

THE WINCHESTER CENTER TAX INCREMENT FINANCING PLAN

**APPROVED BY THE TAX INCREMENT FINANCING COMMISSION
OF KANSAS CITY, MISSOURI
NOVEMBER 6, 1991**

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KANSAS CITY, MISSOURI

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I. SUMMARY

The following is a Tax Increment Financing Plan (the "Plan") for the redevelopment of an area generally bordered by 63rd Street Trafficway on the north, Interstate 435 on the east, 67th Street on the south, and the Kansas City Southern Railroad Tracks on the west (the "Redevelopment Area") in Kansas City, Jackson County, Missouri (the "City"). This Plan calls for the development of the Redevelopment Area in 12 phases or "Redevelopment Projects", each of which will be separately approved by ordinance in conformance with Missouri's Tax Increment Financing Statute.

The Redevelopment Area, including each of the Redevelopment Projects contained therein, qualifies as a "Conservation Area" under Missouri's Tax Increment Financing Statute. The predominance of buildings 35 years or older, the lack of sanitary and storm sewers, signs of deterioration and depreciation of physical maintenance, as well as very hilly terrain, may cause the area to become blighted if left unattended. The physical conditions, which are detailed herein in Exhibit 4, indicate development will not occur and further blight will result within the Redevelopment Area without the adoption of this Tax Increment Financing Plan. In addition, this Plan is feasible only if all of the specified Redevelopment Projects are designated as such under Missouri's Tax Increment Financing Statute. Accordingly, development of the initial Redevelopment Project shall not impair the ability to designate the subsequent phases as Redevelopment Projects. Furthermore, subject to the approval of the Commission which shall not be unreasonably withheld, individual Redevelopment Projects may be redefined and renumerated by the Developer to meet market conditions and development demand.

This Plan calls for the development of the Redevelopment Area by the construction of approximately 1,100,000 square feet of office space and 20,000 square feet of retail space, acquisition of residential property, rehabilitation of the existing residential neighborhood, together with all necessary appurtenances, utilities and street improvements by the phased completion of twelve separate Redevelopment Projects. Subject to the approval of the Commission, which shall not be unreasonably withheld, the Developer of the Redevelopment Area selected by the Commission may designate the size and location of the structures and appurtenances thereto and may determine the final size of each of the Redevelopment Projects and sequence in which they shall be approved, so long as the development complies with the objectives and requirements of this Plan.

This Plan will make available a certain amount of payments in lieu of taxes ("PILOTS") and, subject to constitutional and statutory limitations, fifty percent (50%) of the

increase in taxes which are imposed by the municipality or other local taxing districts on economic activities, excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments and personal property taxes other than payments in lieu of taxes ("Economic Activity Taxes"). These funds will be used to reimburse approved project costs on a pay-as-you-go basis or to retire bonds which may be issued. The total cost of the Redevelopment Projects is estimated to be \$111,899,500. The total PILOTS generated by the development over the duration of the Plan is estimated to be \$53,668,000 and total Economic Activity Taxes are estimated to be \$17,995,000. PILOTS and Economic Activity Taxes together total \$71,663,000 which equals approximately 64.0% of the total costs of the Redevelopment Projects, and if present valued would be much less. However, this Plan proposes that only \$10,894,500 of the Redevelopment Project costs be reimbursed or bonded. This requires only approximately 15.2% of the potential PILOTS and Economic Activity Taxes for reimbursement on a pay-as-you-go basis.

Requests for proposals will be sent to developers. A developer will be selected to implement this Plan (the "Developer"). If a Developer is selected who does not now own all the property within the Redevelopment Area, that Developer will be required to enter into a parcel development agreement with the Commission whereby the Developer will agree to provide the funds necessary for the acquisition or lease, and redevelopment of the property by purchase or eminent domain. The proposal of the Developer(s) selected must include evidence of financial commitments sufficient to complete the project. That proposal will then be attached to this Plan as Exhibit 10 and become a part of the 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, 1990 (the "Act"). The Act enables municipalities to finance redevelopment costs with the revenue generated from PILOTS or Economic Activity Taxes.

The "Total Initial Equalized Assessed Valuation" of a Redevelopment Project will be determined when the individual Redevelopment Project is approved by ordinance. The municipality or the Commission may then issue tax increment bonds to finance redevelopment within the Redevelopment Projects. PILOTS measured by subsequent increases in property tax revenue which would have resulted from increased valuation had Tax Increment Financing not been

adopted, will be segregated from taxes resulting from the Total Initial Equalized Assessed Valuation as defined herein, and deposited in a special allocation fund earmarked for bond retirement or payment of Redevelopment Project Costs as defined herein. In addition, subject to constitutional and statutory limitations, fifty percent (50%) of the total additional revenue from taxes which are imposed by the municipality, or other taxing districts, and which are generated by economic activities within the Redevelopment Projects, while Tax Increment Financing remains in effect, excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessment and personal property taxes other than Payments in Lieu of Taxes shall be allocated to and deposited in a special allocation fund for the retirement of obligations or payment of Redevelopment Project Costs as defined herein.

In the event mandatory abatement is sought or received pursuant to Section 135.215, R.S.Mo., as amended, such abatement shall not serve to reduce payments in lieu of taxes that would otherwise have been available pursuant to Section 99.845, R.S.Mo.. Said designation shall not relieve the assessor or other responsible official from ascertaining the amount of equalized assessed valuation of all taxable property annually as required by Section 99.855, R.S.Mo..

III. DEFINITIONS

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

A. "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;

B. "Conservation area," any improved area within the boundaries of a redevelopment 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;

C. "Economic Activity Taxes," fifty percent (50%) of the total additional revenue from taxes which are imposed by the municipality or other taxing districts, which are generated by economic activities within the Redevelopment Project Area, while tax increment financing remains in effect, excluding licenses, fees or special assessments, other than payments in lieu of taxes, until the designation is terminated pursuant to subsection 2 of Section 99.850 of the Act;

D. "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 A and B of this section, and in which the governing body of the municipality finds that redevelopment is in the public interest because it will:

1. Discourage commerce, industry or manufacturing from moving their operations to another state; or
2. Result in increased employment in the municipality; or
3. Result in preservation or enhancement of the tax base of the municipality.

E. "Municipality," a city, village, or incorporated town or any county of this state;

F. "Obligations," bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by a municipality or the Commission to carry out a redevelopment project or issued by a municipality to refund outstanding obligations;

G. "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;

H. "Payment in lieu of taxes," those estimated revenues from real property in the area selected for a redevelopment project, which revenues, according to the redevelopment project or plan, are to be used for a public purpose, 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

area selected for the redevelopment project exceeds the total initial equalized value of real property in such area until the designation is terminated pursuant to the Act. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the redevelopment project from which they are derived, the lien of which may be foreclosed in the same manner as a special assessment lien as provided in Section 88.861;

I. "Redevelopment 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, a conservation area, economic development area, or a combination thereof.

J. "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 Area as a blighted area, conservation area, economic development area, or combination thereof, and to thereby enhance the tax bases of the taxing districts which extend into the Redevelopment Area;

K. "Redevelopment Project," any development project within a redevelopment area in furtherance of the objectives of the redevelopment plan, any such redevelopment project shall include a legal description of the area selected for the redevelopment project.

L. "Redevelopment Project Area," the area selected for a specific redevelopment project;

M. "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 or redevelopment project, as applicable. Such costs include, but are not limited to, the following:

1. Costs of studies, surveys, plans and specifications;

2. Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services;

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

4. Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;

5. Initial costs for an economic development area;

6. Cost of construction of public works or improvements;

7. 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;

8. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project to the extent the municipality by written agreement accepts and approves such costs;

9. 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;

10. Payments in lieu of taxes;

N. "Taxing districts," any political subdivision of this state having the power to levy taxes;

O. "Taxing districts' capital costs," those costs of taxing districts for capital improvements that are found by the municipal governing bodies to be necessary and to directly result from the redevelopment project; and

P. "Vacant land," any parcel or combination of parcels of real property not used for industrial, commercial, or residential buildings.

IV. REDEVELOPMENT PLAN AND REDEVELOPMENT AREA

The Tax Increment Financing Commission of Kansas City, Missouri (the "Commission") proposes to undertake the redevelopment of the area described generally in Part I, hereof, and specifically by legal description in Exhibit 1 attached hereto (the "Redevelopment Area").

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

This Plan will be implemented by construction of the depicted development described on the site plan attached as Exhibit 2 and described in the specific objectives of the Plan set forth in Exhibit 3. The Commission may issue bonds or other obligations to finance Redevelopment Project Costs (the "Bonds") or may recommend to the City Council that Bonds be issued in an amount secured by the special allocation fund which is comprised of PILOTS and Economic Activity Taxes. Such obligations, when so issued, shall be retired in the manner provided in the ordinance or resolution authorizing the issuance of such obligations by the receipts of PILOTS resulting from improvements and, subject to annual appropriation, Economic Activity Taxes. In addition, the Commission may determine that Redevelopment Project Costs, as defined herein, be reimbursed on a pay-as-you-go basis as collection of PILOTS and Economic Activity Taxes are made, without the issuance of bonds. PILOTS resulting from improvements in any of the Redevelopment Project Areas and, subject to annual appropriation, Economic Activity Taxes may be used to service the Bonds issued to finance improvements in any other Redevelopment Project or to pay for Redevelopment Project Costs of any other Redevelopment Project on a pay-as-you-go basis.

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

1. To enhance the tax base of the City and the other Taxing Districts by developing the Redevelopment Area to its highest and best use and encouraging private investment in the surrounding area.
2. To discourage commerce, industry and manufacturing from moving their operations to another state.
3. To increase employment in the City.
4. To eliminate conditions which may be detrimental to public health, safety, morals or welfare in the Redevelopment Area and prevent the development of blight.

5. To encourage the rehabilitation and strengthening of the existing residential neighborhood.

B. Specific objectives of this Redevelopment Plan are set forth in Exhibit 3.

V. EXISTING CONDITIONS IN THE REDEVELOPMENT AREA

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

VI. REDEVELOPMENT PROGRAM

A. Redevelopment Activities

1. Acquisition and Clearance

To achieve the redevelopment objectives of this Plan, property or interests therein, including easements and rights-of-way, identified on Exhibit 1 and identified on Exhibit 5, "Land Acquisition and Disposition Map", attached hereto, and made a part of this Plan, may be acquired by purchase, donation, lease or eminent domain in the manner provided for corporations in Chapter 523, R.S.Mo. by the Municipality or the Commission. The property acquired by the Municipality or the Commission, and also identified on Exhibit 5, may be 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 or the Commission may determine that to meet the redevelopment objectives of the Redevelopment Plan, other properties listed on said map and not scheduled for acquisition should be acquired or certain property currently listed for acquisition should not be acquired.

Individual structures may be exempted from acquisition if they are located so as not to interfere with the implementation of the objectives of this Redevelopment Plan or the projects implemented pursuant to the Redevelopment Plan and their owner(s) agree to rehabilitate or redevelop their property, if necessary, in accordance with the objectives of this Redevelopment Plan.

Clearance and demolition activities will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tracts of land do not remain vacant for extended periods of time and so that

the adverse affects of clearance activities may be minimized.

The Municipality or the Commission 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 Municipality or the Commission may deem appropriate.

2. Relocation Assistance

In order to achieve the redevelopment objectives of this Redevelopment Plan, two (2) residences will be acquired and demolished. The developer will be required to provide relocation assistance to all eligible displaced occupants in conformance with the following Relocation Plan:

a. Displaced Business: "Displaced business" shall mean any business that moves from real property within the Redevelopment Area permanently and voluntarily as a direct result of the acquisition, rehabilitation or demolition of, or the written notice of intent to acquire such real property, in whole or in part, for a public purpose.

b. Displaced Person: "Displaced person" shall mean any person who moves from real property or moves his/her personal property from the real property within the Redevelopment Area permanently and voluntarily as a direct result of the acquisition, rehabilitation or demolition of, or the written notice of intent to acquire such real property, in whole or in part, for a public purpose.

c. Eligibility: The Developer will make payments to all displaced persons and displaced businesses which occupied the property to be acquired for not less than ninety (90) days prior to the initiation of negotiations.

d. Special Needs of Displaced: The Developer will identify special needs of displaced persons and displaced businesses with specific 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 persons with a minimum of

referrals for residential persons or suitable referral sites for displaced businesses, a minimum of ninety (90) days notice of referral sites for handicapped displaced persons and sixty (60) days notice of referral sites for all other displaced persons and displaced businesses prior to the date such displaced persons or displaced businesses are required to vacate the premises and arrangements for transportation to inspect referral sites to be provided to displaced occupants hereinafter identified as "Designated occupants".

f. Notice to Vacate: Every displaced person and every displaced business shall be given a ninety (90) day notice to vacate prior to the date such displaced person or displaced business is required 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 person or displaced business by said reduction.

g. "Designated Occupants" shall mean handicapped displaced persons and those displaced persons 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 Displaced Persons: All displaced persons eligible for payments shall be provided with relocation payments based upon one of the following, at the option of the person:

(1) A \$500 fixed payment 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, utility transfer and connection fees, and other initial rehousing deposits including first and last month's rent and security deposit.

i. Payments to Handicapped Persons: In addition to the payments provided herein an additional relocation payment shall be provided to handicapped displaced persons which shall equal

the amount, if any, necessary to adapt a replacement dwelling to substantially conform with the accessibility and usability 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 payment shall be provided with relocation payments based upon the following, at the option of the business:

(1) A one thousand five hundred dollar (\$1,500.00) fixed payment 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, disconnection, dismantling, reassembling and installing of all personal equipment and costs for relettering similar signs and similar replacement stationery.

k. Waiver of Payments: Any displaced person, who is also the owner of premises, and any business may waive relocation payments for acquisition of the interest held by said person or business. Said waiver shall be on a form supplied by the Secretary of the Commission and filed in this 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, with such notice to be given concurrent with the notice of referral sites set forth in this Plan.

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 use, 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 each of the Redevelopment Project Areas.

B. General Land Use

Exhibit 2, the Site Plan, attached hereto and made part of this Redevelopment Plan, designates the intended predominant land use categories for which tracts in the area will be sold, leased, or otherwise conveyed. The individual Redevelopment Projects 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 and City streetscape elements.

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 Redevelopment Areas to incorporate the landscape treatment sought for open spaces, roads, sidewalks, and parking areas into a coherent and integrated arrangement.

5. Design Review Process: The Commission has adopted a design review process which shall be carried out to review all proposed improvements in the Redevelopment Area.

D. Schedule of Projects

The development schedule is set forth in Exhibit 6.

VII. FINANCING PLAN

A. Estimated Project Costs

Redevelopment Project costs mean and 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 or redevelopment project, as applicable, in implementing the Plan and Redevelopment Projects and any incidental costs relating thereto. Included as a part of the Project Costs are those costs of phased construction of public improvements necessitated by the Redevelopment Projects. These costs, along with the estimated Project Costs, are set forth in Exhibit 7. The costs set forth as Type I, Type II, Type III and Type IV Reimbursable Costs in Columns 2 through 5 of Exhibit 7 shall be reimbursed from the PILOTS and Economic Activity Taxes resulting from this Plan.

B. Source of Funds

Anticipated sources and amounts of funds to pay Redevelopment Project Costs and amounts to be available from those sources are shown on Exhibit 8.

The expected source of funds to be used to reimburse eligible expenses include PILOTS and Economic Activity Tax proceeds. Calculations of expected proceeds of PILOTS 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 roll back in tax levies resulting from reassessment or classification. 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 also increase PILOT. Anticipated Economic Activity Taxes are based upon projected Net Earnings Taxes paid by businesses and employees, as well as sales tax. It is assumed that net earnings, and sales tax revenues will increase due to inflation at a rate of 3% a year in addition to the assumed increases due to job creation and business expansion. The estimated PILOTS and Economic Activity Tax revenues are set forth in Exhibit 9 attached hereto.

If bonds are issued, bond proceeds will be deposited in a special construction fund for use in payment of Reimbursable Project Costs. If property is sold or leased to a selected Developer, land disposition or

lease proceeds will be utilized by the Commission for payment of Reimbursable Project Costs.

1. Payment in Lieu of Taxes

a. Most Recent Assessed Valuation

The total initial equalized assessed valuation of the Redevelopment Area according to the Kansas City Assessor's records is \$1,135,010. The current combined tax levy is projected to be \$8.772 (including 1987 M & M replacement surcharge tax) per \$100 assessed valuation on land and \$8.022 (including 1987 M & M replacement surcharge tax) per \$100 assessed value on improvements. The current annual tax revenue, without any property tax exemptions, is approximately \$96,873.

b. Anticipated Assessed Valuation and Payments in Lieu of Taxes

Upon completion of the Redevelopment Projects, the assessed valuation of the Redevelopment Area is anticipated to be approximately \$39,274,700. The increase in assessed valuation therefore is anticipated to be approximately \$38,139,690. The resulting Payments in Lieu of Taxes available to pay redevelopment project costs by year are shown separately for each Redevelopment Project Area in Exhibit 9. When complete the Redevelopment Area will initially yield an estimated \$3,158,176 in additional real property taxes annually.

The amount of PILOTS in excess of the funds deemed necessary by ordinance for the retirement of bonds, reserves, sinking funds, and redevelopment project costs, may be declared as surplus by the Commission and if so declared would be made available for distribution to the various Taxing Districts in the Redevelopment Area in the manner provided by the Act.

2. Economic Activity Taxes

Fifty percent (50%) of the total additional revenue from taxes imposed by the municipality, or other taxing districts, and which are generated by economic activities within the Redevelopment Project Areas of the redevelopment project in the calendar year prior to the adoption of the redevelopment project by ordinance, while tax increment financing remains in effect, but excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels

and motels, licenses, fees or special assessments and personal property tax, other than payments in lieu of taxes, will be made available upon annual appropriation, to pay eligible Redevelopment Project Costs. Over the life of the Plan, the total available Economic Activity Tax revenues are estimated to be approximately \$17,995,000. The increase in Economic Activity Taxes are shown in Exhibit 9 by year for each Redevelopment Project, as are the resulting share of revenues available to pay project costs.

