTY ASSEMBLY COSTS, INCLUDING, BUT NOT LIMITED TO, ACQUISITION OF LAND AND OTHER PROPERTY, REAL OR PERSONAL OR RIGHTS OR INTEREST THEREIN, DEMOLITION OF BUILDINGS, AND THE CLEARING AND GRADING OF LAND. $1,461,429.00

LAND ACQUISITION - $1,450,005

(20100) Land Acquisition Walnut Creek Property 46.01 Acres - The Walnut Creek Property was purchased from Home Building Corporation on March 15, 1985.

JOSEPH A. BRUENING TRUST - $2,997.00

(20110) Joseph A. Bruening Trust - Purchase of tract adjacent to Walnut Creek property.

GROUND RENT

REAL ESTATE TAXES - $8,427.00

(20300) Real Estate Taxes - $2,809 has been spent to date and the same amount is expected to be spent in 1988 and 1989.

COSTS OF THE DESIGN AND CONSTRUCTION OF PUBLIC WORKS OR IMPROVEMENTS $733,955.00
WALNUT CREEK APARTMENTS

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(2200) Earthwork - This contract covers any and all material, labor, tools and equipment to complete the clearing and grubbing, lake construction, and rough grade.

We are presently negotiating this contract in the amount of $415,052.00 with Bill Larkin, Land Improvement, Inc. Public Improvements Portion: $70,750.00

(2380) Electrical Conduit - The scope of this work includes all labor, material, tools, and equipment necessary to complete installation of the P.V.C. conduit for the underground electrical main lines and service lines as required by Kansas City Power and Light Company, in accordance with KCPL Plan Sheets for KCPL Job 85-23157-C and KCPL 1988 Electrical Service Standards.

This work will be performed by Precision Construction Incorporated for the amount of $19,342.00. See contract file (50-2380) for Electrical Conduit Budget and back-up information. Public Improvements Portion: $3,704.00

(2390) Pavement Crossings - The scope of this work includes all labor, equipment, tools, and materials necessary to complete installation of all pavement crossing conduits for all proposed utility and irrigation lines.

This work will be performed by Precision Construction Inc. for the amount of $22,436.00. See separate binder for Pavement Crossing Conduit Budget and back-up information. Public Improvements Portion: $11,256.00.

(2400) Timber Retaining Walls - The scope of this work includes all labor, materials, tools, and equipment necessary to complete construction of all timber retaining walls on the project site, in accordance with Project plans and specifications.

This work will be performed by Precision Construction Inc. for the amount of $96,221.00. See separate binder for Timber Retaining Wall Budget and back-up information. The value of the portion of work being performed in Phase I is $22,978.00.

(2430) Water Mains - This contract covers any and all material, labor, tools and equipment to complete the water system. We have negotiated a contract with R.A. Pohl Construction Company, Inc. for this work in the amount of $151,061.00. Public Improvements Portion: $45,140.00.
WALNUT CREEK APARTMENTS

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(2460) Storm Drainage - This contract, in the amount of $184,085.00 has been negotiated with J.H. Cosgrove Contractors, Inc. It is for any and all material, labor, tools and equipment to install the storm sewer system complete. Public Improvements Portion: $32,885.00.

(2490) Sanitary Sewers - The work to be covered by this sub-contract consists of all sanitary sewer construction, and all appurtenant items of work required including the furnishing of all materials, equipment, tools and labor to construct and complete in place the new sanitary sewer system and modify the existing sanitary sewer system as shown on the project plans and specifications. This contract has been negotiated with J.H. Cosgrove Contractors, Inc. in the amount of $82,753.00. Public Improvements Portion: $19,792.00.

(2510) Asphalt Paving - This contract is for the furnishing of all materials, tools, equipment and labor required to prepare the final subgrade and construct asphaltic concrete paving to the line and grade shown on the plans and described in Section 0215 of the Project Specifications. Also to provide final subgrade preparation including AB-3 base course, asphalt paving for tennis court and pickleball court complete. This contract includes parking lot pavement markings, tech-tene finish course for the pickleball court, tennis and athletic court paint marking complete as described in specification Section 02531. This contract has been negotiated with Superior Asphalt Company in the amount of $353,018.00. Public Improvements Portion: $143,722.00.

(2620) Concrete Curb & Gutter - This contract covers the installation of the concrete curb and gutter for the Project to include the concrete band at the clubhouse parking lot. A contract has been negotiated with D.F. Freeman Contractors in the amount of $142,484.00. Public Improvements Portion: $69,125.00.

(2900) Landscaping - The scope of this work specifically includes labor, materials, tools, and equipment necessary to complete installation of the landscaping in accordance with Project plans and specifications.
WALNUT CREEK APARTMENTS

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The landscaping will be performed by Precision Construction Incorporated for the amount of $471,754.00, an average of $1,348.00 per apartment unit. It is anticipated that landscape installation will take ten (10) months to complete. See separate binder containing Landscape Budget and back-up information. An additional $266.00 has been expended as of 5/1/88. Public Improvements Portion: $80,478.00.

N.E. Russell Road and North Troost Avenue Improvements are estimated to be $234,125.00.

FINANCING COSTS, INCLUDING, BUT NOT LIMITED TO, ALL NECESSARY AND INCIDENTAL EXPENSES RELATED TO THE ISSUANCE OF OBLIGATIONS.

$1,788,207.00

(22110) Construction Interest Expense - $121,885 has been paid to Metro North State Bank to date. Total Line Item is $812,644.00.

(22120) Construction Interest Income - Construction loan interest for Walnut Creek is estimated to approximate the draw schedule and experience related to Wood View. The Wood View construction draw experience was as follows:

<table>
<thead>
<tr>
<th>% of Total</th>
<th>Draws on Disbursements</th>
<th>Interest Expense</th>
<th>Interest Income</th>
<th>Principal</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/85</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>13,700,000.00</td>
</tr>
<tr>
<td>Dec. '85</td>
<td>57,667.52</td>
<td>-0-</td>
<td>-0-</td>
<td>13,642,332.48</td>
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<tr>
<td>(Legal)</td>
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<td></td>
<td></td>
<td>13,642,332.48</td>
</tr>
<tr>
<td>Jan. '86</td>
<td>-0-</td>
<td>-0-</td>
<td>66,218.54</td>
<td>13,708,551.02</td>
</tr>
<tr>
<td>Feb. '86</td>
<td>71,958.49</td>
<td>66,120.55</td>
<td>13,702,713.08</td>
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</tr>
<tr>
<td>Mar. '86</td>
<td>62,963.68</td>
<td>7,824.90</td>
<td>13,647,574.30</td>
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</tr>
<tr>
<td>Apr. '86</td>
<td>78,937.87</td>
<td>90,048.98</td>
<td>13,658,685.41</td>
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<tr>
<td>May '86</td>
<td>72,153.33</td>
<td>80,032.28</td>
<td>13,666,564.36</td>
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</tr>
<tr>
<td>June '86</td>
<td>74,558.44</td>
<td>75,143.48</td>
<td>13,667,149.40</td>
<td></td>
</tr>
<tr>
<td>July '86</td>
<td>72,153.33</td>
<td>57,454.86</td>
<td>13,652,450.93</td>
<td></td>
</tr>
<tr>
<td>Aug. '86</td>
<td>2,484,776.00</td>
<td>74,558.44</td>
<td>53,537.42</td>
<td>11,146,653.91</td>
</tr>
<tr>
<td>(Draws #1 &amp; 2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sept. '86</td>
<td>385,295.00</td>
<td>91,150.00</td>
<td>60,524.61</td>
<td>10,730,733.52</td>
</tr>
<tr>
<td>(Draw #3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oct. '86</td>
<td>665,370.00</td>
<td>96,090.27</td>
<td>50,110.90</td>
<td>10,019,384.15</td>
</tr>
<tr>
<td>(Draws #4 &amp; 5)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nov. '86</td>
<td>421,487.00</td>
<td>99,636.53</td>
<td>49,079.05</td>
<td>9,547,289.67</td>
</tr>
<tr>
<td>(Draw #6)</td>
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<td></td>
<td></td>
</tr>
</tbody>
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WALNUT CREEK APARTMENTS

Tax Increment Financing Plan Development Proposal

Estimated Project Costs

<table>
<thead>
<tr>
<th>Date</th>
<th>Draws on Disbursements</th>
<th>Interest Expense</th>
<th>Interest income</th>
<th>Principal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. '86 (Draw #7)</td>
<td>594,324.00</td>
<td>96,470.83</td>
<td>44,690.92</td>
<td>8,901,185.76</td>
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<td>Jan. '86 (Draw #6)</td>
<td>1,137,324.00</td>
<td>99,686.53</td>
<td>84,488.44</td>
<td>7,748,663.67</td>
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<td>Feb. '87 (Draw #9)</td>
<td>907,187.00</td>
<td>99,686.53</td>
<td>32,724.53</td>
<td>6,774,514.67</td>
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<td>Mar. '87 (Draw #10)</td>
<td>804,746.00</td>
<td>90,039.44</td>
<td>3,233.30</td>
<td>5,882,962.53</td>
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<td>April '88 (Draw #11)</td>
<td>930,659.00</td>
<td>799,686.53</td>
<td>33,810.80</td>
<td>4,886,427.80</td>
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<tr>
<td>May '87 (Draw #12)</td>
<td>96,730.00</td>
<td>96,470.83</td>
<td>26,992.33</td>
<td>3,849,649.30</td>
</tr>
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<td>June '87 (Draw #13)</td>
<td>736,657.00</td>
<td>99,686.53</td>
<td>23,750.78</td>
<td>3,037,156.55</td>
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<td>July '87 (Draw #14)</td>
<td>696,716.08</td>
<td>96,470.83</td>
<td>18,219.17</td>
<td>2,262,188.89</td>
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<td>Aug. '87 (Draw #15)</td>
<td>499,497.00</td>
<td>99,686.53</td>
<td>15,427.77</td>
<td>1,678,433.13</td>
</tr>
<tr>
<td>Sept. '87 (Draw #16)</td>
<td>488,526.15</td>
<td>99,686.53</td>
<td>10,139.85</td>
<td>1,100,360.30</td>
</tr>
<tr>
<td>Oct. '87 (Draw #17)</td>
<td>287,398.02</td>
<td>96,470.83</td>
<td>7,336.76</td>
<td>723,828.21</td>
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<td>Nov. '87 (Draw #18)</td>
<td>263,306.61</td>
<td>99,686.53</td>
<td>5,393.59</td>
<td>366,228.66</td>
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<td>Dec. '87</td>
<td>96,470.83</td>
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<td>Jan. '88</td>
<td>88,807.27</td>
<td>1,535.01</td>
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<tr>
<td>Feb. '88 (Draw #19)</td>
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<td>825.35</td>
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12,502,708.16  2,153,216.95  967,733.68

Based upon the above information the following Draw Schedule has been estimated for Walnut Creek assuming a $15,275,000 Construction Loan:

<table>
<thead>
<tr>
<th>Month</th>
<th>to be Drawn</th>
<th>Amount</th>
<th>9%</th>
<th>10%</th>
<th>11%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - May 88</td>
<td>10%</td>
<td>$1,527,500</td>
<td>11,838</td>
<td>13,153</td>
<td>14,469</td>
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<tr>
<td>2 - June 88</td>
<td>7%</td>
<td>1,069,250</td>
<td>19,476</td>
<td>21,640</td>
<td>23,804</td>
</tr>
<tr>
<td>3 - July 88</td>
<td>6%</td>
<td>916,500</td>
<td>27,228</td>
<td>30,253</td>
<td>33,278</td>
</tr>
<tr>
<td>4 - Aug. 88</td>
<td>5%</td>
<td>763,750</td>
<td>33,147</td>
<td>36,830</td>
<td>40,513</td>
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<tr>
<td>5 - Sept. 88</td>
<td>3%</td>
<td>458,250</td>
<td>35,514</td>
<td>39,460</td>
<td>43,406</td>
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</table>
WALNUT CREEK APARTMENTS

Tax Increment Financing Plan Development Proposal

Estimated Project Costs

<table>
<thead>
<tr>
<th>Month</th>
<th>% to be Drawn</th>
<th>Amount</th>
<th>9%</th>
<th>10%</th>
<th>11%</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 - Oct. 88</td>
<td>5%</td>
<td>763,750</td>
<td>42,617</td>
<td>47,353</td>
<td>52,088</td>
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<tr>
<td>7 - Nov. 88</td>
<td>9%</td>
<td>1,374,750</td>
<td>51,553</td>
<td>57,281</td>
<td>63,009</td>
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<td>8 - Dec. 88</td>
<td>7%</td>
<td>1,069,250</td>
<td>61,558</td>
<td>68,398</td>
<td>75,238</td>
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<tr>
<td>9 - Jan. 89</td>
<td>6%</td>
<td>916,500</td>
<td>68,661</td>
<td>76,290</td>
<td>83,919</td>
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<tr>
<td>10 - Feb. 89</td>
<td>7%</td>
<td>1,069,250</td>
<td>69,501</td>
<td>77,224</td>
<td>84,946</td>
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<tr>
<td>11 - Mar. 89</td>
<td>8%</td>
<td>1,222,000</td>
<td>86,418</td>
<td>96,020</td>
<td>105,622</td>
</tr>
<tr>
<td>12 - April 89</td>
<td>6%</td>
<td>916,500</td>
<td>90,504</td>
<td>100,660</td>
<td>110,616</td>
</tr>
<tr>
<td>13 - May 89</td>
<td>6%</td>
<td>916,500</td>
<td>100,624</td>
<td>111,805</td>
<td>122,985</td>
</tr>
<tr>
<td>14 - June 89</td>
<td>4%</td>
<td>611,000</td>
<td>101,961</td>
<td>113,290</td>
<td>124,619</td>
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<tr>
<td>15 - July 89</td>
<td>4%</td>
<td>611,000</td>
<td>110,095</td>
<td>122,327</td>
<td>134,560</td>
</tr>
<tr>
<td>16 - Aug. 89</td>
<td>2%</td>
<td>305,500</td>
<td>112,462</td>
<td>124,958</td>
<td>137,454</td>
</tr>
<tr>
<td>17 - Sept. 89</td>
<td>2%</td>
<td>305,500</td>
<td>111,126</td>
<td>123,473</td>
<td>135,820</td>
</tr>
<tr>
<td>18 - Oct. 89</td>
<td>3%</td>
<td>458,250</td>
<td>118,381</td>
<td>131,535</td>
<td>144,688</td>
</tr>
<tr>
<td>100%</td>
<td>15,275,000</td>
<td>1,252,665</td>
<td>1,391,850</td>
<td>1,531,034</td>
<td></td>
</tr>
</tbody>
</table>

Assuming an average 10% construction loan interest rate, total construction interest is estimated to be $1,391,850. In order to determine a net interest number after accounting for net rental income during construction, please refer to "Operating Budget - Months 1 through Month 12; Revision #2 - April 23, 1988." Net income is estimated to be $741,091; therefore, for budgetary purposes, a net interest budget of $690,759 has been established.

(22200) Construction Loan Commitment Fees - Currently estimated to be 1% of the $15,275,000 loan amount or $152,750.

(22300) Permanent (Stand By - Barclay American Business Credit) Loan Commitment Fees - Assuming approval of the Barclays American application dated March 21, 1988 a fee of 2% of the $15,275,000 stand-by loan amount will be due or $305,500 for the first 12 months and then an additional $152,750 for the next 6 months for a total of $458,250. Total estimated for project: $536,250.00.

(22400) Permanent Loan Brokerage Fees - Permanent loan (stand-by) commitment fees will be due to Sonnenblick-Goldman upon acceptance and closing of the Barclays Commitment in the amount of 1.25% of $15,275,000 or $190,938.

(22500) Interim Loan Brokerage Fees - N/A
WALNUT CREEK APARTMENTS

Tax Increment Financing Plan Development Proposal

Estimated Project Costs

(22600) Additional Interest - $88,208 has been paid to Home Building Corporation to date. Total Line Item: $95,625.00.

TOTAL ESTIMATED PROJECT COSTS: $4,345,127.00

1 The description of eligible costs is taken from "Walnut Creek Apartments Tax Increment Financing Plan Request For Proposals", issued by the Tax Increment Financing Commission and "Checklist of Items Necessary For Completion of a Tax Increment Financing Plan" provided by Douglas J. Patterson, Esq., Schleicher, Latz, Loyd, Patterson & Lacy.
DEVELOPMENT SCHEDULE

Phase I  August, 1988 - February, 1989
Phase II September, 1988 - March, 1989
Phase III October, 1988 - April, 1989
Phase IV  November, 1988 - June, 1989
Phase V   December, 1988 - September, 1989
Development Proposal Requirement #4: A site plan at an approximate scale of 1"=20' showing limits of the property, approximate property dimensions, building location(s) and size, parking lay out, ingress and egress to and from the site, loading areas, landscaped areas and adjoining streets.

See site plan submitted with this proposal.
Development Proposal Requirement #5: A commitment that, if selected, the developer will provide funds for normal equity financing and also commitments, of suitable financial institutions for funding of the debt portion of the project with reasonable contingencies.

See attached commitment from Barclays American, such commitment presently effective and under extension.
August 25, 1988

Walnut Creek Associates, L.P.,
a Missouri Limited Partnership
c/o Mr. Fredrick C. Kay, President
4218 Roanoke Road
Suite 302
Kansas City, Missouri 64111

RE: Walnut Creek Apartments
Kansas City, Missouri

Gentlemen:

Pursuant to your conditional letter of acceptance dated August 24, 1988, to our loan application dated August 19, 1988, said application is hereby amended as follows:

1. The Applicant/Borrower shall be "Walnut Creek Associates, L.P., a Missouri Limited Partnership".

2. The paragraph entitled "Additional Collateral" is modified to allow borrower to secure said letter of credit in the amount of $500,000 with a second deed of trust on the Walnut Creek property, said lien to be acceptable to Lomas in all respects.

3. The application fee is reduced from $72,500 (1/2%) to $36,250 (1/4%). We acknowledge receipt of your check #1045 in the amount of $36,250 representing said fee.

All other terms and conditions of the original application shall remain in effect. Please indicate your acceptance below and return to my attention no later than Wednesday, August 31, 1988.

Sincerely,

Mack L. Rogers
Senior Vice President

ACCEPTED AND AGREED TO THIS ___ DAY OF AUGUST, 1988.

WALNUT CREEK ASSOCIATES, L.P.,
A MISSOURI LIMITED PARTNERSHIP

By: [Signature]

Fredrick C. Kay
August 25, 1988

Walnut Creek Associates, L.P.,
a Missouri Limited Partnership

RE: Walnut Creek Apartments
Kansas City, Missouri

Gentlemen:

The following are the terms which were approved by Loan Committee:

Loan Amount: $14,500,000

Applicant/Borrower: Walnut Creek Associates, L.P., a
Missouri Limited Partnership.

Security: A 42.99 acre tract of land
situated in the southwest quadrant
of the Y-shaped interchange of I-35
and I-29 in Kansas City,
Missouri. Proposed improvements
consist of a 350 unit, 278,550
n.r.s.f. luxury garden apartment
complex.
Additional Collateral:
At closing, Fredrick C. Kay will contribute as additional collateral an unconditional, irrevocable letter of credit in the amount of $500,000 to be held throughout the life of the loan. Said letter of credit will be issued by a bank acceptable to Lomas Financial Corporation.

Liability:
Full personal liability of Fredrick C. Kay over the term of the loan.

Term:
24 months, with 2 six month extension options.

Rate:
1-1/2% floating over prime.

Commitment Fee:
1-1/2% ($217,500) payable to Lomas Financial Corporation; and 1% ($145,000) payable to Lomas Mortgage USA.

In addition, each six month extension option will include fees of 1/2% and 5/8%, respectively, payable to Lomas Financial Corporation.

Profit Participation:
Lomas Financial will have a profit participation in cash flows and net sales proceeds on the project as follows:

<table>
<thead>
<tr>
<th></th>
<th>Lomas %</th>
<th>Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>25%</td>
<td>0-24</td>
<td></td>
</tr>
<tr>
<td>30%</td>
<td>25-30</td>
<td></td>
</tr>
<tr>
<td>35%</td>
<td>30-36</td>
<td></td>
</tr>
</tbody>
</table>

Loan Allocation: Per Addendum I.
Land Equity Distribution: Per Addendum II.


If these terms properly outline our agreement, please sign below and return to us no later than Wednesday, August 31, 1988.

Sincerely,

LOMAS MANAGEMENT

J. Dodge Carter
Commercial Investment Officer

JDC:jam

ACCEPTED AND AGREED TO THIS __th DAY OF AUGUST, 1988.