The amount of Economic Activity Taxes in excess of the funds deemed necessary by ordinance for the retirement of bonds, reserves, sinking funds, and Redevelopment Project Costs, if any, will be declared as surplus and will be available for distribution to the taxing districts in the Redevelopment 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 23 years from the adoption of the ordinance approving a redevelopment project within a redevelopment area, at an interest rate determined by the Issuing 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 or for reserves, sinking funds, or allowable project costs may be used to call Bonds in advance of their maturities or may become available for distribution annually to the Taxing Districts. Bonds may be sold in one or more series in order to implement this Plan. All obligations shall be retired no later than 23 years after the adoption of the Ordinance approving the redevelopment project, the costs of which are to be paid from the proceeds thereof. No redevelopment project may be approved by Ordinance adopted more than ten years from the adoption of the ordinance approving the redevelopment plan under which the project is authorized. Therefore the latest date of retirement of the Bonds, if the ordinance approving the redevelopment plan is adopted in 1991, will be 2024.

D. Evidence of Commitments to Finance

Any proposal submitted by a developer to implement this Plan shall include evidence of commitments to finance

the Redevelopment Project Costs in addition to those allowable project costs to be paid by Payment in lieu of tax proceeds and Economic Activity Taxes. 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.

EXHIBIT 1
LOCATION AND LEGAL DESCRIPTION
OF THE
REDEVELOPMENT AREA AND REDEVELOPMENT PROJECT AREAS

REDEVELOPMENT AREA

All or part of the following subdivisions: LAUREL RIDGE, SWOPE ACRES, SWOPE PARK RIDGE, SWOPE PARK RIDGE RESURVEY, SKYVIEW MANOR, SCHUETTE HEIGHTS, WINCHESTER BUSINESS CENTER, WINCHESTER OFFICE PARK, and WINCHESTER OFFICE CENTER WEST, PHASE ONE, all subdivisions, according to the recorded plats thereof, including the following streets, drives, courts and avenues: 63rd Street, 64th Street, 65th Street, 66th Street, Scenic Drive and Beacon Drive, 64th Court and 65th Court, Park Ridge Avenue, Belmont Avenue, Bennington Avenue and Winchester Avenue, as said streets, drives, courts and avenues are all now established; together with other lands situate in Section 1, Township 48, Range 33 and a portion of land situate in the Northwest Quarter of Section 6, Township 48, Range 32 all in Kansas City, Jackson County, Missouri, being bounded on the North by the Southerly right-of-way line of 63rd Street Trafficway, on the South by the North right-of-way line of 67th Street, on the East by the Westerly right-of-way line of U.S. Interstate Highway Route No. 435 and on the West by the Easterly right-of-way line of the Kansas City Southern Railway Company.

The boundary of the Redevelopment Area is more specifically described as beginning at a point of intersection of the West line of the Northeast Quarter of said Section 1 with the Southerly right-of-way line of said 63rd Street Trafficway; thence the following courses and distances along the Southerly right-of-way line of said 63rd Street Trafficway; thence South 64° 42' 43" East, 224.93 feet; thence Easterly and Northeasterly along a curve to the left, tangent to the last described course, having a radius of 1018.93 feet and a central angle of 8° 45' 43", an arc distance of 155.82 feet; thence South 73° 28' 26" East, tangent to the last described curve, 220.13 feet; thence Northeasterly along a curve to the left and along the Northerly line of said WINCHESTER BUSINESS CENTER, tangent to the last described course, having a radius of 882.51 feet and a central angle of 41° 34' 15", an arc distance of 640.30 feet; thence continuing along said Southerly right-of-way and said Northerly line, the following courses and distances: thence South 25° 04' 02" East, 17.04 feet; thence Northeasterly along a curve to the left, having an initial tangent bearing of North 64° 57' 17" East, a radius of 899.02 feet and a central angle of 13° 18' 47", an arc distance of 208.89 feet; thence North 51° 37' 11" East, tangent to the last described curve, 202.40 feet; thence Northeasterly along a curve to the right, tangent to the last described

course, having a radius of 493.69 feet and a central angle of 35 41'04", an arc distance of 307.48 feet; thence North 3 18'15" West, 24.60 feet; thence Northeasterly along a curve to the right, having an initial tangent bearing of North 76 45'00" East, a radius of 713.94 feet, an arc distance of 76.61 feet; thence Southeasterly along a curve to the right, not tangent to the last described curve, having an initial tangent bearing of South 84 31'03" East, a radius of 533.69 feet and a central angle of 7 20'14", an arc distance of 68.34 feet; thence South 77 10'49" East, tangent to the last described curve, a distance of 600.28 feet to a point on the Westerly right-of-way line of said U.S. Interstate Highway Route No. 435; thence the following courses and distances along said Westerly right-of-way line and long the Easterly line of said WINCHESTER BUSINESS CENTER; thence South 12 49'11" West, 70.64 feet; thence South 34 20'16" East, 362.79 feet; thence South 22 32'04" West, 778 feet; thence South 5 02'14" West, 415.49 feet; thence South 15 06'04" West, 163.19 feet; thence South 44 12'22" West, 304.93 feet to the Southeast corner of Tract P of said WINCHESTER BUSINESS CENTER; thence continuing South 44 12'22" West along the Westerly right-of-way line of said U.S. Interstate Highway Route No. 435, 137 feet; thence South 2 12'01" West along said West right-of-way line, 23.03 feet to a point on the Northerly right-of-way line of Scenic Drive, as now established; thence continuing South 2 12'01" West along said West right-of-way line, 79 feet to a point on the Southerly right-of-way line of said Scenic Drive and being also the North, Northeast corner of Tract 3 of said WINCHESTER OFFICE CENTER; thence the following courses and distances along the Easterly line of said WINCHESTER OFFICE CENTER and along the Westerly right-of-way line of said U.S. Interstate Highway Route No. 435; thence South 2 12'01" West, 100.95 feet; thence South 87 47'59" East, 60 feet; thence South 2 12'01" West, 1016.01 feet; thence Southerly along a curve to the right, tangent to the last described course having a radius of 34,277.48 feet and a central angle of 0 17'51", an arc distance of 177.68 feet to the Southeast corner of Tract 1 of said WINCHESTER OFFICE CENTER; thence North 86 55'19" West along the South line of said Tract 1 and along a jog in said West right-of-way line, a distance of 72.55 feet to the Northeast corner of Lot 5 of said LAUREL RIDGE; thence South 3 04'41" West along the East line of said West right-of-way line and along the East line of said Lot 5, 230 feet to the Southeast corner thereof, being also a point on the North right-of-way line of said 67th Street; thence Westerly along said North right-of-way line and along the South line of said LAUREL RIDGE, 630 feet to the Southwest corner of Lot 11, being also the Southeast corner of Lot 1 of said SCHUETTE HEIGHTS; thence continuing West along said North right-of-way line and along the South line of said Lot 1 and its Westerly prolongation, a distance of 170 feet to a point on the Westerly right-of-way line of said Winchester Avenue, being also a point on the East line

of Lot 61 of said SWOPE PARK RIDGE; thence South along said West right-of-way line and the East line of said Lot 61, 10 feet to the Southeast corner thereof; thence West along the South line of Lots 61 through 66, inclusive, and along the North right-of-way line of said 67th Street, a distance of 668.93 feet to the Southwest corner of said Lot 66; thence North along the West line of said Lot 66 and a jog in said North right-of-way line, 10 feet; thence Westerly, Northwesterly and Westerly along said North right-of-way line, 600 feet, more or less to a point on the East right-of-way line of said Bennington Avenue; thence continuing Westerly and Southwesterly along said North right-of-way line of said 67th Street, 440 feet, more or less to a point on the Easterly right-of-way line of said Kansas City Southern Railway Company; thence Northwesterly and Northerly along said Easterly right-of-way line, 2904.38 feet, more or less to the Northwest corner of Lot 6 of said SWOPE ACRES, being also a point on the South line of the Northwest Quarter of said Section One; thence continuing Northerly along said Easterly right-of-way line, 1561.79 feet, more or less to a point of intersection with the Southerly right-of-way line of said 63rd Street Trafficway; thence the following courses and distances along said Southerly right-of-way; thence Southeasterly along a curve to the right, having an initial tangent bearing of South 78 40'35" East, a radius of 1454.67 feet and a central angle of 16 10'14", an arc distance of 410.55 feet; thence South 61 37'34" East, tangent to the last described curve, 955.08 feet; thence Southeasterly along a curve to the left, tangent to the last described course, having a radius of 1949.86 feet and a central angle of 3 05'09", an arc distance of 105.02 feet; thence South 64 42'43" East, tangent to the last described curve, 383.92 feet to the Point of Beginning.

Certain properties within the area are separate and excluded from the Redevelopment Area. Said properties are described as follows:

Lots A and B, WINCHESTER OFFICE CENTER, a subdivision of land in Kansas City, Jackson County, Missouri, on Certificate of Survey of Tract 1 as filed for record under Document No. K-872300, in Book S-3 at page 27 on March 30, 1989 in the Office of the Recorder of Deeds of Jackson County, Missouri;

Tracts A, B, C and D, WINCHESTER BUSINESS CENTER, a subdivision of land in Kansas City, Jackson County, Missouri as filed for record under Document No. K-522512, in Book K-35, at page 74 on May 18, 1982 in the Office of the Recorder of Deeds of Jackson County, Missouri, said tracts extending upward only from elevation 137 as based on the Kansas City, Missouri datum plane; and

All that part of the Northeast Quarter of the Southeast Quarter Section 1, Township 48, Range 33, in Kansas City Jackson County, Missouri, described as follows: commencing at a point on the South line of said quarter-quarter section, 534.15 feet West from the Southeast corner thereof as measured along said South line; thence deflecting 89° 03' 32" right from the last described course a distance of 243.01 feet to the true point of beginning of the tract of land to be herein described; thence continuing North along the last described course, 236.93 feet; thence deflecting 73° 57' 13" left, 360.80 feet to a point on the Northeasterly line of Scenic Drive, as now established; thence deflecting 70° 29' 27" left from the last described course, 65 feet to a point 5 feet Southwesterly of the Southwesterly line of said Scenic Drive; thence Southeasterly and parallel with said Southwesterly line, at right angles from the last described course, 351 feet; thence continuing Southeasterly, being a curve to the right, concentric with said Southwesterly line, from the last described course as a tangent, having a radius of 1111.28 feet, and a central angle of 63° 33' 17", a distance of 127.13 feet to the point of beginning.

LEGAL DESCRIPTIONS BY REDEVELOPMENT PROJECTS

REDEVELOPMENT PROJECT 1

(Shown as Tract 3 on Exhibit 2 herein.)

All of Tract 1, WINCHESTER OFFICE CENTER WEST, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

REDEVELOPMENT PROJECT 2

(Shown as Tract 1 on Exhibit 2 herein.)

All of Tract 2, WINCHESTER OFFICE CENTER, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

REDEVELOPMENT PROJECT 3

(Shown as Tract 2 on Exhibit 2 herein.)

All of Tract 3, WINCHESTER OFFICE CENTER, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

REDEVELOPMENT PROJECT 4

(Shown as Tract 4 on Exhibit 2 herein.)

All of Tract 2, WINCHESTER OFFICE CENTER WEST, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

REDEVELOPMENT PROJECT 5

(Shown as Tract 5 on Exhibit 2 herein.)

All of Tract 3, WINCHESTER OFFICE CENTER WEST, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

REDEVELOPMENT PROJECT 6

(Shown as Tract 6 on Exhibit 2 herein.)

All of Tract 4, WINCHESTER OFFICE CENTER WEST, a subdivision according to the recorded plat thereof, together with all that part of the North Half of Section 1, Township 48, Range 33, also including portions of 63rd Street and Bennington Avenue, as said street and avenue are now both established, all in Kansas City, Jackson County, Missouri and that part situate in the North Half of said Section 1, being more particularly described as follows.

Beginning at the Northwest corner of said Tract 4; thence the following courses and distances along the Westerly line of said Tract 4; thence South 25 08'00" West, 215 feet; thence South 60 00'00" West, 161 feet; thence South 35 49'00" West, 293 feet to the Southwest corner of said Tract 4; thence generally Northwesterly, the following courses and distances; thence Northwesterly along a straight line, deflecting 96 31'52" to the right from the last described course, a distance of 363.97 feet; thence Northwesterly along a curve to the left tangent to the last described course, having a radius of 470 feet and a central angle of 21 04'12", an arc distance of 172.56 feet; thence Northwesterly along a straight line, tangent to the last described curve, a distance of 104.02 feet; thence Northwesterly along a curve to the right, tangent to the last described course, having a radius of 344.13 feet and a central angle of 3 39'46", an arc distance of 22 feet; thence North 2 07'22" East, parallel with the East line of the Northwest Quarter of said Section 1, a distance of 380 feet; thence Southeasterly along a straight line, 955 feet, more or less to the Point of Beginning.

REDEVELOPMENT PROJECT 7

(Shown as Tract 7 on Exhibit 2 herein.)

All of Lots 52 and 53 and that part of Lots 49 through 56, inclusive and that part of Lots 75 through 78 inclusive, SWOPE PARK RIDGE, a subdivision, according to the recorded plat thereof, together with all of Lots 1 through 9, inclusive and Lots 25 through 31, inclusive and that part of Lots 10, 11, 12, 32, 33 and 34, SWOPE PARK RESURVEY, a subdivision, according to the recorded plat thereof, including that part of 66th Street and Park Ridge Avenue as said street and avenue are now both established, said parcel of land is bounded on the North by the North right-of-way line of 65th Street, and on the East by the West right-of-way line of Bennington Avenue, and on the Southwesterly side by the Northeasterly right-of-way line of the Kansas City Southern Railway Company and on the South by the Northerly right-of-way line of 67th Street, as all streets and avenue are now established and also bounded on the South and on the East by the following described line:

Beginning at a point on the East line of Lot 49 of said SWOPE PARK RIDGE, 170.23 feet North of the Southeast corner thereof; thence Southwesterly along a straight line to a point on the West line of the East 15 feet of said Lot 51; thence South along the West line of the East 15 feet of said Lot 75, 340 feet; more or less to a point on the Northerly right-of-way line of said 67th Street.

REDEVELOPMENT PROJECT 8

(Shown as Tract 8 on Exhibit 2 herein.)

All that part of Lots 3, 4, 5 and 7, and all of Lot 6, SWOPE ACRES, a subdivision, according to the recorded plat thereof, together with that part of 63rd Street and that part of the Northwest Quarter of Section 1, Township 48, Range 33, all in Kansas City, Jackson County, Missouri, being more particularly described as follows:

Beginning at a point on the Easterly right-of-way line of the Kansas City Southern Railway Company, 802.69 feet South of the Southerly right-of-way line of 63rd Street Trafficway, as now established; thence Easterly along a straight line, perpendicular to the last described course, a distance of 500 feet; thence Southeasterly along a straight line, deflecting 26 08'39" to the right from the last described course, a distance of 502.53 feet; thence Southwesterly, perpendicular to the last described course, 92.76 feet; thence Southwesterly, Southerly and Southeasterly along a curve to the left, tangent to the last described course, having a radius of 404.13 feet, and a central angle of 86 32'36", an arc distance of 610.42 feet; thence Southwesterly along a straight line, normal to the last described curve, a distance of 338.06 feet to a point on a line, 125 feet North of and parallel with the North right-of-way line of 64th Street, as now established; thence Westerly along said parallel line, a distance of 845 feet, more or less, to a point on the Easterly right-of-way line of said Kansas City Southern Railway Company; thence generally Northerly along a curve to the right, having a radius of 1835.08 feet and a central angle of 14 52'21", an arc distance of 476.34 feet; thence North along said Easterly right-of-way line, 644.63 feet to the Point of Beginning.

REDEVELOPMENT PROJECT 9

(Shown as Tract 12 on Exhibit 2 herein.)

All of Tracts E, F, and G, WINCHESTER BUSINESS CENTER, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

REDEVELOPMENT PROJECT 10

Project 10 consists of three separate tracts. Said tracts are described as follows:

(Shown as Tract 9 on Exhibit 2 herein.)

A 350 foot by 375 foot parcel of land situated in the Northwest Quarter of Section 1, Township 48, Range 33, in Kansas City, Jackson County, Missouri, being more particularly described as follows:

Beginning at a point on the Southerly right-of-way line of 63rd Street Trafficway, 962.97 feet Southeasterly from the point of intersection with the East right-of-way line of the Kansas City Southern Railway Company, as said trafficway and railroad are now both established; thence continuing Southeasterly along said Southerly right-of-way line, 350 feet; thence South, perpendicular to the last described course, 375 feet; thence Northwesterly, parallel with said Southerly right-of-way line, 350 feet; thence Northwesterly, parallel with said Southerly right-of-way line, 350 feet; thence Northeasterly, perpendicular to the last described course, 375 feet to the Point of Beginning.

and

(Shown as Tract 10 on Exhibit 2 herein.)

All that part of the North Half of Section 1, Township 48, Range 33 in Kansas City, Jackson County, Missouri, being more particularly described as follows:

Beginning at a point of intersection of the Southerly right-of-way line of 63rd Street Trafficway, as now established with the East line of the Northwest Quarter of said Section 1, 884.33 feet North of the Southeast corner thereof; thence Southeasterly and Easterly along said Southerly right-of-way line to a point of intersection with the Westerly right-of-way line of Winchester Avenue, as now established; thence Southeasterly along said Westerly right-of-way line, 159.12 feet; thence Westerly along a straight line deflecting 144 24'12" to the right from an initial tangent bearing of South 51 15'47" East, a distance of 954.79 feet to a point on the East line of the Northwest Quarter of said Section 1; thence continuing Westerly along the last described course, a distance of 179.38 feet; thence Northwesterly along a straight line, deflecting 22 38'11" to the right from the last described course, a distance of 489.95 feet; thence Northeasterly along a straight line, deflecting 92 35'50" to the right from the last described course, a distance of 375 feet to a point on the Southerly right-of-way line of said 63rd Street Trafficway; thence Southeasterly along said Southerly right-of-way line, 429.43 feet to the Point of Beginning.

and

(Shown as Tract 11 on Exhibit 2 herein.)
All that part of the North Half of Section 1, Township 48,
Range 33, in Kansas City, Jackson Count, Missouri, being
more particularly described as follows:

Beginning at a point on the East line of the Northwest Quarter of said Section 1, 475.57 feet North of the center of said Section 1; thence Northwesterly along a straight line, deflecting 78 03'13" to the left from the last described course, a distance of 183.25 feet; thence Easterly along a straight line, deflecting 169 10'16" feet to the right from the last described course, a distance of 1110 feet, more or less, to a point on the Westerly right-of-way line of Winchester Avenue, as now established; thence generally Southeasterly along said Westerly right-of-way line to a point of intersection with a line drawn, 350 feet North of and parallel with the South line of the Northeast Quarter of said Section 1; thence West along said parallel line, 570 feet; thence Northwesterly deflecting 10 52'15" to the right from the last described course, a distance of 665.64 feet to the Point of Beginning.

REDEVELOPMENT PROJECT 11

(Shown as Residential Area 1 on Exhibit 2 herein.)
Beginning at the intersection of the West right-of-way line of Interstate 435, as now established, and the Northerly right-of-way line of 67th Street, as now established; thence along the Northerly right-of-way line of 67th Street to a point on the West line of the East 15 feet of Lot 75, SWOPE PARK RIDGE; thence North along the West line of the East 15 feet of said Lot 75 and the West line of the East 15 feet of Lot 50, SWOPE PARK RIDGE, 340 feet, more or less; thence Northeasterly along a straight line to a point on the West right-of-way line of Bennington Avenue, as now established; thence North along the West right-of-way line of Bennington Avenue 170.23 feet to the point of intersection with the South right-of-way line of 66th Street, as now established; thence continuing North along the West right-of-way line of Bennington Avenue to its intersection with the westerly extension of the South lot line of Tract 2, WINCHESTER OFFICE CENTER WEST; thence East along the westerly and easterly extensions of the South lot line and the South lot line of Tract 2, WINCHESTER OFFICE CENTER WEST to its intersection with the East right-of-way line of Winchester Avenue, as it now exists; thence South along the East right-of-way of Winchester Avenue to its intersection with the North lot line of Lot 3, SCHUETTE HEIGHTS; thence East along the North lot line of Lot 3, SCHUETTE HEIGHTS, to its intersection with the East lot line of said Lot 3; thence South along the East lot line of said Lot 3 to its intersection with the South lot line of Lot A, WINCHESTER OFFICE CENTER; thence East along the South lot line of said Lot A to its intersection with the West right-of-way line of Interstate 435; thence South along the West right-of-way

line of Interstate 435 to the Point of Beginning, all included in and a part of Kansas City, Jackson County, Missouri.

REDEVELOPMENT PROJECT 12

(Shown as Residential Area 2 on Exhibit 2 herein.)

Beginning at the point of intersection of the North right-of-way line of 65th Street, as now established, and the West right-of-way line of Bennington Avenue, as now established; thence East along the North right-of-way line of 65th Street to its intersection with the Easterly right-of-way line of the Kansas City Southern Railroad Tracks, as it now exists; thence northerly along the Easterly right-of-way line of the Kansas City Southern Railroad Tracks to a point on a line, 125 feet North of the North right-of-way line of 64th Street, as now established; thence Easterly along a line 125 feet North of and parallel to the North right-of-way line of 64th Street, a distance 845 feet, more or less; thence Southeasterly along a line parallel to the Northeasterly right-of-way line of 64th street, a distance of 200 feet, more or less to a point on a line 125 feet North of the North right-of-way line of 64th street; thence East along a line, 125 feet north of and parallel to the North right-of-way line of 64th Street to its intersection with the East lot line of Lot 7, SWOPE ACRES; thence South along the East lot line of Lot 7, SWOPE ACRES, to its intersection with the South lot line of said Lot 7, said point also being on the West right-of-way line of Bennington Avenue, as it now exists; thence continuing South along the West right-of-way line of Bennington Avenue to the Point of Beginning, all included in and a part of Kansas City, Jackson County, Missouri.

ABSORPTION LEGEND

YEAR	PHASE	TRACT NUMBER	TRACT SIZE (ACRES)	BUILDING SIZE (SQ/FT)
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OFFICE GROUP

3	2	1	7	50,000
4	3	2	8	70,000
1	1	3	10	70,000
5	4	4	120	70,000
6	5	5	22	200,000
7	6	6	20	140,000
8	7	7	15	140,000
9	8	8	25	140,000
10	10	9	3	20,000
10	10	10	6	50,000
9	9	12	18	150,000

OFFICE TOTAL 1,100,000

RETAIL GROUP

10	10			20,000
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COMBINED TOTAL 149 1,120,000

LEGEND

DEVELOPER WILL
ATTEMPT TO ACQUIRE



EXCEPTED AREAS



PROPOSED DEVELOPMENT



PROPOSED GREENBELT



RESIDENTIAL



EXISTING STREETS



PROPOSED STREETS



PROPOSED
DISTRICT
BOUNDARY



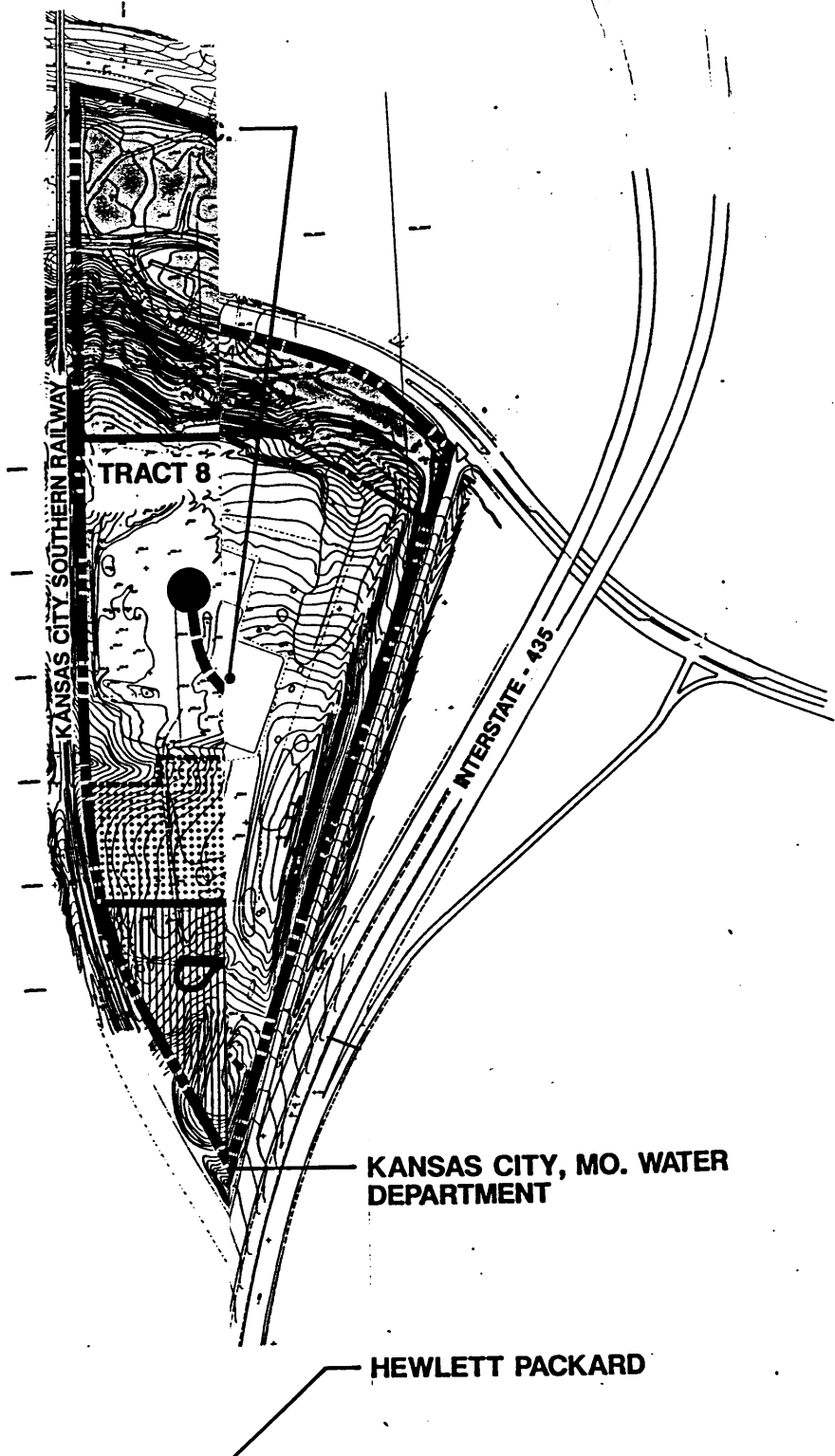
SOUTHERN PROPERTY
LINE OF WINCHESTER
VENTURES II BOUNDARY



HOMES TO BE REMOVED



HOMES TO REMAIN



WINCHESTER CENT

SITE PLAN

EXHIBIT 2



SCALE: 1" = 200'

DATE: SEPTEMBER 16, 1991



NORTH



TUTTLE-AYERS-WOODWARD CO.
A DIVISION OF TUTTLE, BROWN & WOODWARD, P.A.
CIVIL ENGINEERS-LAND SURVEYORS-LANDSCAPE ARCHITECTS
LAND PLANNERS-TRANSPORTATION & TRAFFIC ENGINEERS
KANSAS CITY, MISSOURI

REV: NOVEMBER 4, 1991

NOTE: Residential Area 1 is Redevelopment Project 11 (Phase 11)
Redevelopment Project 12 (Phase 12).

WINCHESTER CENTER

PROPOSED FUTURE FLOODPLAIN

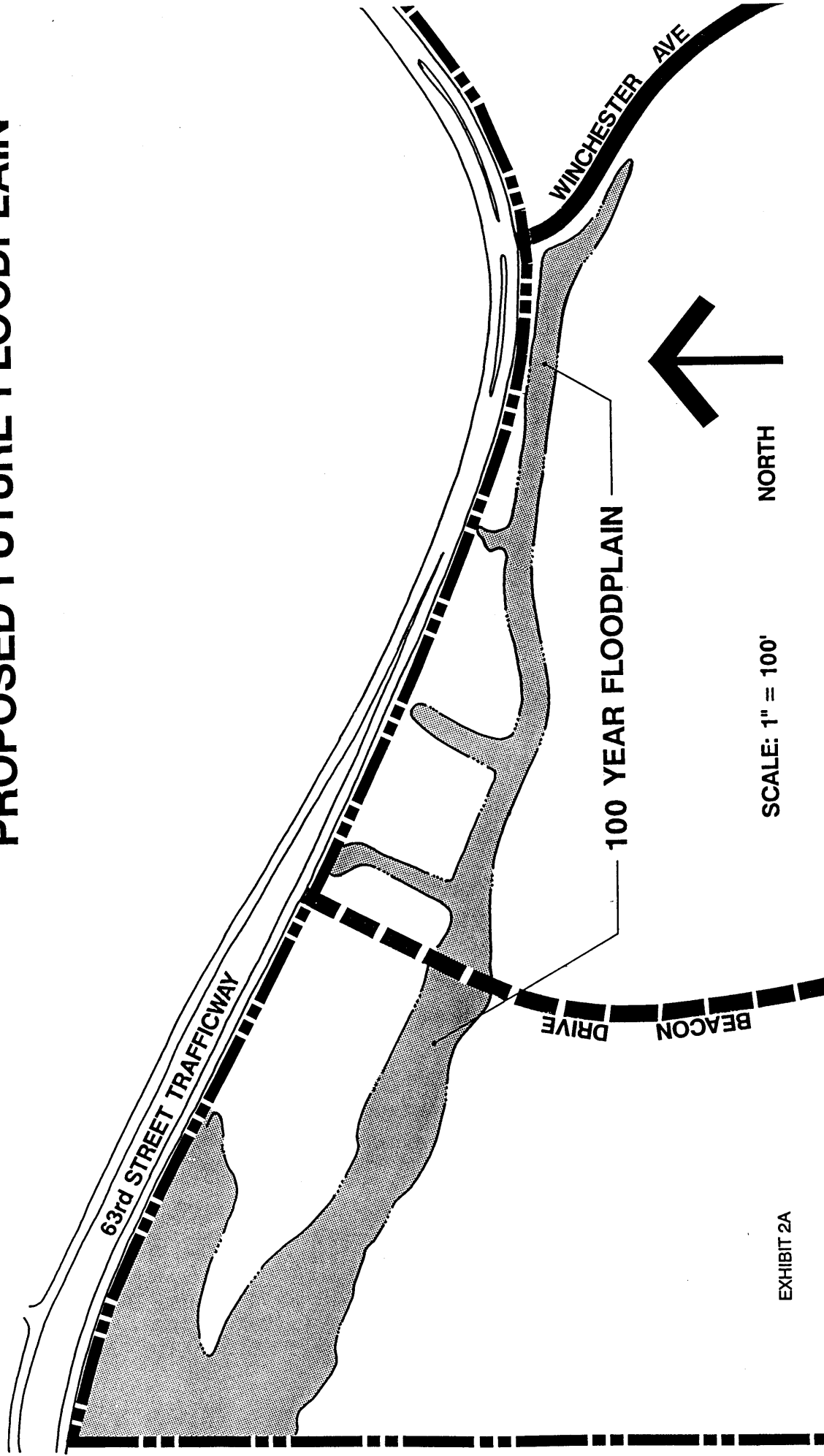


EXHIBIT 3

SPECIFIC OBJECTIVES OF REDEVELOPMENT PLAN

1. Mitigation and elimination of those conditions which if left unaddressed will cause the area to be blighted. The conditions to be addressed include an aging, deteriorating housing stock; the absence of sanitary and storm sewers; and depreciation of physical maintenance.
2. Enhancement of the tax base by inducing development of the Redevelopment Area to its highest and best use, benefit taxing districts and encourage private investment in surrounding areas.
3. Promotion of health, safety, order, convenience, prosperity and the general welfare, as well as an increase in efficiency and economy in the process of development.
4. Provision of business opportunities in the Redevelopment Area and Kansas City.
5. Stimulation of construction employment opportunities and increased demand for secondary and support services for the surrounding commercial area.
6. Landscaping of private areas, including parking areas and street rights of way.
7. Encouragement of local residential property owners to improve their property.
8. Construction of sanitary sewers, storm sewers, other utilities, and street improvements within the Redevelopment Area.
9. Construction of approximately 1,100,000 square feet of office and approximately 20,000 square feet of retail, commercial space in 10 phases.
10. Acquisition of properties which impede the Redevelopment Plan.
11. Construction of an Interstate 435 interchange at its intersection with 63rd Street Trafficway.
12. Realignment and extension of Bennington Avenue between Beacon Drive and 63rd Street Trafficway.
13. Construction of street improvements along 63rd Street Trafficway and 67th Street.

EXHIBIT 4
EXISTING CONDITIONS

DATA PERTAINING TO
THE ADOPTION OF A FINDING OF BLIGHT
FOR THE
WINCHESTER CENTER REDEVELOPMENT PROJECT

PREPARED BY THE TAX INCREMENT FINANCING COMMISSION OF
KANSAS CITY, MISSOURI

SEPTEMBER 1991

I. Introduction

A. Purpose of this Report

The purpose of this report is to provide sufficient evidence to find that the Winchester Center Redevelopment Area qualifies as a Real Property Tax Increment Allocation Redevelopment Area.

B. General Location

The Redevelopment Area is generally located south of 63rd Street Trafficway, west of Interstate 435, north of 67th Street, and east of the Kansas City Southern Railroad tracks in Kansas City, Jackson County, Missouri.

C. Statement of Report Criteria for Eligibility

The Real Property Tax Increment Allocation Redevelopment Act, Missouri Revised Statutes, Section 99.800 et seq, as amended (the "Act"), provides that a Real Property Tax Increment Allocation Redevelopment Plan can be implemented by the Tax Increment Financing Commission if the governing body of a community determines, by ordinance, that an area qualifies under the Act as

a) a "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;

b) a "Conservation Area," any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent (50%) or more of the structures in the area

have an age of thirty-five (35) 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; or

c) an "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;

and that the area has not been subject to growth and development through investment by private enterprise; and would not reasonably be anticipated to be developed without the adoption of the redevelopment plan.

II. Area Description

The Redevelopment Area consists of a mixture of vacant land, office commercial and residential uses. Approximately 114 acres are currently undeveloped and the terrain consists of steep slopes and uneven topography. In the eastern portion of the area there exists underground storage, three office buildings, and a city pump station. Located along the southern edge and in the northwest quadrant of the redevelopment area are seventy (70) single family residences. A majority of these residences are older than 35 years of age, in less than good condition and lacking access to sanitary sewer.

The Redevelopment Area is framed by Swope Park on the west and Interstate 435 on the east. The property across 63rd Trafficway to the north is used for quarrying activities. To the south across 67th Street the predominant land use is residential.

A. Site Analysis

The site is relatively isolated due to the topography on the north, the interstate on the east and the park on the west. The existing conditions hamper further development and will cause the existing residential neighborhood to become a blighted or insanitary area if left unattended. The following narrative summarizes the existing conditions in the area.