WALNUT CREEK ASSOCIATES, L.P.,
A MISSOURI LIMITED PARTNERSHIP

By: Fredrick C. Kay
ADDENDUM I

Loan Allocation

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost Estimate</th>
<th>Equity</th>
<th>Loan Allocation</th>
<th>Cost/Unit</th>
<th>Cost/EF</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land (42.99 acres)</strong></td>
<td>$1,610,000</td>
<td>$960,000</td>
<td>$650,000</td>
<td>$1,657</td>
<td>$.35 per</td>
</tr>
<tr>
<td><strong>Hard Costs:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Site Work</td>
<td>$1,975,614</td>
<td></td>
<td>$1,975,614</td>
<td>$637,333</td>
<td>$7.09 per</td>
</tr>
<tr>
<td>Shell</td>
<td>$567,744</td>
<td></td>
<td>$470,558</td>
<td>$60,000</td>
<td>$77.74 per</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td>$5,140,362</td>
<td></td>
<td>$3,698,175</td>
<td>$21,000</td>
<td></td>
</tr>
<tr>
<td><strong>Soft Costs:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A&amp;E</td>
<td>$331,536</td>
<td>$331,536</td>
<td>$331,536</td>
<td>$331,536</td>
<td>$11.05 per</td>
</tr>
<tr>
<td>Permits</td>
<td>45,932</td>
<td></td>
<td></td>
<td>45,932</td>
<td></td>
</tr>
<tr>
<td>Marketing</td>
<td>79,767</td>
<td></td>
<td></td>
<td>79,767</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>37,365</td>
<td></td>
<td></td>
<td>37,365</td>
<td></td>
</tr>
<tr>
<td>Legal/acct.</td>
<td>50,000</td>
<td></td>
<td></td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>Title/Closing</td>
<td>50,000</td>
<td></td>
<td></td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>Dev. Fee</td>
<td>600,000</td>
<td>400,000</td>
<td>424,000</td>
<td>424,000</td>
<td></td>
</tr>
<tr>
<td>Contractor Fee</td>
<td>424,000</td>
<td></td>
<td></td>
<td>424,000</td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td>440,000</td>
<td></td>
<td></td>
<td>440,000</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>45,942</td>
<td></td>
<td></td>
<td>45,942</td>
<td></td>
</tr>
<tr>
<td>Lomas Fee</td>
<td>217,500</td>
<td></td>
<td></td>
<td>217,500</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>1,200,000</td>
<td></td>
<td></td>
<td>1,200,000</td>
<td></td>
</tr>
<tr>
<td>REIA Fee</td>
<td>145,000</td>
<td></td>
<td></td>
<td>145,000</td>
<td></td>
</tr>
<tr>
<td>Overhead</td>
<td>370,000</td>
<td>400,000</td>
<td>370,000</td>
<td>370,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td>$2,737,744</td>
<td>$1,960,000</td>
<td>$1,737,742</td>
<td>$8,536</td>
<td>$11.05 per</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td>$15,860,000</td>
<td>$1,360,000</td>
<td>$14,500,000</td>
<td>$41,428</td>
<td>$82.06 per</td>
</tr>
</tbody>
</table>

**Note:** Contractors Fee of $424,000 will be withheld until a final C/O has been issued for the entire 350-units, assuming any cost overruns have been accounted for within the contingency.
ADDENDUM II

Land Equity Distribution

Borrower is contributing land equity of $960,000, which represents value created over the past three years through rezoning.

This land equity will be recognized via an incentive profit participation to Borrower as follows:

1. Lomas to receive its base profit participation (as outlined in the Profit Participation section) on the first $1,160,000 of profit generated by the property.

2. Borrower to receive a preference on profit exceeding $1,160,000 equal to 25% of said excess profit up to the land equity of $960,000, or a total excess profit exceeding $1,160,000 of $3,840,000. The balance of excess profit up to $3,840,000, shall be distributed per the base profit participation as outlined in the Profit Participation section.

3. Thereafter, all profits shall be distributed per the base profit participation as outlined.
Development Proposal Requirement #6: Anticipated sales value for properties or rents to be charged and plan for marketing the properties.

A. Values of properties: Not applicable. Project is a rental apartment project.

B. Rents to be charged: See attached "Rental Schedule" now initially anticipated for the project.

C. Plan for marketing: See attached "Marketing Study."
## Rental Schedule

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Area</th>
<th>Monthly Rental</th>
<th>Per SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 BR/1B</td>
<td>624 SF</td>
<td>$435</td>
<td>$0.70</td>
</tr>
<tr>
<td>1 BR/1B</td>
<td>701 SF</td>
<td>$460</td>
<td>$0.66</td>
</tr>
<tr>
<td>1 BR/1B</td>
<td>723 SF</td>
<td>$470</td>
<td>$0.65</td>
</tr>
<tr>
<td>2 BR/2B</td>
<td>978 SF</td>
<td>$570</td>
<td>$0.58</td>
</tr>
<tr>
<td>2 BR/2B</td>
<td>998 SF</td>
<td>$580</td>
<td>$0.58</td>
</tr>
</tbody>
</table>
MARKETING STUDY
ECONOMIC APPROACH TO VALUE

Walnut Creek will be an attractive, heavily landscaped, high quality garden apartment complex containing 350 units in 25 buildings, and featuring an excellent amenity package. In our opinion, the subject property will be overall superior to any existing or under construction apartment development located within its competitive sub-market. It will be located at the convergence of Interstates 29 and 35, which will provide convenient access to shopping, entertainment, recreation and employment concentrations, including the Kansas City Central Business District and Kansas City International Airport.

The subject property will provide the following unit mix:

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Bath(s)</th>
<th>Area</th>
<th>Number</th>
<th>Mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Bedroom</td>
<td>One</td>
<td>624 SF</td>
<td>125</td>
<td>36%</td>
</tr>
<tr>
<td>One Bedroom</td>
<td>One</td>
<td>701 SF</td>
<td>50</td>
<td>14%</td>
</tr>
<tr>
<td>One Bedroom</td>
<td>One</td>
<td>728 SF</td>
<td>25</td>
<td>7%</td>
</tr>
<tr>
<td>Two Bedroom</td>
<td>Two</td>
<td>978 SF</td>
<td>100</td>
<td>29%</td>
</tr>
<tr>
<td>Two Bedroom</td>
<td>Two</td>
<td>998 SF</td>
<td>50</td>
<td>14%</td>
</tr>
</tbody>
</table>

All of the units will feature a security system on all windows and doors, full-size washer/dryer's installed in each unit, ceiling fans in the living room with fan hook-ups in each bedroom, designer selected vinyl wallcovering in baths, kitchen and dining rooms, a spacious deck with storage closet, oak parquet flooring in the entry area, porcelainized steel bathtubs with ceramic tile walls, hardwood recessed panel cabinet doors in the kitchen and baths, and fully equipped kitchen with frost-free refrigerator, cook-top range with continuous self-cleaning oven, dishwasher, and double sink with disposal. In addition approximately 64% of the units will have a wood-turning fireplace with quarry tile hearth and all top floor units will have vaulted or cathedral ceilings.

The amenity package for the project is designed to complement the mature trees already offered by the site and to further appeal to the adult lifestyles of the target resident population. Included in the amenity package are the following:

1. A 3,500 SF clubhouse/leasing office with two fireplaces, a full kitchen, and laundry area.

2. Four swimming pools: one full-size pool at the clubhouse with an indoor jacuzzi, and three smaller pools located at the north and south ends of the complex.

3. Three jacuzzies in gazebo-type structures, each serving an individual village.

4. One gazebo/pedestrian bridge structure crossing the lake.

5. Tennis court and one pickleball court.

6. Five separate mail drops in gazebo type structures.
7. A 1.5 acre lake with water feature; the clubhouse and main swimming pool and deck area will overlook the lake.

8. A central trash compactor located just off Parvin Road and centralized near the clubhouse (thereby avoiding both unsightly trash dumpsters and trash trucks within the project).

It is anticipated that all units will be rented on one-year leases with a one-month security deposit. Tenants will pay their own gas heat, electricity and cable TV; landlord will provide water, sewer and trash removal. No children under fourteen years of age are allowed. Also, a very restrictive pet policy is in force, as the complex is designed for white-collar young to middle-aged adults. Additional rentals and premiums will be charged for carports, fireplaces, vaulted ceilings, lake views and superior locational views.

Income

Walnut Creek Apartments will generate gross income from the following sources: (1) monthly apartment rentals including premiums; (2) carport rentals; (3) laundry income; and, (4) miscellaneous income from retained security deposits, interest earned, clubhouse rentals, vending machines, late payment fees, etc. The following income projections are based on competitive rentals in the subject's market area, and actual operating data of a very similar 261-unit complex known as Hillsborough, which was developed by subject's sponsor.

Apartment Rentals

Reference is made to the COMPETITION AND DEMAND section of this report which encompasses our current survey of 40 existing and under construction apartment complexes within the subject's competitive market area; plus two very similar apartment properties, also easily accessible to downtown Kansas City, which were developed projected base rents and rental premiums for Walnut Creek Apartments.

The subject will provide three, one-bedroom/one bath unit types and two, two-bedroom/two bath unit types. From our overall market survey we have selected 13 newer and under construction properties, plus the sponsor's other two similar developments for comparison purposes in projecting base rentals for Walnut Creek. The following two pages set forth our analysis selected comparables for only the one bedroom/one bath and two bedroom/two bath unit types.
<table>
<thead>
<tr>
<th>No.</th>
<th>Apartment Name</th>
<th>Year</th>
<th>Area</th>
<th>Rent</th>
<th>Rent/SF</th>
<th>Location</th>
<th>Quality</th>
<th>Project Amenities</th>
<th>Amenities</th>
<th>Unit Amenities</th>
<th>Adjusted No Rent</th>
<th>Adjusted Rent/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Woodview</td>
<td>1987</td>
<td>655 SF</td>
<td>$430</td>
<td>$0.66</td>
<td>$0</td>
<td>$0</td>
<td>$5</td>
<td>$5</td>
<td>$5</td>
<td>$440</td>
<td>$0.67</td>
</tr>
<tr>
<td>5</td>
<td>Hillsborough</td>
<td>1990</td>
<td>600 SF</td>
<td>$450</td>
<td>$0.58</td>
<td>$0</td>
<td>$0</td>
<td>$5</td>
<td>$5</td>
<td>$5</td>
<td>$460</td>
<td>$0.63</td>
</tr>
<tr>
<td>6</td>
<td>Vivion Oaks Phase II</td>
<td>1985</td>
<td>700 SF</td>
<td>$815</td>
<td>$0.53</td>
<td>$10</td>
<td>$25</td>
<td>$15</td>
<td>$10</td>
<td>$5</td>
<td>$965</td>
<td>$0.58</td>
</tr>
<tr>
<td>7</td>
<td>Pinehurst</td>
<td>1985</td>
<td>850 SF</td>
<td>$845</td>
<td>$0.52</td>
<td>$10</td>
<td>$25</td>
<td>$15</td>
<td>$10</td>
<td>$5</td>
<td>$990</td>
<td>$0.64</td>
</tr>
<tr>
<td>17</td>
<td>Gladstone Meadows Phase II</td>
<td>1986</td>
<td>700 SF</td>
<td>$445</td>
<td>$0.64</td>
<td>$10</td>
<td>$25</td>
<td>$20</td>
<td>$10</td>
<td>$5</td>
<td>$475</td>
<td>$0.61</td>
</tr>
<tr>
<td>26</td>
<td>Willow Lake</td>
<td>1987</td>
<td>800 SF</td>
<td>$395</td>
<td>$0.52</td>
<td>$15</td>
<td>$25</td>
<td>$25</td>
<td>$15</td>
<td>$5</td>
<td>$450</td>
<td>$0.69</td>
</tr>
<tr>
<td>29</td>
<td>The Lakes</td>
<td>1987</td>
<td>600 SF</td>
<td>$350</td>
<td>$0.56</td>
<td>$15</td>
<td>$25</td>
<td>$25</td>
<td>$10</td>
<td>$5</td>
<td>$670</td>
<td>$0.68</td>
</tr>
<tr>
<td>30</td>
<td>Quail Run</td>
<td>1985</td>
<td>720 SF</td>
<td>$395</td>
<td>$0.55</td>
<td>$15</td>
<td>$25</td>
<td>$25</td>
<td>$15</td>
<td>$10</td>
<td>$450</td>
<td>$0.63</td>
</tr>
<tr>
<td>31</td>
<td>Quail Cove</td>
<td>1986</td>
<td>720 SF</td>
<td>$395</td>
<td>$0.55</td>
<td>$15</td>
<td>$25</td>
<td>$25</td>
<td>$15</td>
<td>$10</td>
<td>$450</td>
<td>$0.63</td>
</tr>
<tr>
<td>32</td>
<td>The Coves North</td>
<td>1987</td>
<td>700 SF</td>
<td>$395</td>
<td>$0.55</td>
<td>$15</td>
<td>$25</td>
<td>$25</td>
<td>$15</td>
<td>$10</td>
<td>$450</td>
<td>$0.63</td>
</tr>
<tr>
<td>33</td>
<td>The Coves North</td>
<td>1987</td>
<td>600 SF</td>
<td>$365</td>
<td>$0.56</td>
<td>$15</td>
<td>$25</td>
<td>$25</td>
<td>$15</td>
<td>$10</td>
<td>$410</td>
<td>$0.59</td>
</tr>
<tr>
<td>34</td>
<td>Ethan's Ridge</td>
<td>1987</td>
<td>720 SF</td>
<td>$375</td>
<td>$0.59</td>
<td>$15</td>
<td>$25</td>
<td>$25</td>
<td>$15</td>
<td>$10</td>
<td>$475</td>
<td>$0.66</td>
</tr>
<tr>
<td>35</td>
<td>Ethan's Ridge</td>
<td>1987</td>
<td>626 SF</td>
<td>$425</td>
<td>$0.68</td>
<td>$10</td>
<td>$5</td>
<td>$10</td>
<td>$5</td>
<td>$5</td>
<td>$455</td>
<td>$0.73</td>
</tr>
<tr>
<td>36</td>
<td>Windrose</td>
<td>1987</td>
<td>657 SF</td>
<td>$365</td>
<td>$0.59</td>
<td>$20</td>
<td>$15</td>
<td>$15</td>
<td>$5</td>
<td>$5</td>
<td>$400</td>
<td>$0.67</td>
</tr>
<tr>
<td>38</td>
<td>Camden Passage</td>
<td></td>
<td></td>
<td>Proposed 917 SF</td>
<td>$375</td>
<td>$0.69</td>
<td>$10</td>
<td>$10</td>
<td>$10</td>
<td>$0</td>
<td>$440</td>
<td>$0.67</td>
</tr>
<tr>
<td>39</td>
<td>Camden Passage</td>
<td></td>
<td></td>
<td>Proposed 753 SF</td>
<td>$450</td>
<td>$0.60</td>
<td>$10</td>
<td>$10</td>
<td>$10</td>
<td>$0</td>
<td>$480</td>
<td>$0.64</td>
</tr>
</tbody>
</table>