Predominance of Structures 35 Years or Older: Nearly sixty percent (60%) of the seventy-three (73) existing buildings (i.e., 3 office commercial and seventy (70) single family residences) were built in or prior to 1956. In the southwest quadrant are thirteen (13) houses which were constructed in the 1920's. These houses are among those relocated from the path of the Bruce Watkins Freeway on to new foundations. There are only seven (7) houses which have been built in the past two decades, of which the two most recent homes were built in 1986 and 1987.

(Exhibit A provides the year of construction of each house.)

Dilapidation and Deterioration: A predominance of the residential structures are in less than good condition. Approximately eighty four percent (84%) of the seventy (70) houses show some deficiency. In many cases the deficiencies are due to age, weathering and lack of adequate maintenance. A majority of the houses show weathering of the roof and/or facade. Approximately eleven percent (11%) are in poor and seriously deteriorated condition having critical defects, such as significant cracks in foundations or walls.

(Exhibit A describes the structural condition of each residential unit.)

Lack of Sanitary Facilities: A majority of the area lacks sanitary sewer. With the exception of the three commercial buildings and a couple of residences along Winchester Avenue, the rest of the residences rely on septic tank systems.

The soil conditions in much of the area are not conducive to the use of septic tank absorption fields and can negatively affect the public health through excessively slow absorption of effluent, surfacing of effluent, seepage or contamination of ground water. The soil conditions south of 63rd Street Trafficway and along Interstate 435 exhibit flooding, wetness,

slow percolation and insufficient depth to rock , thereby constituting a situation which is unfavorable or so difficult to overcome that special design, significant increases in construction costs and possibly increased maintenance are required. In the west and along 67th Street there are moderate limitations due to the existing slope. These soil features are not favorable for septic tank absorption fields and require special planning, design or maintenance to overcome or minimize the limitations. The balance of the area consist of soil features which are generally favorable for septic tanks with only slight limitations on development.

(Exhibit B shows the location of the existing sanitary and storm sewers and Exhibit C describes the soil conditions.)

Inadequate Infrastructure and Utilities: The area lacks storm sewer, sidewalks, and curbs, except along the recently improved Winchester Avenue and Beacon Drive. Portions of the area, particularly in the north and in the west are inaccessible because there are no roads into these areas. Except for Winchester Avenue and Beacon Drive, the streets are in less than fair condition and in the northwest portion of the area the circle at the end of 64th Street is reduced to a rutted, gravel lane. These conditions endanger life and property of the area residents and businesses as the lack of these improvements impede access to the area by emergency and maintenance services.

Deleterious Land Layout: The topography and soil conditions retard the provision of housing accommodations and constitute an economic liability the soil conditions, as referred to above, are not conducive to the use of septic tank absorption fields as currently used by the residents in the area. The topography is so irregular that it is difficult and costly to develop. A large ridge rises about 140 feet from 63rd Street Trafficway at a very steep slope and is interrupted by steep ravines. The terrain continues to slope upward at a more gradual rate toward the south and the east. Along the western edge of the area the terrain is steeply sloped and irregular. As a result of the this uneven and steep terrain, the lot coverage is extremely limited and added costs will be incurred in order to build.

(Exhibit D is a topographical map of the area.)

Zoning: The area is zoned for planned industrial uses in the northeast corner in the vicinity of the underground storage site and the DST offices. The

western and southern portions of the site are zoned for single and two family residences which is consistent with the current use. The remainder of the area is zoned for commercial uses which is consistent with the intent to develop office commercial uses.

(Exhibit E is a zoning map of the area.)

III. Findings

Finding Number 1: The Winchester Center Redevelopment Area is a Conservation Area.

The Winchester Center Redevelopment Area qualifies for designation as a Real Property Tax Increment Allocation Redevelopment Area as the area constitutes a conservation area. The criteria for designation as a conservation area requires that fifty percent (50%) or more of the structures be thirty-five (35) years or older. In the case of the Winchester Center Redevelopment Area, approximately sixty percent (60%) of the structures are at least 35 years old. Though the area is not yet a blighted area, it is detrimental to the public health, safety and welfare and may become a blighted area because of dilapidation and deterioration, lack of sanitary facilities, inadequate utilities, deleterious land layout, and depreciation of physical maintenance. Approximately eighty-four percent (84%) of the structures show some signs of deterioration and obsolescence. A majority of the residential structures are on septic tanks in an area where many of the soil conditions are not conducive to septic tank absorption fields. Much of the area lacks infrastructure such as storm sewers, sidewalks, curbs, and portions of the area lack well paved streets. Deleterious land layout (terrain) significantly affects the density and cost of development. Physical maintenance of many residential properties is poor, with debris and household items (including the kitchen sink) strewn about the property and some of the properties are overgrown thus displaying a depreciation in physical maintenance. These conditions recited herein, though not yet to the degree of qualifying the area as blighted, represent a combination of factors which retard the provision of housing accommodations, constitute an economic liability, and are a menace to the public health, safety and welfare.

Finding Number 2: The Winchester Center Redevelopment Area, on the whole, has not been subject to growth and development through investment by private enterprise and will not reasonably be anticipated to be developed without the adoption of the redevelopment plan.

The majority of the project area is currently undeveloped and consists of rocky, steep and uneven terrain. The

topography greatly limits the use of the site and will add significantly to the cost of any construction. The added cost of development makes Winchester Center much less competitive and harder to market than other commercial development areas. Without the Tax Increment Financing Plan this area will not be developed.

That portion of the area which has been developed contains a predominance of structures thirty-five (35) years or more of age, many of which are on very cramped and narrow lots. It is highly unlikely that additional residential units will be added. Much of the area was rezoned for residential use in the past decade, but no new residential development has ever occurred in the rezoned area.

The area overall is isolated, under accessed and under serviced. Without a minimum level of public services and infrastructure, the residential neighborhood will decline, and no new residential or commercial development will occur. Without some type of development it is unlikely that the necessary street, sewer and infrastructure will occur as the funding of these public benefits will not be feasible. But for the adoption of the proposed Tax Increment Financing Plan for this area, neither development of commercial uses nor retention or revitalization of residential uses will occur.

IV. Recommendation:

It is, therefore, the recommendation of this report that the Winchester Center Redevelopment Area is a conservation area and qualifies under the Missouri Revised Statutes as a Real Property Tax Allocation Redevelopment Area.

**EXHIBIT A
WINCHESTER CENTER REDEVELOPMENT AREA
EXISTING CONDITION STUDY:
RESIDENTIAL STRUCTURE SURVEY FACT SHEETS**

UNDER SEPARATE COVER

[illegible]

Exhibit B shows the location of the existing sewer service. Note that sanitary and storm sewers are lacking in most of the area, particularly in the residential areas.

$$\frac{5}{10}$$

EXISTING CONDITION STUDY:
SOIL CONDITIONS

The map displays the Swore Park area with various topographic features. A dashed line outlines a proposed development area. The map includes contour lines, a road network, and a north arrow in the bottom right corner.

† C shows the soil conditions in the area and describes the limitations on the various soil

Sanitary Facilities

Table 12 shows the degree and kind of soil limitations that affect septic tank absorption fields, sewage lagoons, and sanitary landfills. The limitations are considered *slight* if soil properties and site features are generally favorable for the indicated use and limitations are minor

and easily overcome; *moderate* if soil properties or site features are not favorable for the indicated use and special planning, design, or maintenance is needed to overcome or minimize the limitations; and *severe* if soil properties or site features are so unfavorable or so difficult to overcome that special design, significant increases in construction costs, and possibly increased maintenance are required.

Table 12 also shows the suitability of the soils for use as daily cover for landfills. A rating of *good* indicates that soil properties and site features are favorable for the use and good performance and low maintenance can be expected; *fair* indicates that soil properties and site features are moderately favorable for the use and one or more soil properties or site features make the soil less desirable than the soils rated good; and *poor* indicates that one or more soil properties or site features are unfavorable for the use and overcoming the unfavorable properties requires special design, extra maintenance, or costly alteration.

Septic tank absorption fields are areas in which effluent from a septic tank is distributed into the soil through subsurface tiles or perforated pipe. Only that part of the soil between depths of 24 and 72 inches is evaluated. The ratings are based on soil properties, site features, and observed performance of the soils. Permeability, a high water table, depth to bedrock or to a cemented pan, and flooding affect absorption of the effluent. Large stones and bedrock or a cemented pan interfere with installation.

Unsatisfactory performance of septic tank absorption fields, including excessively slow absorption of effluent, surfacing of effluent, and hillside seepage, can affect public health. Ground water can be polluted if highly permeable sand and gravel or fractured bedrock is less than 4 feet below the base of the absorption field, if slope is excessive, or if the water table is near the surface. There must be unsaturated soil material beneath the absorption field to filter the effluent effectively. Many local ordinances require that this material be of a certain thickness.

Sewage lagoons are shallow ponds constructed to hold sewage while aerobic bacteria decompose the solid and liquid wastes. Lagoons should have a nearly level floor surrounded by cut slopes or embankments of compacted soil. Lagoons generally are designed to hold the sewage within a depth of 2 to 5 feet. Nearly impervious soil material for the lagoon floor and sides is required to minimize seepage and contamination of ground water.

Table 12 gives ratings for the natural soil that makes up the lagoon floor. The surface layer and, generally, 1 or 2 feet of soil material below the surface layer are excavated to provide material for the embankments. The ratings are based on soil properties, site features, and observed performance of the soils. Considered in the ratings are slope, permeability, a high water table, depth

to bedrock or to a cemented pan, flooding, large stones, and content of organic matter.

Excessive seepage due to rapid permeability of the soil or a water table that is high enough to raise the level of sewage in the lagoon causes a lagoon to function unsatisfactorily. Pollution results if seepage is excessive or if floodwater overtops the lagoon. A high content of organic matter is detrimental to proper functioning of the lagoon because it inhibits aerobic activity. Slope, bedrock, and cemented pans can cause construction problems, and large stones can hinder compaction of the lagoon floor.

Sanitary landfills are areas where solid waste is disposed of by burying it in soil. There are two types of landfill—trench and area. In a trench landfill, the waste is placed in a trench. It is spread, compacted, and covered daily with a thin layer of soil excavated at the site. In an area landfill, the waste is placed in successive layers on the surface of the soil. The waste is spread, compacted, and covered daily with a thin layer of soil from a source away from the site.

Both types of landfill must be able to bear heavy vehicular traffic. Both types involve a risk of ground water pollution. Ease of excavation and revegetation needs to be considered.

The ratings in table 12 are based on soil properties, site features, and observed performance of the soils. Permeability, depth to bedrock or to a cemented pan, a high water table, slope, and flooding affect both types of landfill. Texture, stones and boulders, highly organic layers, soil reaction, and content of salts and sodium affect trench type landfills. Unless otherwise stated, the ratings apply only to that part of the soil within a depth of about 6 feet. For deeper trenches, a limitation rated slight or moderate may not be valid. Onsite investigation is needed.

Daily cover for landfill is the soil material that is used to cover compacted solid waste in an area type sanitary landfill. The soil material is obtained offsite, transported to the landfill, and spread over the waste.

Soil texture, wetness, coarse fragments, and slope affect the ease of removing and spreading the material during wet and dry periods. Loamy or silty soils that are free of large stones or excess gravel are the best cover for a landfill. Clayey soils are sticky or cloddy and are difficult to spread; sandy soils are subject to soil blowing.

After soil material has been removed, the soil material remaining in the borrow area must be thick enough over bedrock, a cemented pan, or the water table to permit revegetation. The soil material used as final cover for a landfill should be suitable for plants. The surface layer generally has the best workability, more organic matter, and the best potential for plants. Material from the surface layer should be stockpiled for use as the final cover.

EXHIBIT C WINCHESTER CENTER REDEVELOPMENT AREA EXISTING CONDITION STUDY: SOIL CONDITIONS

EXHIBIT C
WINCHESTER CENTER
REDEVELOPMENT AREA
EXISTING CONDITION STUDY.
SOIL CONDITIONS

TABLE 12.—SANITARY FACILITIES

Some terms that describe restrictive soil features are defined in the Glossary. See text for definitions of "slight," "good," and other terms. Absence of an entry indicates that the soil was not rated. The information in this table indicates the dominant soil condition but does not eliminate the need for onsite investigation]

Soil name and map symbol	Septic tank absorption fields	Sewage lagoon areas	Trench sanitary landfill	Area sanitary landfill	Daily cover for landfill
ibley	Slight	Moderate: seepage, slope.	Moderate: too clayey.	Slight	Fair: too clayey.
ibley	Slight	Severe: slope.	Moderate: too clayey.	Slight	Fair: too clayey.
igginsville	Severe: wetness.	Severe: slope, wetness.	Severe: wetness.	Moderate: wetness.	Fair: too clayey, wetness.
acksburg	Severe: wetness.	Severe: wetness.	Severe: wetness.	Severe: wetness.	Fair: too clayey, wetness.
harpburg	Moderate: percs slowly.	Moderate: seepage, slope.	Moderate: too clayey.	Slight	Fair: too clayey.
2 harpburg	Moderate: percs slowly.	Severe: slope.	Moderate: too clayey.	Slight	Fair: too clayey.
ts					
)*: lead	Severe: depth to rock, wetness, percs slowly.	Severe: depth to rock, slope, wetness.	Severe: depth to rock, too clayey.	Severe: depth to rock.	Poor: area reclaim, too clayey, hard to pack.
ock outcrop.					
)*: lead	Severe: depth to rock, wetness, percs slowly.	Severe: depth to rock, slope, wetness.	Severe: depth to rock, slope, too clayey.	Severe: depth to rock, slope.	Poor: area reclaim, too clayey, hard to pack.
ock outcrop.					
eeenton	Severe: wetness, percs slowly.	Severe: slope.	Severe: wetness, too clayey.	Severe: wetness.	Poor: too clayey, hard to pack.
mpsel	Severe: wetness, percs slowly.	Moderate: depth to rock.	Severe: depth to rock, wetness, too clayey.	Severe: wetness.	Poor: too clayey, hard to pack, wetness.
mpsel	Severe: wetness, percs slowly.	Severe: slope.	Severe: depth to rock, wetness, too clayey.	Severe: wetness.	Poor: too clayey, hard to pack, wetness.
nfro	Slight	Moderate: slope, seepage.	Moderate: too clayey.	Slight	Fair: too clayey.
2 nfro	Slight	Severe: slope.	Moderate: too clayey.	Slight	Fair: too clayey.

See footnote at end of table.

TABLE 12.—SANITARY FACILITIES—Continued

Soil name and map symbol	Septic tank absorption fields	Sewage lagoon areas	Trench sanitary landfill	Area sanitary landfill	Daily cover for landfill
C*: ibley	Slight	Severe: slope.	Moderate: too clayey.	Slight	Fair: too clayey.
Urban land.					
C*: nox	Slight	Severe: slope.	Slight	Slight	Good.
Urban land.					
D*: nox	Moderate: slope.	Severe: slope.	Moderate: slope.	Moderate: slope.	Fair: slope.
Urban land.					
B*: acksburg	Severe: wetness.	Severe: wetness.	Severe: wetness.	Severe: wetness.	Fair: too clayey, wetness.
Urban land.					
C*: igginsville	Severe: - wetness.	Severe: slope, wetness.	Severe: wetness.	Moderate: wetness.	Fair: too clayey, wetness.
Urban land.					
C*: reenton	Severe: wetness, percs slowly.	Severe: slope.	Severe: wetness, too clayey.	Severe: wetness.	Poor: too clayey, hard to pack.
Urban land.					
*: lead	Severe: depth to rock, wetness, percs slowly.	Severe: depth to rock, slope, wetness.	Severe: depth to rock, slope, too clayey.	Severe: depth to rock, slope.	Poor: area reclaim, too clayey, hard to pack.
Urban land.					
, 68D, 69A*. ban land					
ta	Severe: flooding, wetness, percs slowly.	Severe: flooding, wetness.	Severe: flooding, wetness.	Severe: flooding, wetness.	Poor: wetness.
rkville	Severe: flooding, wetness.	Severe: seepage, flooding, wetness.	Severe: flooding, seepage, wetness.	Severe: flooding, wetness.	Poor: wetness.
ynie	Severe: flooding.	Severe: flooding.	Severe: flooding.	Severe: flooding.	Good.
dale	Severe: flooding, wetness, percs slowly.	Severe: flooding.	Severe: flooding, wetness, too clayey.	Severe: flooding, wetness.	Poor: too clayey, hard to pack, wetness.

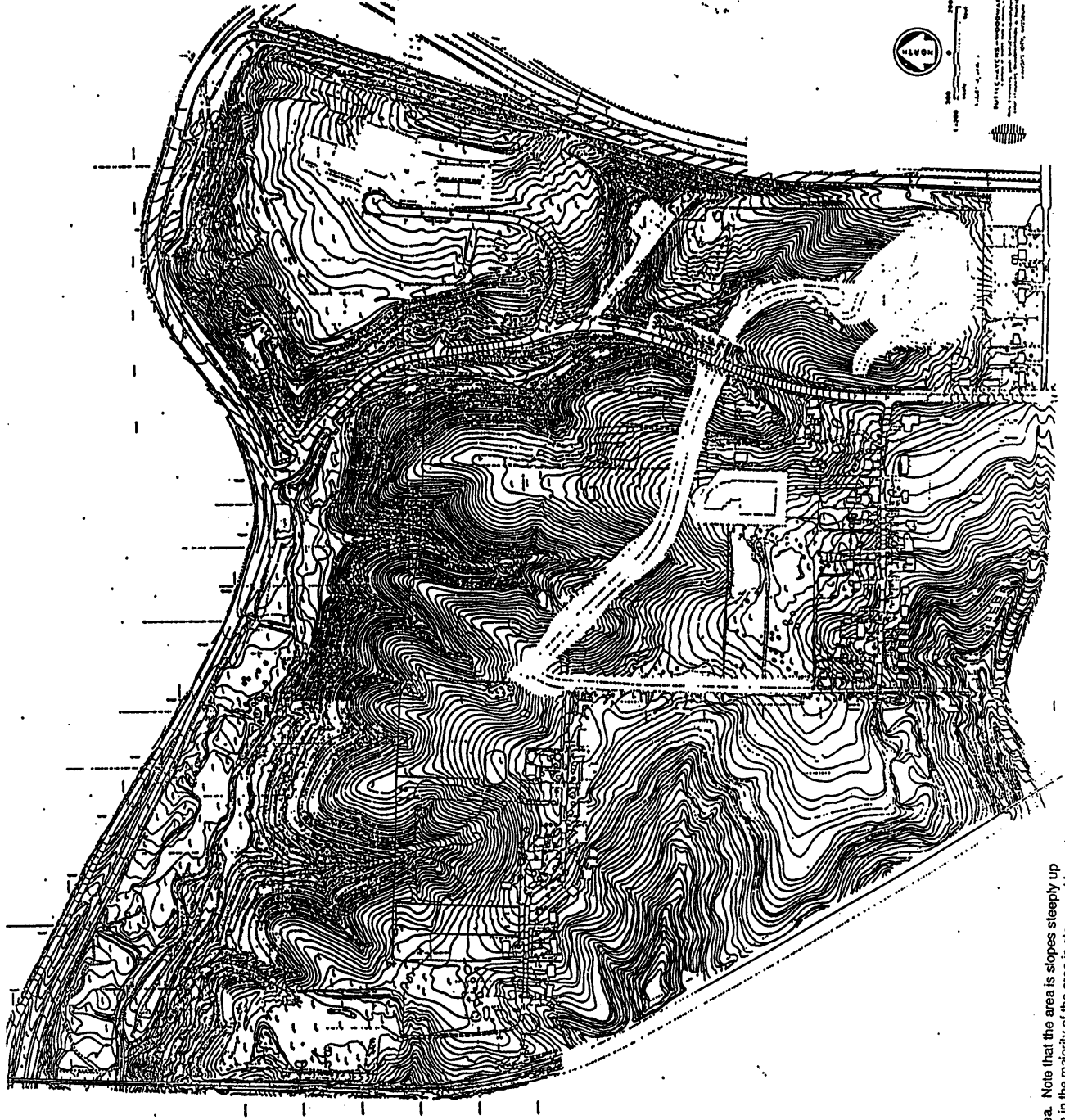
See footnote at end of table.

TABLE 12.—SANITARY FACILITIES—Continued

Soil name and map symbol	Septic tank absorption fields	Sewage lagoon areas	Trench sanitary landfill	Area sanitary landfill	Daily cover for landfill
16D3— Menfro	Moderate: slope.	Severe: slope.	Moderate: slope, too clayey.	Moderate: slope.	Fair: slope, too clayey.
17B— Polo	Moderate: percs slowly.	Moderate: seepage, slope.	Severe: too clayey.	Slight—	Poor: too clayey.
17C2— Polo	Moderate: percs slowly.	Severe: slope.	Severe: too clayey.	Slight—	Poor: too clayey.
19B— Weller	Severe: percs slowly, wetness.	Moderate: slope.	Severe: too clayey, wetness.	Severe: wetness.	Poor: too clayey, hard to pack.
20C2— McGirk	Severe: wetness, percs slowly.	Severe: slope, wetness.	Severe: wetness, too clayey.	Severe: wetness.	Poor: too clayey, hard to pack, wetness.
22C2— Oska	Severe: depth to rock, percs slowly.	Severe: depth to rock.	Severe: depth to rock, too clayey.	Severe: depth to rock.	Poor: area reclaim, too clayey, hard to pack.
30— Kennebec	Severe: flooding, wetness.	Severe: flooding, wetness.	Severe: flooding, wetness.	Severe: flooding, wetness.	Fair: wetness.
31— Colo	Severe: wetness, flooding.	Severe: wetness, flooding.	Severe: wetness, flooding.	Severe: wetness, flooding.	Poor: wetness, hard to pack.
33— Zook	Severe: percs slowly, wetness, flooding.	Severe: flooding.	Severe: wetness, too clayey, flooding.	Severe: wetness, flooding.	Poor: too clayey, wetness, hard to pack.
36— Bremer	Severe: percs slowly, flooding, wetness.	Severe: wetness, flooding.	Severe: wetness, flooding.	Severe: wetness, flooding.	Poor: wetness.
38— Wiota	Moderate: flooding, percs slowly.	Moderate: seepage.	Moderate: flooding, too clayey.	Moderate: flooding.	Fair: too clayey.
47D— Mandeville	Severe: depth to rock, wetness.	Severe: depth to rock, slope, wetness.	Severe: depth to rock.	Severe: depth to rock.	Poor: area reclaim.
54C— Knox	Slight—	Severe: slope.	Slight—	Slight—	Good.
54E, 54F— Knox	Severe: slope.	Severe: slope.	Severe: slope.	Severe: slope.	Poor: slope.
55D3— Knox	Moderate: slope.	Severe: slope.	Moderate: slope.	Moderate: slope.	Fair: slope.
60B*: Sibley	Slight—	Moderate: seepage, slope.	Moderate: too clayey.	Slight—	Fair: too clayey.
Urban land.					

See footnote at end of table.

EXHIBIT D
WINCHESTER CENTER
REDEVELOPMENT AREA
EXISTING CONDITION STUDY
TOPOGRAPHICAL MAP

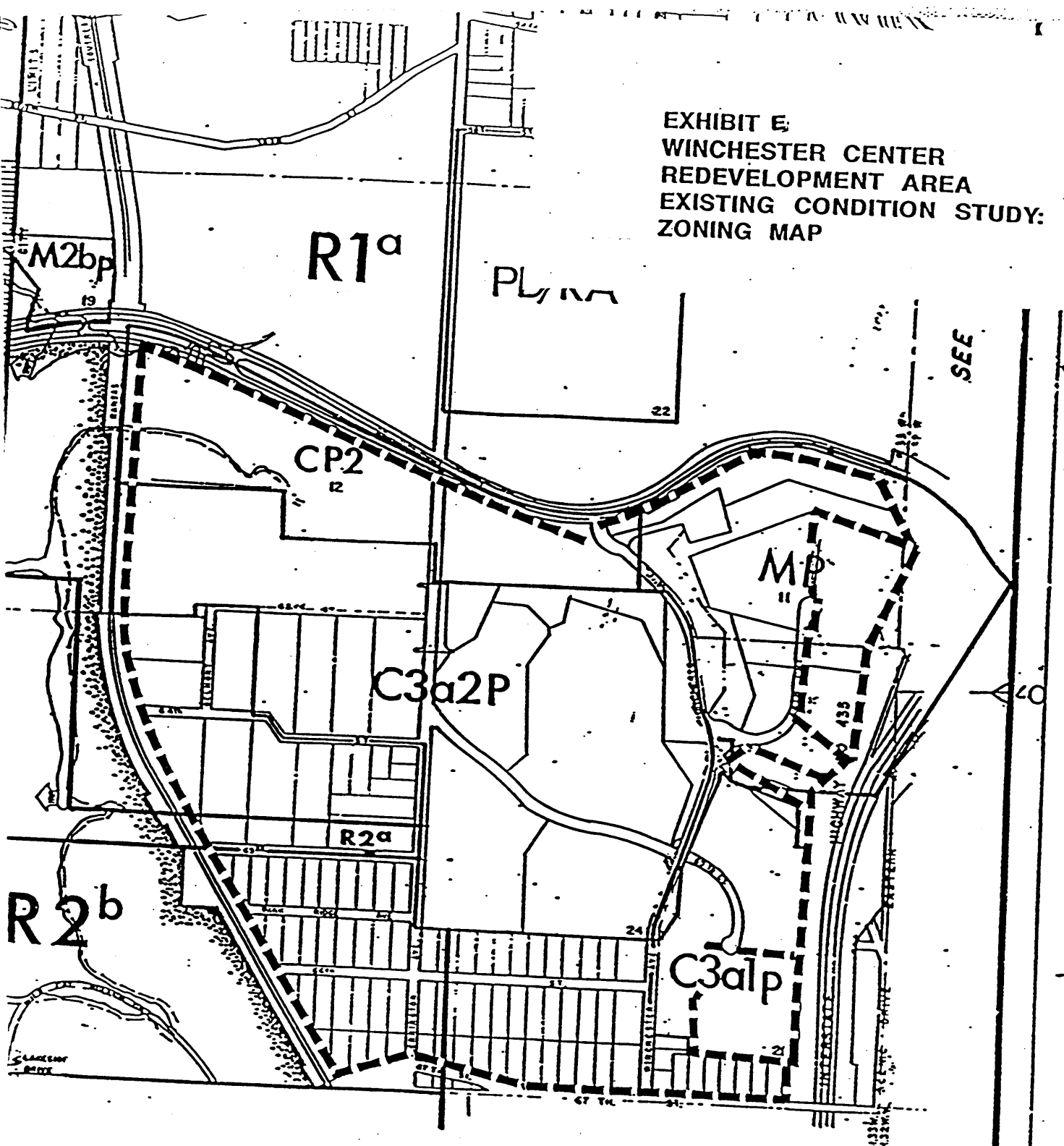


OCTOBER 1, 1991



it D shows the topography of the area. Note that the area is slopes steeply up
3rd Street Trafficway and the terrain in the majority of the area is steep and irregular.

EXHIBIT E:
WINCHESTER CENTER
REDEVELOPMENT AREA
EXISTING CONDITION STUDY:
ZONING MAP



4-14-91

INTERM. REG. FLOOD
STD. PROJ. FLOOD



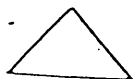
Existing zoning will not be changed as redevelopment. The existing zoning categories in the area are shown as the standards of population and coverage and building for the area after redevelopment.

ORDINANCE NO. 31431 AUG. 1, 1965

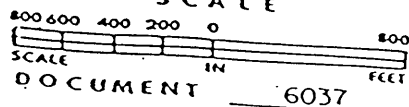
ZONING MAPS

KANSAS CITY, MISSOURI

NORTH



SCALE



SHEET

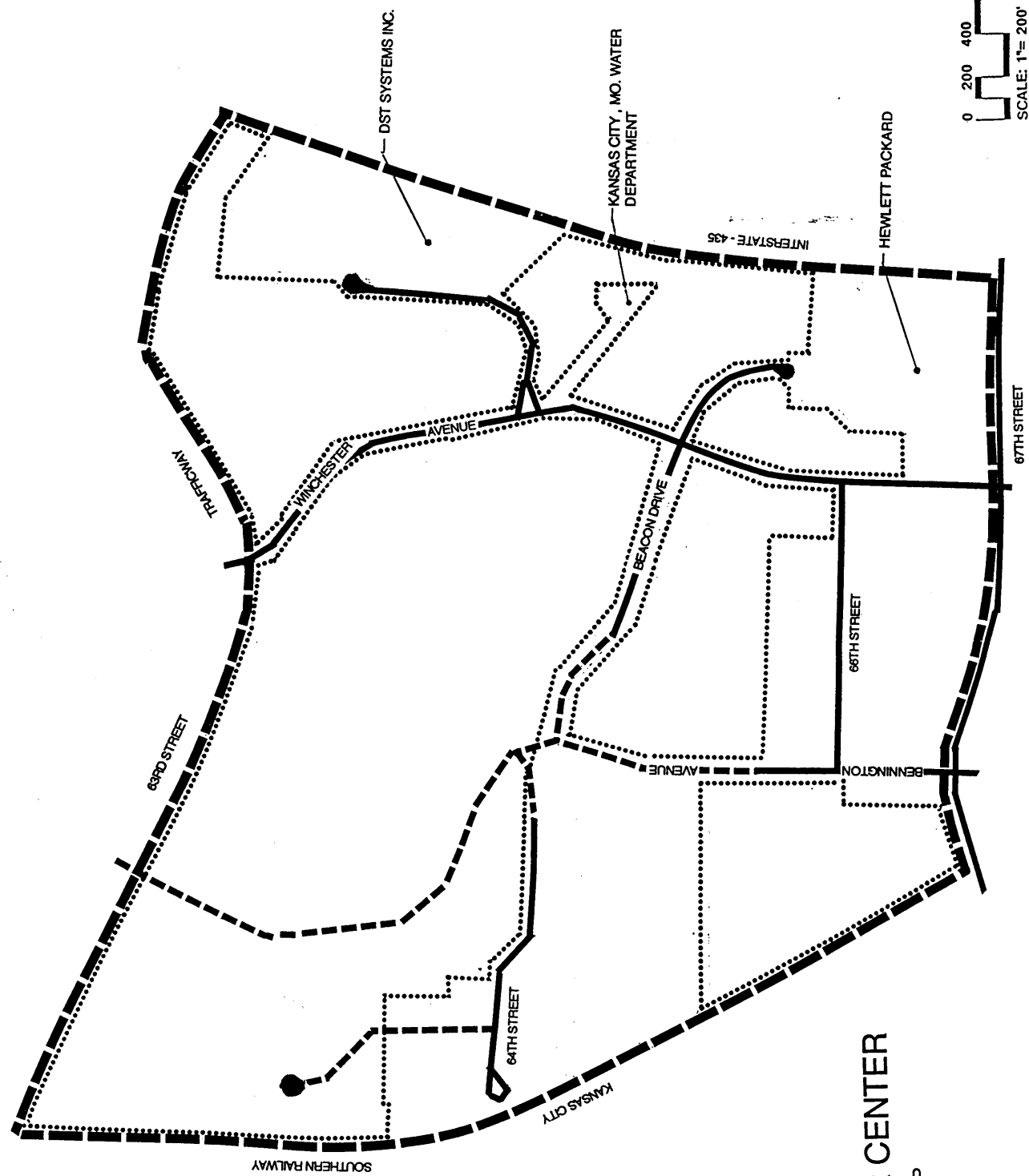
4B

DOCUMENT

6037



OCTOBER 1, 1991



- LEGEND**
- — — — — PROPOSED DISTRICT BOUNDARY
 - PROPERTY TO BE ACQUIRED
 - EXISTING STREETS
 - - - - - PROPOSED STREETS

WINCHESTER CENTER
LAND ACQUISITION MAP
EXHIBIT 5

EXHIBIT 6
DEVELOPMENT SCHEDULE

- | | |
|---|-------------------|
| 1. Publication of Notice in Paper | October 1, 1991 |
| 3. T.I.F.C. Public Hearing, Approval of plan and Redeveloper Selection | October 30, 1991 |
| 4. T.I.F.C. Ordinance introduced | November 14, 1991 |
| 5. Ordinance is heard before the Committee of the City Council | November 20, 1991 |
| 6. Ordinance has second reading by City Council | November 27, 1991 |
| 7. Ordinance is passed approving Plan, Developer and First Redevelopment Project | December 5, 1991 |
| 8. Ordinance is Effective | December 15, 1991 |
| 9. Completion of Land Acquisition (Title Work/Purchasing) | December 1, 1996 |
| 10. Relocation Process. (Two residences and no businesses will have to be relocated.) | 90 days |
| 11. Construction Commences* | |
| 12. All Redevelopment Projects Activated | December 31, 2001 |
| 13. Projected Completion of Construction | December 15, 2024 |

* Construction is expected to occur in response to market conditions.

EXHIBIT 7

ESTIMATED REDEVELOPMENT COSTS

REIMBURSABLE EXPENSES		AMOUNT	TYPE I REIMBURSABLE PROJECT COSTS	TYPE II REIMBURSABLE PROJECT COSTS	TYPE III REIMBURSABLE PROJECT COSTS	TYPE IV REIMBURSABLE PROJECT COSTS
*1. Estimated Reimbursable Costs for Plan Implementation						
A. Legal		\$ 12,500	\$ 12,500			
B. Agenda		2,000	2,000			
C. Staff Time		28,000	28,000			
D. Miscellaneous		4,000	4,000			
**2. Estimated TIF Commission Fees						
A. Final Development Plan Approval Fees (\$.05 per square foot of commercial space)		56,000	56,000			
B. Land Acquisition Fees (@ 4% of estimated acquisition)		29,600	29,600			
C. Offer to Purchase Fee (@ 1% of estimated acquisition)		<u>7,400</u>	<u>7,400</u>			
TIF REIMBURSABLE COSTS SUBTOTAL		\$ 139,500	\$ 139,500			
3. Relocation (\$500 x 2 residences)		1,000	1,000			
4. Acquisition		740,000	490,000	\$ 250,000		
5. Demolition		125,000	75,000	50,000		

	AMOUNT	TYPE I REIMBURSABLE PROJECT COSTS	TYPE II REIMBURSABLE PROJECT COSTS	TYPE III REIMBURSABLE PROJECT COSTS	TYPE IV REIMBURSABLE PROJECT COSTS
6. Infrastructure					
A. Roadways	\$ 1,858,800	\$1,222,800	\$ 636,000		
B. Sanitary Sewers	489,000	116,600	372,400		
C. Storm Sewers	459,600	309,800	149,800		
D. Utilities	650,000	350,000	300,000		
E. Water Mains	150,600	82,200	68,400		
F. Contingency	560,000	350,000	210,000		
G. Financing Costs	827,000	496,200	330,800		
7. Consultants					
A. Legal	150,000	100,000	50,000		
B. Engineering	654,000	327,000	327,000		
C. Other	100,000	50,000	50,000		
8. Home Improvement Grant (65 residences @ maximum of \$3,000)	195,000		195,000		
9. I-435 Interchange Improvements	1,800,000				\$1,800,000
10. 63rd St. Trafficway & 67th St. Improvements	<u>2,000,000</u>	<u> </u>	<u> </u>	<u>\$2,000,000</u>	<u> </u>
TOTAL REIMBURSABLE PROJECT COSTS	\$10,899,500	\$4,110,100	\$2,989,400	\$2,000,000	\$1,800,000
11. Hard Building Costs (estimated at \$80/s.f.)	89,600,000				
12. Land	<u>11,400,000</u>				
TOTAL PRIVATE DEVELOPMENT EXPENSES	\$101,000,000				
TOTAL PROJECT COSTS	\$111,899,500				

* The selected developer shall pay plan implementation fees to reimburse the TIF Commission for plan implementation costs including, but not limited to, staff time, agenda costs, legal fees, printing and publication of notices. The selected developer shall be billed by the Commission as needed to pay for the Plan implementation. These expenses shall be reimbursed to the developer from the Special Allocation Fund.