Average All comparables:

711 SF | $419 | $0.59 | $462 | $0.66

All Comparables:

Rent Range = $350 - $405 @ $0.50/SF - $0.69/SF
(547 SF - 657 SF)

Adjusted Range = $405 - $505 @ $0.59/SF - $0.75/SF
(547 SF - 657 SF)
<table>
<thead>
<tr>
<th>No.</th>
<th>Apartment Name</th>
<th>Year</th>
<th>Area</th>
<th>No. Rent</th>
<th>Rent/ SF</th>
<th>Location</th>
<th>Quality</th>
<th>Project Amenities</th>
<th>Unit Amenities</th>
<th>Adjusted No.</th>
<th>Adjusted Rent</th>
<th>Adjusted Rent/ SF</th>
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<tbody>
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<td>Woodview</td>
<td>1987</td>
<td>1,070 SF</td>
<td>$500</td>
<td>$0.47</td>
<td>$0</td>
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<tr>
<td>A</td>
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<td>1987</td>
<td>500 SF</td>
<td>$540</td>
<td>$0.55</td>
<td>$0</td>
<td>$0</td>
<td>$10</td>
<td>$5</td>
<td>$555</td>
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<tr>
<td>B</td>
<td>Hillsborough</td>
<td>1985</td>
<td>1,016 SF</td>
<td>$580</td>
<td>$0.57</td>
<td>$0</td>
<td>$0</td>
<td>$15</td>
<td>$5</td>
<td>$505</td>
<td>$0.57</td>
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<tr>
<td>C</td>
<td>Hillsborough</td>
<td>1985</td>
<td>1,100 SF</td>
<td>$515</td>
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<td>$0</td>
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<td>$475</td>
<td>$0.48</td>
<td>$0</td>
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<td>$0</td>
<td>$0</td>
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<td>$560</td>
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<td>G</td>
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<td>$0.48</td>
<td>$0</td>
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<td>$5</td>
<td>$590</td>
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<tr>
<td>H</td>
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<td>1985</td>
<td>1,110 SF</td>
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<td>$15</td>
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<td>$560</td>
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<tr>
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<td>$0.47</td>
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<td>$5</td>
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<td>$0.52</td>
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<tr>
<td>J</td>
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<tr>
<td>K</td>
<td>David Place</td>
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<td>$490</td>
<td>$0.49</td>
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<td>L</td>
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<td>$465</td>
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<td>$0</td>
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<td>$0.60</td>
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<tr>
<td>M</td>
<td>Gladstone Meadows Phase I</td>
<td>1986</td>
<td>1,014 SF</td>
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<td>$0.47</td>
<td>$0</td>
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<td>$535</td>
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<tr>
<td>N</td>
<td>Willow Lake</td>
<td>1987</td>
<td>740 SF</td>
<td>$400</td>
<td>$0.53</td>
<td>$0</td>
<td>$0</td>
<td>$15</td>
<td>$5</td>
<td>$505</td>
<td>$0.50</td>
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<tr>
<td>O</td>
<td>The Lakea</td>
<td>1987</td>
<td>927 SF</td>
<td>$527</td>
<td>$0.57</td>
<td>$0</td>
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<td>$15</td>
<td>$5</td>
<td>$572</td>
<td>$0.62</td>
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<tr>
<td>P</td>
<td>Quail Cove</td>
<td>1986</td>
<td>1,056 SF</td>
<td>$490</td>
<td>$0.48</td>
<td>$0</td>
<td>$0</td>
<td>$15</td>
<td>$5</td>
<td>$505</td>
<td>$0.50</td>
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</tr>
<tr>
<td>Q</td>
<td>Quail Run</td>
<td>1985</td>
<td>1,056 SF</td>
<td>$490</td>
<td>$0.48</td>
<td>$0</td>
<td>$0</td>
<td>$15</td>
<td>$5</td>
<td>$505</td>
<td>$0.50</td>
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<tr>
<td>R</td>
<td>The Coves North</td>
<td>1985</td>
<td>1,000 SF</td>
<td>$455</td>
<td>$0.46</td>
<td>$0</td>
<td>$0</td>
<td>$15</td>
<td>$5</td>
<td>$565</td>
<td>$0.56</td>
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</tr>
<tr>
<td>S</td>
<td>The Coves North</td>
<td>1985</td>
<td>1,010 SF</td>
<td>$465</td>
<td>$0.46</td>
<td>$0</td>
<td>$0</td>
<td>$15</td>
<td>$5</td>
<td>$565</td>
<td>$0.54</td>
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</tr>
<tr>
<td>T</td>
<td>The Coves North</td>
<td>1985</td>
<td>1,080 SF</td>
<td>$495</td>
<td>$0.45</td>
<td>$0</td>
<td>$0</td>
<td>$15</td>
<td>$5</td>
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<tr>
<td>U</td>
<td>The Coves North</td>
<td>1985</td>
<td>1,050 SF</td>
<td>$495</td>
<td>$0.45</td>
<td>$0</td>
<td>$0</td>
<td>$15</td>
<td>$5</td>
<td>$575</td>
<td>$0.53</td>
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</tr>
<tr>
<td>V</td>
<td>The Coves North</td>
<td>1985</td>
<td>1,110 SF</td>
<td>$510</td>
<td>$0.47</td>
<td>$0</td>
<td>$0</td>
<td>$15</td>
<td>$5</td>
<td>$635</td>
<td>$0.57</td>
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<tr>
<td>W</td>
<td>The Coves North</td>
<td>1985</td>
<td>1,150 SF</td>
<td>$525</td>
<td>$0.47</td>
<td>$0</td>
<td>$0</td>
<td>$15</td>
<td>$5</td>
<td>$585</td>
<td>$0.53</td>
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</tr>
<tr>
<td>X</td>
<td>Camden Passage</td>
<td>Proposed</td>
<td>900 SF</td>
<td>$525</td>
<td>$0.49</td>
<td>$0</td>
<td>$0</td>
<td>$15</td>
<td>$5</td>
<td>$580</td>
<td>$0.63</td>
<td></td>
</tr>
<tr>
<td>Y</td>
<td>Camden Passage</td>
<td>Proposed</td>
<td>900 SF</td>
<td>$525</td>
<td>$0.49</td>
<td>$0</td>
<td>$0</td>
<td>$15</td>
<td>$5</td>
<td>$580</td>
<td>$0.63</td>
<td></td>
</tr>
</tbody>
</table>

Average All Comparables:

| 1,044 SF | 509 | 0.49 |

Adjusted Rent Range = $505 - $565 @ $0.49/ SF - $0.60/ SF
(740 SF - 1,300 SF)

Rent Range = $400 - $620 @ $0.42/ SF - $0.50/ SF
(740 SF - 1,300 SF)
DEMAND AND COMPETITION

The proposed Walnut Creek Apartments will be 0.25 mile west of the intersection of interstate highways 29 and 35 at the heart of a proven apartment neighborhood extending north from Armour Boulevard (No. Hwy. 210), an east/west thoroughfare located about 1.5 miles south of the subject Armour Blvd. generally forms the boundary between industrial uses and residential areas. Past demand in the subject’s neighborhood has been generated by the area’s convenient proximity to downtown Kansas City, excellent freeway accessibility and close proximity to major employers such as Northrup Wilcox Corporation, Ford’s Claycomo plant, Farmland Industries, North Kansas City Hospital and the many firms located in the North Kansas City Industrial District. The site is thus strategically located within the metropolitan sub-market generally referred to as “Northland” which encompasses the Missouri counties of Clay and Platte, 2 of the 7 counties in Missouri and Kansas which comprise the Kansas City SMSA.