** In addition, five percent (5%) of the annual TIF revenues will be retained by the TIF Commission. This amount will be figured and allocated prior to allocation to any other reimbursable costs. This amount is estimated to average approximately \$108,580 a year over 33 years.

EXHIBIT 7-A

DETAIL BREAK DOWN FOR REIMBURSABLE COST

September 30, 1991

TIF DISTRICT WINCHESTER CENTER *****	COMMERCIAL/OFFICE PARK *****	RESIDENTIAL *****	COMBINED *****
ACQUISITION OF PROPERTIES -----			
Vacant (Unimproved)	\$ 150,000	\$ N/A	\$ 150,000
Improved	500,000	250,000	750,000
Demolition Cost	75,000	50,000	125,000
INFRASTRUCTURE -----			
Roadways	1,222,800	636,000	1,858,800
Storm Sewers	308,800	149,800	459,600
Sanitary Sewers	116,600	372,400	489,000
Water Mains	82,200	68,400	150,600
Utilities	350,000	300,000	650,000
Contingency	350,000	210,000	560,000
CONSULTANTS -----			
Legal	100,000	50,000	150,000
Engineering	327,000	327,000	654,000
Other	50,000	50,000	100,000
OFFSITE IMPROVEMENTS -----			
I-435 & 63rd Street Trfwy. Interchange	\$1,800,000	\$ N/A	\$ 1,800,000
TOTALS	\$ 5,433,400	\$ 2,463,600	\$ 7,897,000

COMMERCIAL / OFFICE PARK - - DEVELOPMENT COSTS

INFRASTRUCTURE - ROADWAY IMPROVEMENTS

Subtotal \$ 1,222,800

- Bennington Avenue (north - south)

(Collector Street Standards)

60' R/W

5' Sidewalks Both Sides (2 x \$ 11 / LF)

36' B-B Street Width

CG-1 Curb & Gutter Both Sides (2 x \$ 7 / LF)

2" Asphalt Surface Course (\$ 14 / LF)

7" Asphalt Base Course (\$ 40 / LF)

4,200 LF @ \$ 90 / LF = \$378,000

- Beacon Drive (east - west)

(Collector Street Standards)

60' R/W

5' Sidewalks Both Sides (2 x \$ 11 / LF)

36' B-B Street Width

CG-1 Curb & Gutter Both Sides (2 x \$ 7 / LF)

2" Asphalt Surface Course (\$ 14 / LF)

7" Asphalt Base Course (\$ 40 / LF)

600 LF @ \$ 90 / LF = \$54,000

- Intersection Improvements @ Bennington Avenue & 63rd Street Trafficway (Paving Only)

- Pvm't. Widening of 63rd Street Trfwy.

2" Asphalt Surface Course

8" Asphalt Base Course

2,100 S.Y. @ \$ 22 / S.Y. = \$46,200

6" Gravel Shoulder

1,700 S.Y. @ \$ 6 / S.Y. = \$10,200

- Traffic Signals

\$ 80,000

(Depends on whether traffic counts
warrant signals or not)

- Removals Along Existing Beacon Drive:

- Removal of Existing Water Mains
2,900 LF @ \$ 3 / LF = \$8,700
- Removal of Existing Curb
3,000 LF @ \$ 6 / LF = \$18,000
- Removal of Existing Storm Sewer Pipe
1,300 LF @ \$ 10 / LF = \$13,000
- Removal of Existing Storm Curb Inlets
8 Each @ \$ 300 / Each = \$2,400
- Removal of Existing Sidewalks
14,300 SF @ \$ 2 / SF = \$28,600
- Removal of Existing Pavement
12,700 SY @ \$ 5 / SY = \$63,500
- Removal of Existing Street Lights
5 Each @ \$ 400 / Each = \$2,000

- Clearing Along Bennington Avenue Extension \$ 30,000

- 60' R/W (36' B-B) Roadway Grading

- Bennington Avenue (north - south)
- Beacon Drive (east - west)

4,800 LF @ \$ 55 / LF = \$264,000

- Intersection Improvements @ Bennington Avenue & 63rd Street Trafficway (Grading Only)

\$5,000

- Seeding & Sodding

4,800 LF @ \$ 4 / LF = \$ 19,200

- Street Lighting

30 Poles @ \$ 4,000 / Pole = \$ 120,000

- City Construction Permit (7 %)

0.07 x \$ 1,142,800 = \$ 80,000

INFRASTRUCTURE - WATER MAIN IMPROVEMENTS

Subtotal \$ 82,200

- Relocate Fire Hydrants
3 Each @ \$ 1,000 / Each = \$3,000
- 8" Water Main
3,800 LF @ \$ 20 / LF = \$ 76,000
- City Construction Permit (4 %)
 $0.04 \times \$ 79,000 = \$ 3,200$

OFFSITE IMPROVEMENTS (I-435 INTERCHANGE)

Subtotal \$ 1,800,000

- NW Quadrant (Southbound Off-Ramp)
\$ 500,000
- SE Quadrant (Northbound On-Ramp)
\$ 500,000
- SE Quadrant (Northbound Off-Ramp)
Remove & Rebuild
\$ 800,000

In 1988, MHTD had an engineering study performed on this interchange. The study concluded that an off-ramp in the southbound direction was feasible in the NW quadrant of the interchange. There is not sufficient room in the NE quadrant for an on-ramp for northbound traffic. However by rebuilding the SE quadrant one can construct a northbound on-ramp. This would require the northbound off-ramp to be rebuilt as well. Additional R/W would be required in both the NW & SE quadrants.

MHTD indicated that if the interchange is feasible from an engineering standpoint, it is a possibility that they would provide approximately 25 % of the required funds.

INFRASTRUCTURE - STORM SEWER IMPROVEMENTS

Subtotal \$ 309,800

- RCB under Bennington Avenue @ channel on south side of 63rd Street Trafficway
 $270 \text{ CY} @ \$ 450 / \text{CY} = \$ 121,600$
- Enclosed Storm Sewer Systems
 $4,800 \text{ LF (of Street)} @ \$ 35 / \text{LF} = \$ 168,000$
- City Construction Permit (7 %)
 $0.07 \times \$ 289,600 = \$ 20,300$

INFRASTRUCTURE - SANITARY SEWER IMPROVEMENTS

Subtotal \$ 116,600

- Onsite:
 - 8" Sewer
 $2,400 \text{ L.F.} @ \$ 35 / \text{L.F.} = \$ 84,000$
- West of KCS RR Tracks:
 - Bore under KCS RR Tracks
 $0.60 \times 150 \text{ LF} @ \$ 100 / \text{LF} = \$ 7,500$
 - 8" Sewer
 $0.50 \times 1,000 \text{ L.F.} @ \$ 35 / \text{L.F.} = \$ 17,500$
- City Construction Permit (7 %)
 $0.07 \times \$ 109,000 = \$ 7,600$

RESIDENTIAL - - DEVELOPMENT COSTS

INFRASTRUCTURE - ROADWAY IMPROVEMENTS

Subtotal \$ 636,000

- 64th Street (east - west)

(Residential Street Standards)

50' R/W

4' Sidewalks Both Sides (2 x \$ 9 / LF)

28' B-B Street Width

CG-2 Curb & Gutter Both Sides (2 x \$ 7 /LF)

2" Asphalt Surface Course (\$ 10 / LF)

6" Asphalt Base Course (\$ 25 / LF)

1,600 LF @ \$ 67 / LF = \$107,200

- Cul de Sac (north - south off of 64th Street)

(Residential Street Standards)

60' R/W

4' Sidewalks Both Sides (2 x \$ 9 / LF)

28' B-B Street Width

CG-2 Curb & Gutter Both Sides (2 x \$ 7 /LF)

2" Asphalt Surface Course (\$ 10 / LF)

6" Asphalt Base Course (\$ 25 / LF)

1,100 LF @ \$ 67 / LF = \$73,700

- 66th Street (east - west)

(Residential Street Standards)

50' R/W

4' Sidewalks Both Sides (2 x \$ 9 / LF)

28' B-B Street Width

CG-2 Curb & Gutter Both Sides (2 x \$ 7 /LF)

2" Asphalt Surface Course (\$ 10 / LF)

6" Asphalt Base Course (\$ 25 / LF)

1,300 LF @ \$ 67 / LF = \$87,100

- Driveways
44 Each @ \$ 1,600 / Each = \$70,400

- 50' R/W (28' B-B) Roadway Grading
 - 64th Street (east - west)
 - Cul de Sac (north - south off of 64th Street)
 - 66th Street (east - west)
 4,000 LF @ \$ 40 / LF = \$160,000

- Seeding & Sodding
4,000 LF @ \$ 4 / LF = \$ 16,000

- Street Lighting
20 Poles @ \$ 4,000 / Pole = \$ 80,000

- City Construction Permit (7 %)
0.07 x \$ 584,400 = \$ 41,600

INFRASTRUCTURE - STORM SEWER IMPROVEMENTS

Subtotal \$ 149,800

- Enclosed Storm Sewer Systems
4,000 LF (of Street) @ \$ 35 / LF = \$ 140,000

- City Construction Permit (7 %)
0.07 x \$ 140,000 = \$ 9,800

INFRASTRUCTURE - SANITARY SEWER IMPROVEMENTS

Subtotal \$ 372,400

- Onsite:

- 8" Sewer

6,600 L.F. @ \$ 35 / L.F. = \$ 227,500

- West of KCS RR Tracks:

- Bore under KCS RR Tracks

1.50 x 150 LF @ \$ 100 / LF = \$ 22,500

- 8" Sewer

2,800 L.F. @ \$ 35 / L.F. = \$ 98,000

- City Construction Permit (7 %)

0.07 x \$ 348,000 = \$ 24,400

INFRASTRUCTURE - WATER MAIN IMPROVEMENTS

Subtotal \$ 68,400

- Adjust House Service Line Connections

22 Each @ \$ 400 / Each = \$8,800

- Relocate Fire Hydrants

3 Each @ \$ 1,000 / Each = \$ 3,000

- 8" Water Main

2,700 LF @ \$ 20 / LF = \$ 54,000

(Note: City indicated that they might possibly split the cost 50 / 50 for any water main improvements on 64th Street. Cost shown above is the total estimate.)

- City Construction Permit (7 %)

0.04 x \$ 65,800 = \$ 2,600

CONSULTANTS (ENGR) - LAND PLANNING SERVICES

- Master Plan \$ 10,000
- Misc. Consulting Services \$ 20,000
- Design of Intersection Landscape Features \$ 6,000

Commercial / Office Park: $0.50 \times \$ 36,000 = \$ 18,000$

Residential: $0.50 \times \$ 36,000 = \$ 18,000$

CONSULTANTS (ENGR) - CIVIL ENGINEERING DESIGN SERVICES

- Preliminary Engineering Feasibility Studies and Services \$ 50,000
- Final Engineering Design of: \$ 330,000

Streets

Street Lighting

Storm

(Based on previous discussions w/ City Staff
we are assuming storm water detention will
not be required)

Water

Sanitary

I-436 & 63rd St. Trfwy. Interchange Design

Traffic Study

Commercial / Office Park: $0.50 \times \$ 380,000 = \$ 190,000$

Residential: $0.50 \times \$ 380,000 = \$ 190,000$

CONSULTANTS (ENGR) - LAND SURVEYING SERVICES

- Miscellaneous Legal Descriptions (Assume 50) \$ 8,000
- Certificates of Survey (Assume 10) Boundary Surveys \$ 10,000
- Record Plates (Assume 4) \$ 20,000

Commercial / Office Park: $0.50 \times \$ 38,000 = \$ 19,000$

Residential: $0.50 \times \$ 38,000 = \$ 19,000$

CONSULTANTS (ENGR) - CONSTRUCTION STAKING

- Includes Construction Staking of:

Clearing

Grading

Curbs

Storm Sewers

Storm Sewer As Builts

Sanitary Sewers

Sanitary Sewer As Builts

Water Main Extensions

Street Lighting

Commercial / Office Park: $0.50 \times \$ 200,000 = \$ 100,000$

Residential:

CONSULTANTS (OTHER) GEOTECHNICAL INVESTIGATIONS

- Rock Probe Borings for Design/Construction
for infrastructure improvements
Assume 100 probe borings @ \$ 120 / Hole = \$ 12,000
- Miscellaneous Services \$ 10,000

Commercial / Office Park: $0.50 \times \$ 22,000 = \$ 11,000$

Residential: $0.50 \times \$ 22,000 = \$ 11,000$

CONSULTANTS (OTHER) AERIAL PHOTOGRAPHY & CONTOUR MAPPING

- Further Updates of the Current Topo Mapping
(Assume 3 Updates)

Commercial / Office Park: $0.50 \times \$ 20,000 = \$ 10,000$

Residential: $0.50 \times \$ 20,000 = \$ 10,000$

CONSULTANTS (OTHER) MISCELLANEOUS

Commercial / Office Park: \$ 29,000

Residential: \$ 28,000

EXHIBIT 7-B

HOME IMPROVEMENT GRANT PROGRAM

PURPOSE: The purpose of this program is to encourage the continued health and revitalization of the residential neighborhood. The means for achieving this objective is through the provision of a grant. The grant may be used to reimburse the cost of sanitary sewer hookup fees and to reimburse the cost of exterior home improvements. This grant program is to be administered by the Tax Increment Financing Commission.

ELIGIBLE APPLICANTS: Owners of existing single family houses lying within the boundaries of the Plan Area, exclusive of those designated for acquisition. This program applies to both owner-occupied and rental property.

ELIGIBLE REIMBURSABLE HOME IMPROVEMENT COSTS: The funds shall be made available to reimburse the greater of either the cost of sanitary sewer hookup or up to \$3,000 which may also be used to reimburse the cost of improvements to the exterior of the residential structure. Examples of eligible exterior improvements include:

- replacement or repair of roof;
- replacement or repair of structural or architectural features, such as a porch, exterior stairs, chimney, windows, exterior doors, garage, gutters and fascia;
- painting of exterior;
- replacement or repair of fences.

ALLOCATION OF FUNDS: Funds will be made available once Type I Costs have been reimbursed from the special allocation fund.

APPLICATION PROCEDURE: An eligible applicant shall submit copies of the paid receipts for the work completed. Upon verification of the improvements completion and payment for the project, the request for reimbursement will be processed by the Tax Increment Financing Commission along with all other requests for reimbursement.

EXHIBIT 8

A. SOURCE OF FUNDS FOR ALL ESTIMATED REDEVELOPMENT PROJECT COSTS

1. Amount of Reimbursable Costs from PILOTS and Operation and Activity Taxes	\$ 10,899,500
2. Private Investment	<u>\$101,000,000</u>
Total	\$111,899,500

B. BONDS

The total estimated amount of PILOTS over twenty-three years to reimburse project costs in this Plan is \$_____. The Commission may dedicate part or all of this amount to help defray the cost of the projects. This amount of PILOTS will support 23 year bonds in the amount of \$ assuming an interest rate of ____% and coverage of ____%.

EXHIBIT 9

ESTIMATED ANNUAL
PAYMENTS IN LIEU OF TAXES
AND
ECONOMIC ACTIVITY TAXES
OVER THE LIFE OF THE REDEVELOPMENT PLAN
(\$000's)

<u>YEAR</u>	<u>PILOT</u>	<u>ECONOMIC ACTIVITY TAXES</u>	<u>ANNUAL TOTAL</u>	<u>CUMULATIVE TOTAL</u>
1991	\$ 0	\$ 13	\$ 13	\$ 13
1992	132	26	158	171
1993	132	32	164	335
1994	140	39	179	514
1995	232	67	299	813
1996	502	119	621	1,434
1997	508	135	643	2,077
1998	898	208	1,106	3,183
1999	1,177	281	1,458	4,641
2000	1,463	337	1,800	6,441
2001	2,032	425	2,457	8,898
2002	2,211	652	2,863	11,761
2003	2,251	672	2,923	14,684
2004	2,304	692	2,996	17,680
2005	2,343	715	3,058	20,738
2006	2,399	738	3,137	23,875
2007	2,442	762	3,204	27,079
2008	2,502	784	3,286	30,365
2009	2,543	809	3,352	33,717
2010	2,602	835	3,437	37,154
2011	2,647	861	3,508	40,662
2012	2,712	887	3,599	44,261
2013	2,761	914	3,675	47,936
2014	2,596	894	3,490	51,426
2015	2,645	921	3,566	54,992
2016	2,555	916	3,471	58,463
2017	2,400	895	3,295	61,758
2018	2,252	873	3,125	64,883
2019	1,725	761	2,486	67,369
2020	1,371	688	2,059	69,428
2021	996	613	1,609	71,037
2022	<u>195</u>	<u>431</u>	<u>626</u>	<u>71,663</u>
TOTAL	53,668	17,995	71,663	

EXHIBIT 10
DEVELOPER'S PROPOSAL

RECEIVED OCT 25 1991

11:20 a.m.

October 25, 1991

Tax Increment Financing Commission
of Kansas City, Missouri
c/o Mr. Mark Bunnell
Suite 250
10 Petticoat Lane
Kansas City, Missouri 64106

Re: Winchester Center Tax
Increment Financing Project Area

Gentlemen:

This proposal (sometimes referred to herein as the "Proposal") is made by Winchester Ventures II, a Missouri general partnership (sometimes referred to herein as the "Partnership"), in response to the Invitation for Redevelopment Proposals (sometimes herein referred to as the "RFP") which you published by advertisement in the Kansas City Star on Monday, October 7, 1991. The RFP invited proposals for redevelopment of parcels located within the area generally bounded by the south right-of-way line of 63rd Street Trafficway, the west right-of-way line of Interstate 435, the north right-of-way line of 67th Street and the east right-of-way line of the Kansas City Southern Railroad tracks (said area herein sometimes referred to as the "Redevelopment Area"). You have prepared a redevelopment plan (herein sometimes referred to as the "Plan") for the Redevelopment Area.