We have surveyed apartment competition within this Northland area. We excluded from the survey projects of less than 100 units or projects whose age, lack of amenities or physical condition make them non-competitive. The survey encompassed 40 projects of which 35 projects are completed and have reached stabilized occupancy and 5 projects are either under construction or still in the initial leasing stage. The results of this survey for the 35 apartment projects completed prior to 1987 are set forth below (refer to survey numbers on aerial map for locations):

<table>
<thead>
<tr>
<th>Survey</th>
<th>Apartment Name</th>
<th>Year</th>
<th>Completed Units</th>
<th>Occupied Units</th>
<th>Occ.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Briar Hill</td>
<td>1968</td>
<td>83</td>
<td>75</td>
<td>90%</td>
</tr>
<tr>
<td>2</td>
<td>Sunny Hill</td>
<td>1972</td>
<td>138</td>
<td>134</td>
<td>97%</td>
</tr>
<tr>
<td>3</td>
<td>French Quarters</td>
<td>1968</td>
<td>174</td>
<td>169</td>
<td>97%</td>
</tr>
<tr>
<td>4</td>
<td>Timber Line</td>
<td>1970</td>
<td>144</td>
<td>130</td>
<td>90%</td>
</tr>
<tr>
<td>5</td>
<td>Knollwood</td>
<td>1969</td>
<td>315</td>
<td>289</td>
<td>95%</td>
</tr>
<tr>
<td>6a</td>
<td>Vivian Oaks Phase I</td>
<td>1965</td>
<td>136</td>
<td>128</td>
<td>94%</td>
</tr>
<tr>
<td>6b</td>
<td>Vivian Oaks Phase II</td>
<td>1985</td>
<td>174</td>
<td>164</td>
<td>94%</td>
</tr>
<tr>
<td>7</td>
<td>Northland Village</td>
<td>1970</td>
<td>100</td>
<td>87</td>
<td>97%</td>
</tr>
<tr>
<td>9</td>
<td>North Winn</td>
<td>1973</td>
<td>110</td>
<td>105</td>
<td>95%</td>
</tr>
<tr>
<td>10</td>
<td>Valley Forge</td>
<td>1966</td>
<td>89</td>
<td>87</td>
<td>98%</td>
</tr>
<tr>
<td>11</td>
<td>Rivemont</td>
<td>1969</td>
<td>108</td>
<td>102</td>
<td>94%</td>
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<tr>
<td>12</td>
<td>El Chapparal</td>
<td>1972</td>
<td>230</td>
<td>184</td>
<td>60%</td>
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<tr>
<td>13</td>
<td>Sycamore Hills</td>
<td>1970</td>
<td>207</td>
<td>186</td>
<td>90%</td>
</tr>
<tr>
<td>14</td>
<td>Oak Creek</td>
<td>1970</td>
<td>176</td>
<td>165</td>
<td>94%</td>
</tr>
<tr>
<td>15</td>
<td>Regency North</td>
<td>1974</td>
<td>97</td>
<td>97</td>
<td>100%</td>
</tr>
<tr>
<td>16</td>
<td>Broadway Village</td>
<td>1972</td>
<td>97</td>
<td>97</td>
<td>100%</td>
</tr>
<tr>
<td>17</td>
<td>Pinehurst</td>
<td>1969</td>
<td>66</td>
<td>66</td>
<td>97%</td>
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<tr>
<td>18</td>
<td>Tanglewood</td>
<td>1975</td>
<td>230</td>
<td>219</td>
<td>95%</td>
</tr>
<tr>
<td>19</td>
<td>Birdain</td>
<td>1970</td>
<td>200</td>
<td>186</td>
<td>93%</td>
</tr>
<tr>
<td>20</td>
<td>Scandia Village</td>
<td>1967</td>
<td>150</td>
<td>150</td>
<td>100%</td>
</tr>
<tr>
<td>21</td>
<td>Kendallwood</td>
<td>1969</td>
<td>332</td>
<td>299</td>
<td>90%</td>
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<tr>
<td>22</td>
<td>London Towers</td>
<td>1985</td>
<td>156</td>
<td>139</td>
<td>85%</td>
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<tr>
<td>23a</td>
<td>Gladstone Meadows Phase I</td>
<td>1969</td>
<td>150</td>
<td>150</td>
<td>100%</td>
</tr>
<tr>
<td>23b</td>
<td>Gladstone Meadows Phase II</td>
<td>1986</td>
<td>150</td>
<td>150</td>
<td>100%</td>
</tr>
<tr>
<td>24</td>
<td>Appletree</td>
<td>1978</td>
<td>132</td>
<td>132</td>
<td>100%</td>
</tr>
<tr>
<td>25</td>
<td>Whispering Oaks</td>
<td>1972</td>
<td>138</td>
<td>117</td>
<td>85%</td>
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<tr>
<td>Survey No.</td>
<td>Apartment Name</td>
<td>Year</td>
<td>Completed Units</td>
<td>Occupied Units</td>
<td>Occ.</td>
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<td>-----------------</td>
<td>----------------</td>
<td>------</td>
</tr>
<tr>
<td>27</td>
<td>Hunters Glen</td>
<td>1973</td>
<td>253</td>
<td>250</td>
<td>99%</td>
</tr>
<tr>
<td>28</td>
<td>Fox Crossing</td>
<td>1967</td>
<td>180</td>
<td>175</td>
<td>97%</td>
</tr>
<tr>
<td>30a</td>
<td>Quail Cove</td>
<td>1986</td>
<td>440</td>
<td>436</td>
<td>99%</td>
</tr>
<tr>
<td>30b</td>
<td>Quail Run</td>
<td>1986</td>
<td>250</td>
<td>248</td>
<td>99%</td>
</tr>
<tr>
<td>31</td>
<td>The Coves North</td>
<td>1985</td>
<td>150</td>
<td>135</td>
<td>90%</td>
</tr>
<tr>
<td>32a</td>
<td>WUA-LIN-CREE Phase I</td>
<td>1977</td>
<td>140</td>
<td>129</td>
<td>92%</td>
</tr>
<tr>
<td>32b</td>
<td>WUA-LIN-CREE Phase II</td>
<td>1980</td>
<td>146</td>
<td>134</td>
<td>93%</td>
</tr>
<tr>
<td>35</td>
<td>Robin Hill</td>
<td>1978</td>
<td>140</td>
<td>137</td>
<td>98%</td>
</tr>
<tr>
<td>36</td>
<td>Windrose</td>
<td>1986</td>
<td>288</td>
<td>230</td>
<td>88%</td>
</tr>
<tr>
<td>37</td>
<td>New Mark Garden Phase I</td>
<td>1970</td>
<td>120</td>
<td>119</td>
<td>99%</td>
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<tr>
<td>37</td>
<td>New Mark Garden Phase II</td>
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<td>90</td>
<td>89</td>
<td>99%</td>
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<tr>
<td>39</td>
<td>The Islander</td>
<td>1973</td>
<td>48</td>
<td>48</td>
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<tr>
<td>40</td>
<td>Duquesne Village</td>
<td>1972</td>
<td>54</td>
<td>53</td>
<td>99%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6,304</td>
<td>5,917</td>
<td>94%</td>
</tr>
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</table>

The 35 existing, stabilized projects surveyed comprise a total of 6,304 units of which 5,917 units were reportedly occupied as of November 1987 for an overall occupancy rate of 93.86%. The occupancy rate observed in our survey is consistent with the results of a study performed by ETC Institute for the Apartment Association of Kansas City. ETC mailed questionnaires during March of 1987 to all apartment complexes within metropolitan Kansas City divided into 10 sub-markets. Within the Northland sub-market the ETC Institute received responses from 30 apartment complexes totaling 4,466 units and reporting an overall occupancy rate of 93% which was the second highest occupancy rate of the 10 sub-markets.

We have also analyzed our survey group to determine whether occupancy varies by age of project. The 11 projects completed during the 1960's comprise a total of 1,833 units of which 1,727 are reportedly occupied for an average occupancy rate of 94.27%. The 19 projects completed during the 1970's comprise a total of 2,687 units of which 2,517 were reportedly occupied for an average occupancy rate of 93.67%. The 9 projects completed between 1980 and year-end 1986 comprise a total of 1,784 units of which 1,672 were reportedly occupied for an average occupancy rate of 93.72%. Thus absorption of new apartment units does not appear to have had a substantial adverse impact upon occupancy of older competitive units. This situation generally indicates that market demand is growing at about the same pace as the supply of new units.

In order to estimate recent absorption rate we have analyzed 7 competitive projects completed in 1985 and 1986. These projects, comprising a total of 1,548 units are set forth in the following table:

<table>
<thead>
<tr>
<th>Survey No.</th>
<th>Apartment Name</th>
<th>Year</th>
<th>Completed Units</th>
<th>Occupied Units</th>
<th>Occ.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Vivion Oaks Phase II</td>
<td>1986</td>
<td>174</td>
<td>164</td>
<td>94%</td>
</tr>
<tr>
<td>17</td>
<td>Pinehurst</td>
<td>1986</td>
<td>96</td>
<td>93</td>
<td>97%</td>
</tr>
<tr>
<td>23</td>
<td>Gladstone Meadows Phase II</td>
<td>1986</td>
<td>150</td>
<td>143</td>
<td>95%</td>
</tr>
</tbody>
</table>
### REALTY INCORPORATED

<table>
<thead>
<tr>
<th>Survey No.</th>
<th>Apartment Name</th>
<th>Year</th>
<th>Completed Units</th>
<th>Occupied Units</th>
<th>Occupied Occ.</th>
</tr>
</thead>
<tbody>
<tr>
<td>30a</td>
<td>Quail Cove</td>
<td>1986</td>
<td>440</td>
<td>436</td>
<td>99%</td>
</tr>
<tr>
<td>30b</td>
<td>Quail Run</td>
<td>1986</td>
<td>250</td>
<td>248</td>
<td>99%</td>
</tr>
<tr>
<td>31</td>
<td>The Coves North</td>
<td>1985</td>
<td>150</td>
<td>135</td>
<td>90%</td>
</tr>
<tr>
<td>36</td>
<td>Windrose</td>
<td>1986</td>
<td>268</td>
<td>230</td>
<td>88%</td>
</tr>
</tbody>
</table>

In addition to the 35 existing and stabilized projects discussed above we surveyed the following 5 competitive projects currently under construction or in lease-up:

<table>
<thead>
<tr>
<th>Survey No.</th>
<th>Apartment Name</th>
<th>Totals Units</th>
<th>Units Compl.</th>
<th>Occ. Date</th>
<th>Units Occup.</th>
<th>Rentals Per Mo.</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>Willow Lake</td>
<td>132</td>
<td>-0-</td>
<td>3/88</td>
<td>-0-</td>
<td>NA</td>
</tr>
<tr>
<td>29</td>
<td>The Lakes</td>
<td>400</td>
<td>-0-</td>
<td>1/88</td>
<td>-0-</td>
<td>NA</td>
</tr>
<tr>
<td>33</td>
<td>Candlewyck</td>
<td>312</td>
<td>312</td>
<td>3/87</td>
<td>243</td>
<td>26</td>
</tr>
<tr>
<td>34</td>
<td>Ethan's Ridge</td>
<td>316</td>
<td>223</td>
<td>9/87</td>
<td>113</td>
<td>28</td>
</tr>
<tr>
<td>38</td>
<td>Camden Passage</td>
<td>308</td>
<td>-0-</td>
<td>6/88</td>
<td>-0-</td>
<td>NA</td>
</tr>
</tbody>
</table>

The 5 projects will comprise a total of 1,468 of which 535 have been completed and 356 are occupied. In addition in January, 1988 The Lake will have 4 building containing 96 units completed and ready for occupancy of which 10 are already leased.

It appears that the Northland area has absorbed 1805 out of 2063 new competitive units completed in 1986 and 1987 or an average absorption of about 900 units. The four competitive projects currently under construction will add 933 new units to the supply. Thus the Northland apartment market appears to have a balanced supply/demand situation in the near term and the competitive units now available or under construction should be absorbed in about one year. In addition to the subject project only Phase II of Ethan's Ridge (34) is expected to start construction during the first half of 1988.

Discussions with apartment managers and leasing personnel indicated that rental concessions have been and continue to be offered by some projects both to attract traffic and to enhance the marketability of slow-moving unit types. The Spanos organization offered a month of free rent during the initial marketing of both Quail Cove and Quail Run. The Trammell Crow Company has also offered free rent of up to $1,000 on some units at Ethan's Ridge. However, most concessions in the Northland area involve projects located on or north of Barry Road in the far northern section of the submarket.

In summary, the subject property will be located on an "infill" site within a well established apartment neighborhood with excellent locational characteristics. New projects in the submarket have been well received and overall supply and demand appear to be in equilibrium. At the present pace of absorption these competitive units now under construction or still in initial lease-up should be absorbed in about one year.
Development Proposal Requirement #7: Types of municipal assistance requested to complete development.

Types of municipal assistance: Other than the benefits of the features of the Walnut Creek Apartments Tax Increment Financing Plan, no municipal assistance will be requested by this applicant.
ITEM VIII

Applicant's Suggested Considerations to the
Tax Increment Finance Commission of this Proposal

1. Applicant has submitted this Proposal consistent with the Walnut Creek Apartments Tax Increment Financing Plan. In light of the fact that the Applicant is also the present owner of all the land described in the Plan and has held the same for a considerable period of time, the Applicant is the logical developer best familiar and better capable to develop the Property than competing Applicants.

2. Those portions of this Application contained in Items I and II describe why a developer, through experience, is obviously qualified to handle a project of this scope.

3. Tax Increment Financing assistance is necessary given extraordinary site preparation and public improvement costs which in turn will serve the public benefit by the development of a quality project within a distressed portion of the City of Kansas City, Missouri under competitive circumstances which would not reasonably allow the Project as anticipated by this Proposal to be developed without the adoption and implementation of the Walnut Creek Apartments Tax Increment Financing Plan. In this regard, the Applicant submits that substantially every aspect of the proposed development is extraordinary in nature necessitating Tax Increment Finance assistance.

First, Applicant's predecessor in title, Home Building Corporation, owned the land for an excess of 9 years, during which a variety of zoning applications were submitted for densities far in excess of the densities of the Walnut Creek Apartments. Such predecessor in title went so far as to file lawsuits against the City of Kansas City, Missouri to attempt to force a rezoning of the Property to a more affordable per unit land cost for a multi-family development on the subject site but was unsuccessful. Failing at such attempts, the previous owner, in July, 1985, sold the subject tract to the Applicant. The Applicant pursued the City of Kansas City, Missouri for a higher density in order to reduce land cost per unit to create a more affordable project on what was otherwise a somewhat distressed in-fill site but withdrew such application to pursue the plan substantially similar to this Tax Increment Financing Plan. Accordingly, Applicant has held this Property for approximately 36 months without the opportunity to develop the same given severe land use regulations. The result of these land use regulations on this parcel of land cause this parcel to be unique. It is an area in need of redevelopment, an area the topography of which is suitable for Applicant's typical wooded and open architectural design, yet restrictive as to the number of units available per acre. While the typical land cost per acre on a typical multi-family project within this area of Kansas City, Missouri is $2,704.00 per unit, the land cost per unit at Walnut Creek will be $4,175.00 per unit. Accordingly, land costs at Walnut Creek because of the unusual situations, land use restrictions, holding, and other extraordinary site characteristics, causes unit costs applicable to land situations to be $4,175.00 per unit or $515,000.00 additional for the entire project on land alone.
Second, the rentals per units at Walnut Creek as developed by the Applicant will be as follows:

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Area</th>
<th>Monthly Rental</th>
<th>Per SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 BR/1B</td>
<td>624 SF</td>
<td>$435</td>
<td>$0.70</td>
</tr>
<tr>
<td>1 BR/1B</td>
<td>701 SF</td>
<td>$460</td>
<td>$0.66</td>
</tr>
<tr>
<td>1 BR/1B</td>
<td>723 SF</td>
<td>$470</td>
<td>$0.65</td>
</tr>
<tr>
<td>Average</td>
<td>684 SF</td>
<td>$455</td>
<td>$0.67</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Monthly Rental</th>
<th>Per SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 BR/2B</td>
<td>$570</td>
<td>$0.58</td>
</tr>
<tr>
<td>2 BR/2B</td>
<td>$580</td>
<td>$0.58</td>
</tr>
<tr>
<td>Average</td>
<td>$575</td>
<td>$0.58</td>
</tr>
</tbody>
</table>

Based upon market surveys undertaken by the Applicant, comparable rates for units also within the northern area of Kansas City, Missouri are as follows:

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Monthly Rental</th>
<th>Per SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 BR/1B</td>
<td>$419</td>
<td>$0.59</td>
</tr>
<tr>
<td>2 BR/2B</td>
<td>$509</td>
<td>$0.49</td>
</tr>
</tbody>
</table>

It can be seen, therefore, that the rates which must be charged by the Applicant upon the completion of Walnut Creek Apartments with the advantage of Tax Increment Financing will nonetheless remain on somewhat the higher side of the rental spectrum, such high rental rates caused by extraordinary site development expenses, land holding expenses and other items which necessitate Tax Increment Financing assistance as described in the Plan. In the event Tax Increment Financing assistance is not available, then and in that event, initial rentals will necessarily be no less than $50.00 per unit higher, thereby causing Walnut Creek Apartments to be at a competitive disadvantage due to extraordinary site costs. Accordingly, Tax Increment Financing assistance as afforded by the Walnut Creek Apartments Tax Increment Financing Plan is absolutely necessary.

Third, the land acquisition costs, holding costs and site development costs for the site upon which the Walnut Creek Apartments will be constructed constitute extraordinary items and expenses which would not otherwise be experienced in a conventional development. These extraordinary items are as follows:

(a) Because of land use restrictions and the need for this Tax Increment Financing Plan, the Developer has held this Property for 36 months. This is contrary to the other projects north of the river in Kansas City, Missouri, substantially all of which began construction as soon as the zoning and platting processes were completed, and in fact, some projects have even begun before that time with grading permits in anticipation of final zoning approvals.
The subject site has at one of its boundaries a stubbed-in portion of Parvin Road. The Transportation Department of Kansas City, Missouri has anticipated that Parvin Road would be a major carrier in this portion of the City, and therefore, as a requirement of the platting process, the City of Kansas City, Missouri has required the Applicant to construct Parvin Road as a major carrier consisting of four lanes divided in each direction with somewhat of an open green space character. Additionally, sidewalks have been required. This is an extremely extraordinary requirement, however, given the stubbed-in nature of Parvin Road at the site, the dedication and improvement of this Parvin Road carrier has not been an item the City has been willing to forego. Accordingly, this is an item along with the construction of Tracy Avenue, the expense of which exceeds $500,000.00 up and above the standard road expenditures, which would be incurred by a developer, and therefore, is an expense the Applicant, as Developer, would not typically face in the usual multi-family development. Additionally, because of the characteristics of the land and the philosophy of the Developer to enhance this site with an extraordinary abundance of amenities in order to alleviate deteriorating conditions in the neighborhood, the Developer is proposing a one and one-half acre lake, a variety of four swimming pools, a jogging course, tennis and pickleball courts, and other amenities, all of which are expenses up and beyond those which would otherwise be spent on this Project without a Tax Increment Financing Plan in place. Tax Increment Financing will allow this Developer to build a quality project in an otherwise economic development area of this City which will have the effect of deteriorating conditions throughout the neighborhood surrounding this site.

In summary, the Developer submits this Proposal as its Proposal of a Project which, since July of 1985, has been anticipated for this acreage, but which has not been affordable, financeable or available without the tools provided by the Real Property Tax Increment Allocation Redevelopment Act of Missouri. It is the purpose of this Developer to construct the amenities and additional improvements described herein for 350 apartment units, swimming pools, lake and jogging trails with the assistance of Tax Increment Financing. Without the assistance, it is not reasonably to be anticipated that the development proposed by the Applicant would be developed but rather it is more likely that a more dense development consisting of approximately 450 units without the amenities proposed herein would be the only type of Project available for the site which would be financing affordable by developer; the consequences of such development being a frustration of the efforts and purposes of the Tax Increment Finance Commission in attempting to halt an otherwise deteriorating condition of the site.
EXHIBIT 11

ROSTER OF DISPLACED OCCUPANTS AND BUSINESSES

There are currently no occupants or businesses located in the Economic Development Area.
RESOLUTION NO. 88-14

RESOLUTION OF THE TAX INCREMENT FINANCING COMMISSION
OF KANSAS CITY, MISSOURI RESCINDING ITS PREVIOUS APPROVAL
OF THE WALNUT CREEK TAX INCREMENT FINANCING PLAN,
APPROVING IN LIEU THEREOF A REVISED WALNUT CREEK TAX
INCREMENT FINANCING PLAN AND EXPRESSING
ITS RECOMMENDATIONS TO THE CITY COUNCIL OF
KANSAS CITY, MISSOURI WITH RESPECT TO A TAX
INCREMENT FINANCING PROJECT LOCATED AT THE NORTHEAST
CORNER OF NORTH TROOST AVENUE AND NORTHEAST RUSSELL ROAD

WHEREAS, the Tax Increment Financing Commission of Kansas
City, Missouri was formed under Ordinance 54556, passed on
November 24, 1982; and

WHEREAS, under the Real Property Tax Increment Allocation
Redevelopment Act, the Commission is empowered to hold hearings
with respect to proposed redevelopment projects within Kansas
City, Missouri and make its recommendations thereon to the City
Council; and

WHEREAS, a redevelopment plan (the "Redevelopment Plan")
was prepared by the Commission, proposing that an area located
generally at the northeast corner of North Troost Avenue and
northeast Russell Road and more particularly described in
Exhibit "A", (the "Project Area") be designated as a
redevelopment project area; and

WHEREAS, after proper notice, public hearings in
conformance with the law and in particular § 99.820(11) of the
Revised Statutes of Missouri were held on June 15, 1988,
July 13, 1988 and August 10, 1988 and comment was received from
all interested persons; and

WHEREAS, the Commission sought proposals from developers
for the development of the project as described in the
Redevelopment Plan by both newspaper advertisements and direct
mail, and received only one proposal to wit: the proposal of
Matrix Realty, Inc. attached hereto as Exhibit "A" of the
Revised Redevelopment Plan, which proposal complies with all
applicable law and with the Commission's request for proposals; and

WHEREAS, the Commission on August 10, 1988 passed a
resolution in which it found that the Project Area on the whole
has not been subject to growth and development through
investments by private enterprise and would not reasonably be
anticipated to be developed without the adoption of the
Redevelopment Plan; and

WHEREAS, the Commission classified the Project Area as an
Economic Development Area as defined in § 99.805(3) of the
Revised Statutes of Missouri; and
WHEREAS, the Commission by Resolution dated August 10, 1988 recommended to the City Council that it approve the Redevelopment Plan and designate the Project Area a redevelopment project area, adopt tax increment financing and designate Matrix Realty, Inc. as the developer to carry out the Redevelopment Plan; and

WHEREAS, pursuant to § 99.825(1) of the Revised Statutes of Missouri, the Commission has made changes in the Redevelopment Plan (the "Revised Redevelopment Plan"), a copy of which is attached hereto as Exhibit "B", which changes do not alter the exterior boundaries, do not substantially affect the general land uses established in the Redevelopment Plan or substantially change the nature of the redevelopment project.