By this Proposal, the Partnership is pleased to submit this response as its proposal for being selected as the "Developer" by you (the "TIF Commission") to undertake the Plan. Included within this proposal is a direct response to Section III, Proposal Selection Process and Evaluation Criteria, contained in the "Developer's Kit" which has been supplied in connection with the RFP. Also included is such additional material and information as the Partnership feels might be appropriate to assist you.

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of Kansas City, Missouri
c/o Mr. Mark Bunnell
October 25, 1991
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DEVELOPMENT PROPOSAL REQUIREMENT NO. 1. A STATEMENT
CONTAINING THE DEVELOPER'S NAME, ADDRESS, TELEPHONE NUMBER AND
NAME OF PERSON OR PERSONS AUTHORIZED TO REPRESENT THE
"DEVELOPMENT TEAM".

1. Developer's Name:

Winchester Ventures II, a Missouri general
partnership, composed of the following two general
partners:

DST Realty, Inc., a Missouri corporation
("DST Realty"), and

Scenic Venture, a Missouri general
partnership ("Scenic"), composed of
Subsurface Development Co., a Missouri
corporation ("Subsurface"), and Ash Grove
Cement Company, a Delaware corporation ("Ash
Grove")

2. Address: 6301 Winchester Avenue
Suite 100
Kansas City, Missouri 64133

3. Telephone Number: (816) 358-7676
Fax Number: (816) 358-8433

4. Authorized Representative:

William Chiles
Michael O'Flaherty

Attached hereto as Exhibit A are the following:
(1) the Amended Partnership Agreement of Partnership; (2) the
State of Missouri Certificate of Incorporation for DST Realty;
(3) the Amended Partnership Agreement of Scenic; (4) the State of
Missouri Certificate of Incorporation of Subsurface; and (5) the
State of Delaware Certificate of Incorporation of Ash Grove.

The following is a brief historical review of the
relationship of the Partnership to the Redevelopment Area. For
purposes of this Proposal, the Redevelopment Area will be divided
between the "Commercial Area" and the "Residential Area" and, to
illustrate this, we have attached hereto as Exhibit B a copy of

Tax Increment Financing Commission
of Kansas City, Missouri
c/o Mr. Mark Bunnell
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the Site Plan that is incorporated as a part of the Plan and have delineated thereon the boundaries of the Commercial Area and the Residential Area.

In January of 1966, Ash Grove Cement Company (or subsidiaries thereof) acquired a substantial part of the Commercial Area. That part of the Commercial Area lying immediately to the south of 63rd Street Trafficway and east of what is now Winchester Avenue had been and was in the process of being mined, and such operations were continued as part of Ash Grove's general business. This area (both surface and subsurface) was platted as Winchester Business Center in 1982, and there commenced the development and leasing of the underground areas. The general outline of this area is delineated as such on Exhibit B, and we will be making reference to this area as "Winchester Business Center".

In November of 1983, a transaction was consummated whereby (a) DST Realty acquired total ownership of a portion of the surface in Winchester Business Center, and (b) DST Realty and Scenic¹ formed a partnership called Winchester Ventures which acquired title to the underground area. Subsequent thereto, DST Realty acquired the balance of the surface, and in late 1990 DST Realty, either through itself or affiliated entities, acquired all of Scenic's interest in Winchester Ventures and now controls all of Winchester Business Center. Only the Common Areas, Tracts H, N and P, continue to be owned by Scenic. All of the surface and underground areas of Winchester Business Center are included in the Redevelopment Area except for Tracts A, B, C and D, which contain a building occupied by DST Systems, Inc.

The next significant transaction respecting the Commercial Area occurred in 1985, when the area on the east side of Winchester and south of Winchester Business Center was platted as Winchester Office Center. This was part of a series of steps which resulted in an unrelated party acquiring Tract 1 of this area and constructing on a portion thereof an office building, of

1 Prior to the November 1983 transaction, the Ash Grove subsidiary that owned this property placed title in Scenic. Scenic was a Missouri general partnership of which the majority partner was Subsurface, and the minority partner was CVM, Incorporated. Subsequently, CVM's interest was acquired by Ash Grove so that today the partners in Scenic are Subsurface and Ash Grove itself.

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which a substantial portion was and is leased to the Hewlett Packard Company. As a part of this transaction, a new partnership was formed called "Winchester Ventures II" which is the same Partnership making this proposal. This area will be referred to as "Winchester Office Center". The Partnership owns all of the above-mentioned area except for Tract 1². All of Winchester Office Center is included in the Redevelopment Area except for the said Tract 1.

The balance of the Commercial Area not included in either the Winchester Business Center portion or the Winchester Office Center portion includes approximately 100 acres and lies south of 63rd Street and west of Winchester. In August of 1990, a portion of this area was platted as Winchester Office Center West to accommodate, among other things, the sale of a 10-acre parcel delineated as Tract 1 to Kansas City Cable Partners, the entity that owns and operates American Cablevision. The Partnership owns the balance of this property, and all of same (platted and unplatted and including the Tract 1 sold to, and developed by, Cablevision) is included in the Redevelopment Area.

The Residential Property is owned by a variety of parties. The Partnership owns four of these parcels.

DEVELOPMENT PROPOSAL REQUIREMENT NO. 2. A STATEMENT
DESCRIBING THE DEVELOPER'S EXPERIENCE, BACKGROUND AND
ACCOMPLISHMENTS RELEVANT TO THE PROPOSAL.

The Partnership that is making this proposal represents a joinder of two of the Kansas City area's leading companies.

Ash Grove has been in business for over 100 years. While its principal business is the production of cement and related products, it has, particularly in recent years, been extremely active in real estate development. Through its Cedar Creek subsidiary, it is in the process of developing approximately 3,000 acres in southwest Johnson County into a large-scale, planned-unit development, a project which will involve the construction of a golf course, an extensive infrastructure network such as streets, sewers and other utilities, and the sale and development of residential and commercial real estate.

² This Tract 1 has been the subject of a further subdivision whereby it has been divided into Lots A and B.

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DST Realty is a subsidiary of DST Systems, Inc., which is one of the fastest growing companies in the Kansas City area. Its principal line of business is support services for the financial industry. DST Systems is a wholly-owned subsidiary of Kansas City Southern Industries, again, one of the Kansas City area's leading corporate citizens. Kansas City Southern and DST both have been involved in a variety of major real estate projects.

We think it is appropriate to note that these parties have already accomplished much at this location. They have taken what was at one time an unsightly, rocky, rough area, and made significant developmental strides as evidenced by the existing underground development, the DST improvements, the Hewlett Packard building and the Cablevision building. The developmental problems involved in carrying this development further are many and complex. However, with the TIF assistance herein described, the Partnership believes it is possible, assuming reasonably favorable market conditions, for the Commercial Area to become a first class development which will be a significant asset to Kansas City. As the Commercial Area develops, there should be adequate Special Allocation Funds (as herein defined) to carry out the redevelopment activities described in the Plan for the Residential Area.

The Partnership has organized a development team with the expertise to accomplish its Proposal. This team includes planners, architects, engineers, attorneys, marketing experts and financial advisors. Exhibit C includes financial information respecting the Partnership which demonstrates the ability of the Partnership to undertake the Plan.

DEVELOPMENT PROPOSAL REQUIREMENT NO. 3. NARRATIVE
DESCRIPTION OF PROPOSED PROGRAM.

The Redevelopment Area possesses a great deal of potential. This is particularly true of the Commercial Area. It has an excellent location with good accessibility to the freeway network. It has the added advantage of an office park environment, but it is located within the city limits of Kansas City, Missouri, and very convenient to potential employees. However, its rough, rocky terrain makes development difficult and expensive and places this area at a competitive disadvantage with other parts of the metropolitan area. The buildings that have already been developed (the DST Building, the Hewlett Packard Building and the Cablevision Building) represent the areas

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easiest to develop because of their physical characteristics and proximity to existing streets and other infrastructure. Future development will be much more difficult and may be very slow or not occur at all without the TIF assistance herein described.

The Residential Area ranges from good to very poor with considerable evidence of blight and continuing deterioration. This is a clear problem for the Residential Area but could negatively impact the Commercial Area as well, further accentuating the competitive disadvantage when compared to suburban office parks.

The Partnership's proposal is directed at alleviating these conditions, with the ultimate goal being the realization by the Commercial Area of its substantial potential and the general upgrading of the Residential Area. Developer's proposal consists of the following three (3) specifics:

Type 1 Proposal. The continued growth and development of the Commercial Area requires much in the way of additional infrastructure such as roadways, storm sewers, sanitary sewers, water mains and utilities. The expenses associated with these items are far in excess of the norm.

Further, it is the view of the Partnership that the 15-acre area north of 67th, west of Bennington and east of the Kansas City Southern Railroad tracks and legally described on Exhibit D be incorporated in the Redevelopment Area. Once the aforementioned infrastructure items are constructed, this parcel will represent a prime developable tract, and it would be unwise to leave it out of the Redevelopment Area, thereby allowing it to develop separately and not subject to the same controls that will exist respecting the other parts of the Redevelopment Area. It is also the view of the Partnership that any restrictive covenants or other forms of encumbrances that impede development be eliminated. This proposal contemplates that eminent domain be used to acquire these properties and eliminate such restrictions or other encumbrances if necessary.

Accordingly, the Partnership proposes the following:

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1. INFRASTRUCTURE - ROADWAY IMPROVEMENTS Subtotal \$1,222,800

- Bennington Avenue (north - south)

(Collector Street Standards)

60' R/W

5' Sidewalks Both Sides (2 x \$ 11 / LF)

36' B-B Street Width

CG-1 Curb & Gutter Both Sides (2 x \$ 7 / LF)

2" Asphalt Surface Course (\$ 14 / LF)

7" Asphalt Base Course (\$ 40 / LF)

4,200 LF @ \$ 90 / LF = \$378,000

- Beacon Drive (east - west)

(Collector Street Standards)

60' R/W

5' Sidewalks Both Sides (2 x \$ 11 / LF)

36' B-B Street Width

CG-1 Curb & Gutter Both Sides (2 x \$ 7 / LF)

2" Asphalt Surface Course (\$ 14 / LF)

7" Asphalt Base Course (\$ 40 / LF)

600 LF @ \$ 90 / LF = \$54,000

- Intersection Improvements @ Bennington Avenue & 63rd
Street Trafficway (Paving Only)

- Pvm't. Widening of 63rd Street Trfwy.

2" Asphalt Surface Course

9" Asphalt Base Course

2,100 S.Y. @ \$ 22 / S.Y. = \$48,200

6" Gravel Shoulder

1,700 S.Y. @ \$ 8 / S.Y. = \$10,200

- Traffic Signals \$80,000
(Depends on whether traffic counts
warrant signals or not)

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- Removals Along Existing Beacon Drive:

- Removal of Existing Water Mains
2,900 LF @ \$ 3 / LF = \$8,700
- Removal of Existing Curb
3,000 LF @ \$ 6 / LF = \$18,000
- Removal of Existing Storm Sewer Pipe
1,300 LF @ \$ 10 / LF = \$13,000
- Removal of Existing Storm Curb Inlets
8 Each @ \$ 300 / Each = \$2,400
- Removal of Existing Sidewalks
14,300 SF @ \$ 2 / SF = \$28,600
- Removal of Existing Pavement
12,700 SY @ \$ 5 / SY = \$63,500
- Removal of Existing Street Lights
5 Each @ \$400 / Each = \$2,000

- Clearing Along Bennington Avenue Extension \$30,000

- 60' R/W (36' B-B) Roadway Grading

- Bennington Avenue (north-south)
- Beacon Drive (east-west)

- Intersection Improvements @ Bennington Avenue & 63rd
Street Trafficway (Grading Only)

\$5,000

- Seeding & Sodding

4,800 LF @ \$ 4 / LF = \$19,200

- Street Lighting

30 Poles @ \$ 4,000 / Pole = \$ 120,000

- City Construction Permit (7 %)

0.07 x \$ 1,142,800 = \$80,000

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2. INFRASTRUCTURE - STORM SEWER IMPROVEMENTS Subtotal \$309,800

- RCB under Bennington Avenue @ channel on south side of
63rd Street Trafficway

270 CY @ \$ 450 / CY = \$121,500

- Enclosed Storm Sewer Systems

4,800 LF (of Street) @ \$ 35 / LF = \$168,000

- City Construction Permit (7 %)

0.07 x \$ 289,500 = \$20,300

3. INFRASTRUCTURE - SANITARY SEWER IMPROVEMENTS Subtotal \$116,600

- Onsite:

- 8" Sewer

2,400 L.F. @ \$ 35 / L.F. = \$84,000

- West of KCS RR Tracks:

- Bore under KCS RR Tracks

0.50 x 150 LF @ \$100 / LF = \$7,500

- 8" Sewer

0.50 x 1,000 L.F. @ \$ 35 / LF = \$17,500

- City Construction Permit (7 %)

0.07 x \$ 109,000 = \$7,800

4. INFRASTRUCTURE - WATER MAIN IMPROVEMENTS Subtotal \$ 82,200

- Relocate Fire Hydrants

3 Each @ \$ 1,000 / Each = \$3,000

- 8" Water Main

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3,800 LF @ \$ 20 / LF = \$76,000

- City Construction Permit (4 %)

0.04 x \$ 79,000 = \$3, 200

5. OTHER UTILITIES Subtotal \$350,000

6. INFRASTRUCTURE - CONTINGENCY Subtotal \$350,000

7. PROPERTY ACQUISITIONS Subtotal \$725,000

- Vacant (Unimproved) \$150,000
- Improved 500,000
- Demolition Costs 75,000

8. CONSULTANTS Subtotal \$477,000

- Legal \$100,000
- Engineering 327,000
- Other 50,000

The total cost for the Type 1 Proposals is \$3,633,400 and
can be summarized as follows:

TIF DISTRICT
WINCHESTER CENTER

COMMERCIAL/OFFICE
PARK

ACQUISITION OF PROPERTIES

Vacant (Unimproved)	\$ 150,000
Improved	500,000
Demolition Cost	75,000

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INFRASTRUCTURE

Roadways	1,222,800
Storm Sewers	309,800
Sanitary Sewers	116,600
Water Mains	82,200
Utilities	350,000
Contingency	350,000

CONSULTANTS

Legal	100,000
Engineering	327,000
Other	50,000

These cost figures are estimates only and are subject to revision.

Partnership believes that market conditions will support a steady, responsible development of the Commercial Area. The Plan suggests that the Commercial Area will be developed in eight phases, or redevelopment project areas, over a 10-year period, and while Partnership cannot guarantee that this will occur, it believes that these projections are reasonable. However, Partnership's proposal is, in all respects, subject to market conditions, and Partnership is not making a contractually binding commitment that the contemplated improvements (including but not necessarily limited to those included in the Type 1 Proposal) will be made by a given date or at all. Partnership's proposal contemplates that as tracts are sold and developed, PILOTS and Economic Activity Taxes (both as defined in the Plan and referred to herein sometimes as "Special Allocation Funds") will be generated in sufficient amounts.

Partnership's business plan is to sell parcels to users or developers, and it will probably not be involved in actual construction of the improvements on the various lots. Accordingly, the needs and demands of the users will dictate the size and type of improvements and will also dictate the sequence and sizes of the tracts to be developed. As stated above, the Partnership believes that the phasing sequence and timing as set forth in the Plan represents a reasonable projection at this time. However, flexibility will be needed to meet and adjust to the market.

It is critical to the accomplishment of the Plan that the Commercial Area be developed to the fullest extent possible and as soon as possible. Accordingly, there must be sufficient Special Allocation Funds to accomplish the Type 1 Proposal before it will be

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possible to move on to the other parts of the Plan. Assuming that the various tracts within the Commercial Area are developed in line with time projections set forth in the Plan, the Partnership could be ready to proceed with the herein described Infrastructure Part of the Type 2 Proposal in seven (7) to eight (8) years. However, this will be dictated and driven entirely by market conditions, and the Partnership is not making any legally binding commitment respecting any part of the Type 1 Proposal except as respects the property acquisitions. Partnership understands that it will be required to complete the acquisition of all of the property described on Exhibit D within a five (5) year period.

Type 2 Proposal. For purposes of Partnership's proposal, this Type 2 Proposal will be further sub-divided between the Infrastructure Part and the Home Improvement Grant Part.