NOW, THEREFORE, BE IT RESOLVED by the Tax Increment Financing Commission of Kansas City, Missouri,

1. That the Resolution of the Commission dated August 10, 1988 is hereby rescinded.

2. That the Revised Redevelopment Plan attached hereto as Exhibit "B" dated September 21, 1988 is hereby adopted and approved in place of the Development Plan previously adopted and approved on August 10, 1988.

3. That the Commission hereby finds that:
   
   a. The Project Area on the whole has not been subject to growth and development through investments by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan.

   b. The Redevelopment Plan and project conform to the comprehensive plan for the development of the municipality as a whole.

   c. The estimated dates of completion of the redevelopment project and retirement of obligations incurred to finance redevelopment project costs have been stated in the Revised Redevelopment Plan.

   d. The Project Area is an Economic Development Area, as defined in § 99.805(3) of the Revised Statutes of Missouri.

4. That the Commission recommends to the City Council that:
   
   a. The City Council approve the Revised Redevelopment Plan and project set out in Exhibit "B"; and
b. The City Council designate the Project Area set out in Exhibit "A" as a redevelopment project area; and

c. The City Council adopt tax increment financing by passage of an ordinance complying with the terms of § 99.845 of the Revised Statutes of Missouri.

d. Matrix Realty, Inc. be designated as the developer to carry out the Revised Redevelopment Plan and project.

Done this 21st day of September, 1988, at Kansas City, Missouri.

[SEAL]

Vice-Chairman

ATTEST:

Secretary
TAX INCREMENT FINANCING COMMISSION

FUNDING AGREEMENT

THIS AGREEMENT is entered into this 21st day of September, 1988, by and between WALNUT CREEK ASSOCIATES LIMITED PARTNERSHIP, (hereinafter the "Company"), and the TAX INCREMENT FINANCING COMMISSION OF KANSAS CITY, MISSOURI, a public body corporate and politic (hereinafter referred to as the "Commission").

WITNESSETH:

WHEREAS, the Commission is a public body corporate and politic created by the Real Property Tax Increment Allocation Redevelopment Law R.S.Mo. Section 99.800 et seq. 1982, as amended, and is transacting business and exercising the powers granted by said law by virtue of ordinance number 54556 - substitute, duly passed by the City Council of Kansas City, Missouri, November 22, 1982; and

WHEREAS, the Company is a privately financed Missouri limited partnership that is not funded by any federal, state or local agency; and

WHEREAS, the Commission has been requested by the Company to prepare a Tax Increment Financing Plan for the Walnut Creek Apartments Area of the City of Kansas City, Missouri, which Area is legally described on Schedule 1 hereto and incorporated herein by this reference; and

WHEREAS, the Company is cognizant of the Commission's statutory powers, experience and ability to carry out certain program elements of the Walnut Creek Tax Increment Financing Plan desires to contract with the Commission in order for it to prepare the Plan and to carry out certain activity under the Plan, and the costs incidental to and related thereto; and

WHEREAS, the Commission is willing to assume the responsibility of implementing the Plan and carrying out the activity hereinafter described;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter expressed, the parties mutually agree as follows:
I. Funding

A. Scope of Services

1. Company to Provide Funding. The Company shall provide funding as hereinafter set forth to facilitate the performance by the Commission of the services specified on Exhibit A attached hereto and incorporated herein by this reference in connection with the preparation and implementation of the Walnut Creek Apartments Tax Increment Financing Plan.

2. Services to be Performed by the Authority. To the extent possible with funds provided by the Company, the Commission shall proceed to prepare the Walnut Creek Apartments Tax Increment Financing Plan. In furtherance of such purpose, the Commission is authorized to expend contract funds for the services listed on Exhibit A.

3. Administrative Fee. The Company shall reimburse the Commission for its administrative costs and expenses (including staff time) in connection with the performance of its obligations hereunder.

B. Method of Funding

In consideration of the foregoing, the Company shall pay the Commission for the total costs incurred for services rendered under Article I of this Agreement.

The Commission shall utilize its own accounting and fiscal systems for receipts and disbursements pursuant to this Agreement in accordance with the following:

1. All disbursements pursuant to this Agreement will be made pursuant to Exhibit A and in accordance with such reasonable procedures as deemed necessary by the parties. Within five days of approval of this Agreement by the Commission's Board of Commissioners, the Company shall furnish immediately available funds in form satisfactory to the Commission in the amount estimated on Exhibit A. Furthermore, the Company shall, within fifteen (15) days of receipt of notice from the Commission, make available such additional funds necessary to pay the actual out-of-pocket costs and expenses for cost overruns approved by the Board of Commissioners of the Commission for the services specified on Exhibit A.

C. Reimbursement by Redeveloper

The parties hereto acknowledge that the Company may determine to abandon the project or the Commission may find the Company to be in default of this Agreement. At such time of abandonment or default, and should the Commission subsequently proceed with the project with another redeveloper, the Commission shall require said redeveloper to reimburse the money provided by
the Company and expended by the Commission in connection with this Funding Agreement. In return, upon receipt of said funds from the subsequent redeveloper approved by the Commission, the Commission shall reimburse the Company. Any reimbursement by the subsequent redeveloper shall not include administrative fees to the Commission as indicated on Exhibit A. The Commission's obligation to reimburse the Company shall be limited to a period of two (2) years from the date of abandonment by the Company as determined by the Board of the Commission or upon the default of the Company and/or termination of this Agreement by the Commission's Board of Commissioners.

D. Termination of This Agreement

In the event of the Company's default of this Agreement and the subsequent termination of this Agreement, the Commission shall have the right to retain the funds in the amount estimated on Exhibit A necessary to fund incurred expenses of the Commission and shall retain the $5,000 good faith deposit in the Account described in Exhibit A as a default penalty.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives the day and year first above written.

WALNUT CREEK ASSOCIATES, L.P.,
a Missouri limited partnership

By: MATRIX REALTY INCORPORATED,
a Kansas corporation authorized
do business in Missouri as
MATRIX REALTY OF KANSAS
INCORPORATED, General Partner

By: _____________________________
    Frederick C. Ray, President

TAX INCREMENT FINANCING COMMISSION
OF KANSAS CITY, MISSOURI

By: _____________________________
    Janet Miller, Vice Chairwoman

ATTEST:

By: _____________________________
    Brian H. Collins, Secretary
APPROVED AS TO FORM AND LEGALITY:

[Signature]

Attorney for Tax Increment Financing Commission
EXHIBIT A

ESTIMATED BUDGET

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Fee (1)</td>
<td>$2,000</td>
</tr>
<tr>
<td>Commission Meeting Administrative Expenses (4 @ $250/meeting) (2)</td>
<td>1,000</td>
</tr>
<tr>
<td>Staff Time Reimbursements (estimated through City Approval) (2)</td>
<td>1,500</td>
</tr>
<tr>
<td>Consultant Services (to be provided by redeveloper as may be required) (2)</td>
<td>0</td>
</tr>
<tr>
<td>Legal Services (2)</td>
<td>7,000</td>
</tr>
<tr>
<td>Plan Preparation Materials, Graphics Reproduction, Notices Reimbursement (2)</td>
<td>2,000</td>
</tr>
<tr>
<td>Good Faith Deposit and Default Penalty</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total Budget</strong></td>
<td>$18,500 (3)</td>
</tr>
</tbody>
</table>

(1) Administrative Fee and Commission Meeting Administrative Expenses are not subject to Section C. Reimbursement by Redeveloper

(2) All costs are preliminary estimates subject to revision.

(3) An amount is to be provided to the Commission within 5 days of approval by the Commission of this Agreement shall be equal as follows:

- $2,000.00 - Cash - Administrative Fee
- 5,000.00 - Letter of Credit - Good Faith Deposit
- 2,000.00 - Cash - Expense Advance
- 4,750.00 - Legal Expense Reimbursement

File: Fund.tif
SCHEDULE I

LEGAL DESCRIPTION

WALNUT CREEK TAX INCREMENT FINANCE AREA

All that part of Tracts 7, 8, 9 and 10, and portions of roadways adjoining said tracts as shown on the Commissioner's Plat in the Case of Elizabeth Russell et al vs. Grace Mary Roy, No. 9620 and that part of Block 8, NORTHGATE, a subdivision of land, all in the Southwest Quarter of Section 1, Township 50, Range 33, in Kansas City, Clay County, Missouri, and all more particularly described as follows:

COMMENCING at a point on the East line of the West Half of the Southwest Quarter of said Section 1, 540 feet South of the Northeast corner thereof which point is the Southeast corner of Lot 9, Block 20, CRESTVIEW, a subdivision of land in said city, county and state; thence South 89 degrees 58 minutes 20 seconds West, along the South line of said Lot 9 and its prolongation West, 167.54 feet to the Southeast corner of Lot 13, Block 27 in said CRESTVIEW and the point of beginning of the tract of land to be herein described; thence South 9 degrees 54 minutes East along the Westerly line of North Virginia Avenue, as now established, 8.70 feet; thence continuing Southeasterly, Southerly and Southwesterly, along said Westerly line, being a curve to the right from the last described course as a tangent, having a radius of 410 feet, a distance of 155.76 feet to the Southerly line of Northeast 42nd Street Terrace, as now established, thence Easterly along said Southerly line, being a curve to the right having a radius of 7470 feet, the initial tangent of which bears North 89 degrees 52 minutes 53 seconds East, 152.79 feet; thence South 88 degrees 56 minutes 45 seconds East, tangent to the last described course and along said Southerly line, 15.47 feet to a point on the East line of said Half Quarter section and the Northwest corner of said Block 8, NORTHGATE, thence South 0 degrees 09 minutes 20 seconds West along the West line of said Block 8, and along the East line of the West Half of the Southwest Quarter of said Section 1, 150 feet to a point 855 feet South of the Northeast corner thereof; thence South 41 degrees 57 minutes 57 seconds West, 300 feet; thence South 27 degrees 20 minutes 23 seconds East, 264.66 feet; thence South 37 degrees 17 minutes 05 seconds East, 128 feet to a point on the East line of said Half Quarter section, 1415 feet South of the Northeast corner thereof, said point being also on the West line of said Block 8; thence continuing South 37 degrees 17 minutes 05 seconds East, 480.14 feet to a point on the Southeasterly line of said Block 8, 400 feet Northeasterly from the most Southerly corner thereof, measured along said Southeasterly line; thence South 47 degrees 01 minutes 16 seconds West, along said Southeasterly line, 400 feet to said most Southerly corner and a point on the East line of said Half-Quarter section; thence South 0 degrees 09 minutes 20 seconds West, along said East line, 320.68 feet to a point on the
Westerly line of Davidson Road, as now established; thence Southwesterly and Southerly along said Westerly line, being a curve to the left, having a radius of 440 feet, a distance of 189.07 feet to a point 40 feet west of the East line of said Half Quarter section; thence South 0 degrees 09 minutes 20 seconds west tangent to the last described course and along said Westerly line 33.17 feet to a point on the North line of Russell Road, as now established; thence Westerly along said North line to the East line of the West 10 acres of said Tract 10; thence Northerly along said East line, being also the East line of Hartmann Hills, a subdivision in said city, county and state, 618.96 feet to a point on the North line of said Tract 10; thence Westerly along said North line and along the North line of said Hartmann Mills and along the North line of Cariddi Acres, a subdivision of land in said city, county and state, 702.39 feet to a point on the East line of North Troost Avenue, as now established; thence Northerly, along said East line to the North line of Parvin Road, as now established; thence West along said North line 165 feet, more or less to the East line of North Troost Avenue, as now established; 20 feet East of the West line of said Section 1; thence Northerly along said East line to the South line of lands acquired by Kansas City, Missouri under Ordinance No. 19358 approved August 12, 1955, and amended by Ordinance No. 21676 approved July 5, 1957; thence Easterly along the South line of said lands acquired by Kansas City, Missouri to the Southeast corner thereof; thence Northerly along the East line of said lands acquired by Kansas City, Missouri to the South line of said CRESTVIEW; thence Easterly along said South line, 800.73 feet, more or less to the point of beginning.

Subject to rights-of-way for Parvin Road, North Tracy Avenue and any other roadways and easements of record and not vacated.

Subject, however, to the following:

1. Easements, reservations, restrictions, and covenants of record; and

2. Taxes and assessments, general and special, not yet due and payable.
SCHEDULE 2

PROPERTY CURRENTLY UNDER COMPANY'S CONTROL

Address

Description of Manner of Control (ownership, option, lease, etc.)

See Schedule 1

Attached to this Schedule 2 are copies of the documents evidencing the control listed hereinabove.
MEMORANDUM

Pursuant to Section 99.825 R.S.Mo., 1986, the following is an itemized list of the substantive revisions to the Walnut Creek Tax Increment Financing Plan (the "Plan") as approved on 9/21/88 vs. the Plan approved on 7/13/88:

Section 1. Summary

<table>
<thead>
<tr>
<th>ITEM</th>
<th>7/13/88 PLAN</th>
<th>9/21/88 PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cost of the project</td>
<td>$14,999,349</td>
<td>$17,323,052</td>
</tr>
<tr>
<td>Total payment in lieu of tax generated by the development</td>
<td>-</td>
<td>Estimated $10,116,207</td>
</tr>
<tr>
<td>Total PILOT</td>
<td>Ratio of 2:5 to total cost</td>
<td>About 54% of total cost</td>
</tr>
<tr>
<td>Amount of project cost to be reimbursed or bonded</td>
<td>$3,284,822</td>
<td>$2,593,828</td>
</tr>
<tr>
<td>Amount of potential PILOT required for reimbursement on pay as you go basis</td>
<td>-</td>
<td>20% or $6,022,000</td>
</tr>
<tr>
<td>Amount of potential PILOT required for reimbursement if bonds are issued</td>
<td>-</td>
<td>60%</td>
</tr>
</tbody>
</table>

Section 2. Tax Increment Financing - Text Revisions

Section 3. Definitions - No changes.

Section 4. Redevelopment Plan and Project Description - Text Revisions

Section 5. Existing Conditions in the Project Area - Text Revisions

Section 6. Redevelopment Project - Text Revisions

Section 7. Financing Plan

<table>
<thead>
<tr>
<th>ITEM</th>
<th>7/13/88 PLAN</th>
<th>9/21/88 PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculations based on increases in assessments</td>
<td>2% per annum</td>
<td>4% every other year</td>
</tr>
<tr>
<td>Current combined tax levy</td>
<td>$5.33 per $100 assessed valuation</td>
<td>$7.206 per $100 assessed valuation of land and $6.456 per $100 assessed valuation for improvements</td>
</tr>
</tbody>
</table>
ITEM

Anticipated assessed valuation of project upon completion
$4,621,760

Anticipated increase in assessed valuation
$4,594,880

Estimated annual initial yield in additional taxes
$246,339.81

Amount of PILOTS committed to debt retirement or reimbursement of costs
All

9/21/88 PLAN
$8,492,849

$8,465,969

$548,608

A portion (about 25%)

The developer will agree to accept 75% of the PILOTS generated during the first five years of the plan and 50% of the PILOTS thereafter.

Type I Public Improvements will be completed by May, 1990. Type II Public Improvements will be completed by May, 2010.

Exhibit 3
This exhibit contains some text revisions and the following items were removed from the 9/21/88 Plan:

"4. Eliminate the adverse conditions in the Redevelopment Project Area and prevent these conditions from spreading.

6. Provide for a variety of development opportunity.

7. Assemblage of sites for redevelopment through the application of appropriate techniques.

9. Providing public facilities which may include: (i) street improvements; (ii) utility improvements; (iii) off-street parking; and (iv) public pedestrian areas."

Exhibit 4
This exhibit contains text revisions regarding specific aspects of the existing conditions as follows: (a) land currently has several streams flowing through it forming ravines; (b) property has never been platted; (c) property is currently zoned R-2b and "two family dwellings"; (d) property is a left-over piece of ground with development surrounding it; (3) property is undesirable for development in its current state.

Exhibit 6
This exhibit contains revisions to the development schedule as follows:

PHASE

7/13/88 PLAN

9/21/88 PLAN

Phase I
6/88-2/89
11/88-7/89

Phase II
9/88-3/89
2/89-8/89

Phase III
10/88-4/89
3/89-9/89

Phase IV
11/88-6/89
4/89-11/89
PHASE  
Phase VI  1/89-12/89  6/89-5/90

Exhibit 7. Estimated Redevelopment Project Costs.

This exhibit has been changed structurally. The figure columns have been changed from Amount and Cumulative Total to Amount (Column 1) and Amount to be Reimbursed to Selected Developer, Type 1 and Type 2 (Columns 2 and 3). It now contains a Section A, Public Improvement Costs, and Section B, Development Site Costs (excluding public improvement costs). Under Section A, Public Improvement Costs: Item 1, TIF Commission Expenses, is now shown to include legal expenses, the amount of $30,000 remains the same (full amount to be reimbursed from PILOT). Item 2, Street Construction, broken down as follows: N.E. Russell and N. Troost $397,800 ($125,000, Type 1 and $272,800, Type 2), N.E. Parvin and N. Tracy $1,359,400 ($722,386, Type 1 and $637,014, Type 2). New Item 3, Street Engineering and Design Fees at 25%, $439,000 ($226,013, Type 1 and $215,657, Type 2). New Item 4, Professional Fees, Water and Sewer, $30,700 (Type 1). New Item 5, Construction Costs: water mains and sanitary sewer in public right-of-way, $168,882. New Item 6, Financing Costs: water mains, $21,647, sanitary sewer, $12,226; N.E. Parvin and N. Tracy, $81,503 (Type 1). Section A, Public Improvements Total: $2,593,828; Amount to be Reimbursed to Selected Developer, Type 1: $1,418,357; Amount to be Reimbursed to Selected Developer, Type 2: $1,175,471.

Section B, Development Site Costs: Item 1 (previously Item 6), Earth Work and Site Preparation. Item 2 (previously Item 4), Landscaping Private Open Space. Item 3 (previously Items 5 and 8), Engineering ($5,000) and Architectural ($95,000) Costs: ($combined) $155,000. Item 4 (previously Item 9), Legal. Item 5 (previously Item 3), Construction of Lake Walkway, etc. Item 6 (previously Item 10), Land Acquisition. Item 7 (previously Item 11), 350 Apartment Units, etc. Item 8 (previously Item 12), Development Fees. Development Site Total: $14,729,224 (no changes in figures, none to be reimbursed).

Total Amount Reimbursed from PILOT: $2,593,828. Total Developer Costs: $14,729,224.

Exhibit 8

ITEM  7/13/88 PLAN  9/21/88 PLAN
Section A, Amount Reimbursed From PILOT  --  $2,593,828
Payments in Lieu of Taxes  $3,284,822  --
Developer's Costs  $11,714,527  $14,729,224

Section B, Bonds - 20-year bonds in the amount of reimbursable project costs of $2,593,828 would require an annual average debt service of $301,089.36 or a total of $6,021,787.20 over 20-years. The bond amount would actually be $2,600,000 to allow for issuance costs.
RESOLUTION OF THE TAX INCREMENT FINANCING COMMISSION
OF KANSAS CITY, MISSOURI APPROVING THE FIRST AMENDED
WALNUT CREEK APARTMENTS ECONOMIC DEVELOPMENT AREA
TAX INCREMENT FINANCING PLAN AND EXPRESSING ITS
RECOMMENDATIONS TO THE CITY COUNCIL OF KANSAS CITY, MISSOURI
WITH RESPECT TO A TAX INCREMENT FINANCING PROJECT
LOCATED AT THE NORTHEAST CORNER OF NORTH TROOST AVENUE
AND NORTHEAST RUSSELL ROAD

WHEREAS, the Tax Increment Financing Commission of Kansas
City, Missouri, was formed under Ordinance 54556, passed on
November 24, 1982; and

WHEREAS, under the Real Property Tax Increment Allocation
Redevelopment Act, the Commission is empowered to hold hear-
ings with respect to proposed redevelopment projects within
Kansas City, Missouri and make its recommendations thereon to
the City Council; and

WHEREAS, a first amended redevelopment plan (the "Re-de-
velopment Plan") was prepared by the Commission, proposing
that an area located generally at the northeast corner of
North Troost Avenue and northeast Russell Road and more
particularly described in Exhibit "A" (the "Project Area"), be
designated as a redevelopment project area; and

WHEREAS, after proper notice, public hearings in confor-
mance with the Law and in particular § 94.820(11) of the
Revised Statutes of Missouri were held on October 11, 1989,
November 8, 1989 and December 13, 1989 and comment was re-
ceived from all interested persons; and

WHEREAS, the Commission sought proposals from developers
for the development of the project as described in the Rede-
development Plan by newspaper advertisements and direct mail,
and received only one proposal to wit: the proposal of Walnut
Creek Associates Limited Partnership attached hereto as
Exhibit "B" of the Redevelopment Plan, which proposal com-
plies with all applicable law and with the Commission's
request for proposals; and

NOW, THEREFORE, BE IT RESOLVED by the Tax Increment
Financing Commission of Kansas City, Missouri,

1. That the Redevelopment Plan attached hereto as
Exhibit "B" dated December 13, 1989 is hereby adopted and
approved.

2. That the Commission hereby finds that:
(a) The Project Area on the whole has not been subject to growth and development through investments by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Act.

(b) The Redevelopment Plan and project conform to the comprehensive plan for the development of the municipality as a whole.

(c) The estimated dates of completion of the redevelopment project and retirement of obligations incurred to finance redevelopment project costs have been stated in the Redevelopment Plan.

(d) The Project Area is an Economic Development Area, as defined in § 99.805(3) of the Revised Statutes of Missouri.

3. That the Commission recommends to the City Council that:

(a) The City Council approve the Redevelopment Plan and project set out in Exhibit "A"; and

(b) The City Council designate the Project Area set out in Exhibit "A" as a redevelopment project area; and

(c) The City Council adopt tax increment financing by passage of an ordinance complying with the terms of § 99.845 of the Revised Statutes of Missouri.

(d) Walnut Creek Associates Limited Partnership be designated as the developer to carry out the Redevelopment Plan and project.

Done this 13th day of December, 1989, at Kansas City, Missouri.

[SEAL]

Vice-Chairman

ATTEST:

Secretary