Once the Special Allocation Funds are sufficient to accomplish and pay for the Type 1 Proposal, Partnership, working with the TIF Commission, proposes to move on to the Infrastructure Part of the Type 2 Proposal which involves the following:

RESIDENTIAL -- DEVELOPMENT COSTS

1. INFRASTRUCTURE - ROADWAY IMPROVEMENTS Subtotal \$636,000

- 64th Street (east - west)

(Residential Street Standards)

50' R/W

4' Sidewalks Both Sides (2 x \$9/LF)

28' B-B Street Width

CG-2 Curb & Gutter Both Sides (2 x \$7/LF)

2" Asphalt Surface Course (\$10/LF)

6" Asphalt Base Course (\$25/LF)

1,600 LF @ \$67/LF = \$107,200

- Cul de Sac (north - south off of 64th Street)

(Residential Street Standards)

50' R/W

4' Sidewalks Both Sides (2 x \$9/LF)

28' B-B Street Width

CG-2 Curb & Gutter Both Sides (2 x \$7/LF)

2" Asphalt Surface Course (\$10/LF)

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6" Asphalt Base Course (\$25/LF)

1,100 LF @ \$67/LF = \$73,700

- 66th Street (east - west)

(Residential Street Standards)

50' R/W

4' Sidewalks Both Sides (2 x \$9/LF)

28' B-B Street Width

CG-2 Curb & Gutter Both Sides (2 x \$7/LF)

2" Asphalt Surface Course (\$10/LF)

6" Asphalt Base Course (\$25/LF)

1,300 LF @ \$87/LF = \$87,100

- Driveways

44 Each @ \$1,600/Each = \$70,400

- 50' R/W (28' B-B) Roadway Grading

- 64th Street (east - west)

- Cul de Sac (north - south off of 64th Street)

- 66th Street (east - west)

4,000 LF @ \$40/LF = \$160,000

- Seeding & Sodding

4,000 LF @ \$4/LF = \$16,000

- Street Lighting

20 Poles @ \$4,000/Pole = \$80,000

- City Construction Permit (7%)

0.07 x \$594,400 = \$41,600

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2. INFRASTRUCTURE - STORM SEWER IMPROVEMENTS Subtotal \$149,800

- Enclosed Storm Sewer Systems

4,000 LF (of Street) @ \$35/LF = \$140,000

- City Construction Permit (7%)

$0.07 \times \$140,000 = \$9,800$

3. INFRASTRUCTURE - SANITARY SEWER IMPROVEMENTS Subtotal \$372,400

- Onsite

- 8" Sewer

6,500 LF @ \$35/LF = \$227,500

- West of KCS RR Tracks:

- Bore under KCS RR Tracks

1.50 x 150 LF @ \$100/LF = \$22,500

- 8" Sewer

2,800 LF @ \$35/LF = \$98,000

- City Construction Permit (7%)

$0.07 \times \$348,000 = \$24,400$

4. INFRASTRUCTURE - WATER MAIN IMPROVEMENTS Subtotal \$88,400

- Adjust House Service Line Connections

22 Each @ \$400/Each = \$8,800

- Relocate Fire Hydrants

3 Each @ \$1,000/Each = \$3,000

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- 8" Water Main

2,700 LF @ \$20/LF = \$54,000

(Note: City indicated that they might possibly split the cost 50/50 for any water main improvements on 64th Street. Cost shown above is the total estimate.)

- City Construction Permit (7%)

0.04 x \$65,800 = \$2,600

5. <u>UTILITIES</u>	Subtotal	\$300,000
6. <u>CONTINGENCY</u>	Subtotal	\$210,000
7. <u>PROPERTY ACQUISITION</u>	Subtotal	\$300,000
- Improved \$250,000		
- Demolition Costs \$50,000		
8. <u>CONSULTANTS</u>	Subtotal	\$427,000
- Legal \$50,000		
- Engineering \$327,000		
- Other \$50,000		

These costs total \$2,463,600 and are summarized as follows:

TIF DISTRICT
WINCHESTER CENTER

RESIDENTIAL

ACQUISITION OF PROPERTIES

Vacant (unimproved)	\$	N/A
Improved		250,000
Demolition Cost		50,000

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INFRASTRUCTURE

Roadways	636,000
Storm Sewers	149,800
Sanitary Sewers	372,400
Water Mains	68,400
Utilities	300,000
Contingency	210,000

CONSULTANTS

Legal	50,000
Engineering	327,000
Other	50,000

TOTALS

\$ 2,483,600

As with the Type 1 Proposal, these cost figures are estimates only and may need to be adjusted.

The Type 2 Proposal will bring important and needed improvements to the Residential Area. This is particularly true as respects sanitary sewers. The absence of sanitary sewers constitutes the Residential Area's most serious problem. Assuming proper market conditions and the generation of sufficient Special Allocation Funds, it is anticipated that this Infrastructure Part of the Type 2 Proposal might get underway in seven (7) or eight (8) years. However, this is subject to, and will be dictated and driven by, market conditions, and the Partnership is not making any legally binding commitment respecting any part of the Infrastructure Part of the Type 2 Proposal.

The Home Improvement Grant Part of the Type 2 Proposal involves making available up to \$3,000 per unit in the Residential Area for sewer hook-ups and exterior renovation. This program will not commence until all parts of the Type 1 Proposal and the Infrastructure Part of the Type 2 Proposal have either been made or it is clear that there will be sufficient Special Allocation Funds to accomplish same. All aspects of this program will be administered by the TIF Commission, and the Partnership will not be responsible for this program in any way.

Type 3 Proposal. The Type 3 Proposal involves possible improvements to the 63rd Street interchange off of Interstate 435. As it is presently configured, this interchange is inadequate and constitutes a detriment to the specific Redevelopment Area and other

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surrounding properties. It is possible that after all of the Type 1 and Type 2 Proposals have either been accomplished or it is clear that there will be Special Allocation Funds for their accomplishment, there will be sufficient Special Allocation Funds available to pay for or finance improvements to this interchange. The cost is estimated at \$1,800,000, and obviously this will require the approval of, and close coordination with, the State Highway Department and other authorities. The Partnership is not making any legally binding commitment with respect to this Type 3 Proposal; however, this would benefit the Redevelopment Area and the city.

The Plan estimates total project costs at \$99,004,650. This figure includes not only the expenditures contemplated by the Type 1, Type 2 and Type 3 Proposals, but also the estimated total build-out costs for the full development of the Commercial Area, estimated at \$88,200,000. The Partnership is not suggesting that it will be spending this estimated \$88,200,000 and is not at this time requesting any public assistance respecting these items. As stated above, the Partnership's business plan is to develop land and sell tracts to users who will carry out construction for their own purposes and pursuant to their own plans. However, these numbers show the impact of, particularly, the Type 1 Proposal. For the rather modest TIF expenditure of an estimated [\$3,875,900] for the Type 1 Proposal, a project can be given impetus that quite easily can result in both an \$88,000,000 commercial development as well as a substantial upgrading of the adjacent residential area. The Partnership feels that the Commercial Area development will be of an unusually high and stable quality. Our experience to date is that the facilities have been built by or for specific owner-occupants. Because these users have tailored construction to suit their own needs, they will have a unique long-term commitment to the development and quality of the area. We anticipate that this pattern will continue.

The Partnership's proposal can be summarized in the following manner. Without TIF assistance, it is possible that further development of the Commercial Area could be very slow or might not even occur. The Residential Area quite likely will continue to deteriorate as long as an adequate infrastructure is lacking. However, with modest TIF assistance, a major development quite likely will occur in the Commercial Area which will provide sufficient revenues to cover the costs related to commercial development, at the same time providing sufficient funds to allow for a substantial upgrading within the Residential Area.

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DEVELOPMENT PROPOSAL REQUIREMENT NO. 4 - SITE PLAN.

Attached hereto as Exhibit B is the Site Plan for the Redevelopment Area.

DEVELOPMENT PROPOSAL REQUIREMENT NO. 5 - DEVELOPER'S COMMITMENT.

The Partnership recognizes that it will be required to execute an acquisition agreement with respect to the aforesaid parcels that are proposed for acquisition as a part of the Type 1 Proposal. These are described on Exhibit D. It is anticipated that the costs of acquiring these parcels will be approximately \$725,000. The Partnership has sufficient financial resources to honor this obligation, and attached hereto as Exhibit C are financial statements respecting the Partnership.

The timing of the making of the improvements included in the Type 1 Proposal and the Infrastructure Part of the Type 2 Proposal will be market driven, and the Partnership is not at this time making a legally binding commitment to make these improvements if market conditions do not justify doing so. Assuming favorable market conditions, the Partnership anticipates that the Type 1 Proposal will be paid for by one or a combination of the following: (1) allow the Special Allocation Funds to accumulate and pay for these expenses on a pay-as-you-go basis; (2) make the expenditures ahead of the availability of sufficient Special Allocation Funds from the Partnership's own funds (either direct contributions by the Partnership, borrowings by the Partnership or a combination thereof) with reimbursement of the amounts expended, together with interest, from Special Allocation Funds,³ or (3) periodic issuance of TIF bonds to cover authorized costs plus capitalized interest utilized to retire the TIF bonds.

Payments in lieu of taxes (defined in the Plan as "PILOTS") will be used to fund eligible projects as identified in the Plan. TIF bonds may be issued periodically to cover prior developer

³ In cases where the Partnership borrows money, the reimbursable interest will be that charged by its lender. In cases where the Partnership expends its own funds in whole or part, it will be entitled to reimbursement of an amount equal to interest thereon at a reasonable rate consistent with the then-prevailing market conditions.

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investments and authorized projects plus capitalized interest for the eligible projects; PILOTS resulting from the eligible portions of the project will be utilized to retire the TIF bonds.

DEVELOPMENT PROPOSAL REQUIREMENT NO. 6 - ANTICIPATED SALES VALUE FOR PROPERTY OR RENTS TO BE CHARGED AND PLAN FOR MARKETING THE PROPERTIES.

The Plan anticipates that the Commercial Area will be developed and sold in eight (8) phases over a ten (10) year period, and while the Partnership cannot guarantee this or make any legally binding commitment with respect thereto, the Partnership believes that this timetable is reasonable. Assuming proper market conditions, the making of the improvements contemplated by the Type 1 Proposal will be in a timely manner for the marketing of the land and the construction of improvements.

The Commercial Area will be marketed through one or more commercial real estate companies and will be offered to qualified users and developers. The Partnership intends to utilize in-house staff plus outside expertise in its marketing effort. While its basic business plan is to make outright sales of land, the Partnership would consider joint venture improvement proposals with qualified parties. The Partnership anticipates normal construction costs and standard land values. For instance, retail land values in the project are currently set between \$2.50 and \$3.50 per square foot while the construction costs for commercial office development range between \$70 and \$100 per square foot. These costs are in line with industry standards that will probably escalate in the future, in keeping with inflation and increased market acceptance of this project.

To protect land values and investments, the Partnership has imposed, and intends to continue to impose, protective covenants and restrictions to insure that development is within proper guidelines. The Partnership understands that any substantial modifications in the Plan will occur only after concurrence by the TIF Commission and the City.

DEVELOPMENT PROPOSAL REQUIREMENT NO. 7 - TYPES OF MUNICIPAL ASSISTANCE REQUESTED TO COMPLETE DEVELOPMENT.

The Plan sets forth in detail the conditions present within the Redevelopment Area qualifying it as a Conservation Area under the TIF statutes, and the Partnership feels that nothing needs to be added to this.

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The redevelopment contemplated by the Plan will only occur as and when further development occurs in the Commercial Area. To start this process and to give it impetus, the Partnership is requesting municipal assistance in the form of tax increment financing for the improvements and acquisition contemplated by the Type 1 Proposal. Apart from the land acquisition costs, the Partnership does not propose to make expenditures in advance of market demand. Special Allocation Funds will accumulate at the outset. Once market conditions justify commencing and implementing the Type 1 Proposal, the Partnership requests municipal assistance in the form of making available the Special Allocation Funds to pay for the costs and expenses incurred in, or otherwise associated with, the Type 1 Proposal, on the basis of one or a combination of the following: (a) on a pay-as-you-go basis, (b) reimbursing the Partnership for expenses already incurred (plus interest as aforesaid) or (c) as part of a bond issue to finance part or all of the Type 1 Proposal.

Once the Type 1 Proposal has been accomplished or otherwise provided for, the project can then move forward to the Type 2 and Type 3 Proposals in the manner stated above, and municipal assistance in the form of TIF monies will be necessary to fully defray these costs.

No municipal assistance is currently being requested for the actual costs of construction of improvements within the Commercial Area. These expenditures, estimated at being in excess of \$88,000,000, will be made by private parties and represent the real bonus to the City and its taxpayers from this project.

The Partnership recognizes that it might be necessary to finance qualified TIF project expenditures through its own funds or from conventional financing to the point where it is expeditious to issue TIF bonds or reimbursement is feasible from the Special Allocation Funds. As stated, the Partnership's proposal contemplates that any such reimbursement include interest on the unpaid balance of any moneys so advanced by the Partnership. To the extent that the Partnership uses conventional financing, the rate of interest will be that charged by the lender. With respect to moneys advanced by the Partnership from its own funds, the Partnership shall be entitled to recover a reasonable rate of interest.

The Partnership respectfully submits that this proposal is consistent with the Plan and further submits that since the Partnership owns most of the Commercial Area and has been active in its development for many years, it is the logical choice as

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developer. The Partnership has developed a sound working relationship with the owners of the property in the Residential Area. Accordingly, it is much more capable to develop the Plan than would be any competing applicant. The Partnership has demonstrated beyond question its commitment to this area. Accordingly, the Partnership respectfully requests that the TIF Commission approve this Proposal and forward the appropriate ordinance request to the City Council of Kansas City, Missouri for action.

Enclosed is our check for \$500.00 for the Developer's Kit and \$2,000.00 for the Submission Fee. We are enclosing this Proposal in triplicate, and if further information is required, please advise.

Respectfully submitted,

WINCHESTER VENTURES II, a Missouri general partnership

By: Scenic Ventures, a Missouri general partnership

By: Subsurface Development Co.

By John Woodfill

By: Ash Grove Cement Company

By John Woodfill

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By: DST Realty, Inc.

By


President

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- B. Site Plan
- C. Financial Information
- D. Acquisition Parcel

EXHIBIT A TO PROPOSAL

EXHIBIT A TO PROPOSAL

WINCHESTER VENTURE II
PARTNERSHIP AGREEMENT

15th

This Partnership Agreement entered into as of the day of April, 1985, by and between DST Realty, Inc., 1004 Baltimore Kansas City, Missouri ("DST"), and Scenic Venture, Suite 100, 6301 Winchester, Kansas City, Missouri ("Scenic"), a Missouri general partnership consisting of CVM Incorporated, a Missouri corporation ("CVM") and Subsurface Development Co., a Missouri corporation ("Subsurface"). DST and Scenic are hereinafter sometimes referred to collectively as the "Partners" and individually as a "Partner."

WHEREAS, by that certain First Refusal and Option Agreement (the "Option Agreement") dated November 14, 1983 by and between Scenic and DST, Scenic did, among other things, grant to DST certain rights and options affecting real estate in Jackson County, Missouri, said real estate including, but not limited to, that described on Exhibit A, attached hereto and made a part hereof (the real estate described on Exhibit A referred to herein as the "Property"); and

WHEREAS, DST and Scenic recognize, stipulate and agree each with the other as follows:

1. Concurrently herewith DST has paid to Scenic the sum of \$175,000 (with taxes and assessments

Amend

1.02 The name of the Partnership shall be "Winchester Ventures II" or such other name as the Partners may mutually agree in writing. The Partners shall execute and file or cause to be executed and filed all such certificates as may be required by law to be filed in connection with the formation and operation of the Partnership.

1.03 The principal office of the Partnership shall be located at 6301 Winchester, Kansas City, Missouri, or at such other place as the Partners may mutually agree in writing.

1.04 The Partners have formed the Partnership for the purpose of owning, developing, improving, repairing, leasing, operating, maintaining, selling and otherwise dealing with the Property and such other business as the Partners may agree, and for no other purpose.

1.05 Record title to the Property may be held in the name of the Scenic Ventures, a Missouri general partnership, or in the name of such nominee as the Partners may from time to time agree upon; provided, however, that any partner may require the record title of all partnership property, or any portion thereof, to be held in the name of the Partnership by giving notice thereof to other partners, and such other partners do hereby agree to execute all necessary documents to cause such change in record title.

1.06 Except as otherwise expressly provided in this Agreement, (a) nothing contained herein shall render either Partner liable for any debts or obligations incurred by the other Partner, whether or not related to the Partnership or its business, (b) neither Partner shall be constituted an agent of the other Partner, (c) nothing contained herein shall create any interest on the part of either of the Partners in the business or other assets of the other Partner, (d) nothing contained herein shall be deemed to restrict or limit in any way the carrying on of separate businesses or activities by either Partner now or in the future, and (e) neither Partner shall have any authority to act for, or to assume any obligation on behalf of, the other Partner.

1.07 The fiscal year of the Partnership shall end on December 31 in each year.

1.08 The Partnership shall commence as of the date of this Agreement and shall terminate only (a) upon the acquisition by either Partner of the entire interest of the other Partner in the Partnership; (b) at such time as all of the Property is sold; (c) at such time as the Partners may mutually agree in writing; or (d) as otherwise provided in this Agreement. Except as expressly provided herein, the Partners agree not to take any action to terminate, dissolve or liquidate the Partnership.

Section 2. Representations, Warranties and Covenants of the Partners.

2.01 DST represents and warrants to Scenic that DST is a corporation duly organized, validly existing and in good standing under the laws of Missouri and has all requisite power and authority and is entitled to carry out the transactions contemplated by this Agreement and the business contemplated by the Partnership.

2.02 Scenic represents and warrants to DST that Scenic is a general partnership duly organized, validly existing and in good standing under the laws of Missouri and has all requisite power and authority and is entitled to carry out the transactions contemplated by this Agreement and the business contemplated by the Partnership.

2.03 Each Partner represents and warrants to the other that all proceedings required to be taken by it to authorize the execution, delivery and performance of this Agreement by it have been duly and properly taken and that the Agreement constitutes its valid and binding obligation, enforceable in accordance with its terms.

2.04 Scenic represents and warrants that CVM and Subsurface are its only partners, and that the beneficial owners of CVM and Subsurface are set forth in Exhibit B attached. Scenic agrees and CVM and Subsurface agree that there shall be no

new or additional partners of Scenic, or any sale, assignment, transfer, pledge or other disposition of, or encumbrance on, directly or indirectly, the whole or any part of any interest in Scenic or any change of control of CVM or Subsurface, except as permitted by this Section 2.04, without the consent of DST, which consent shall not be unreasonably withheld. Either CVM or Subsurface may transfer all or any part of its interest in Scenic to the other provided that Subsurface, or its permitted transferees, at no time shall own less than an eighty percent (80%) interest in Scenic. Further, (a) CVM may transfer all or any part of its interest in Scenic to its parent, if any, or any affiliated corporation, and (b) Subsurface may transfer all or any part of its interest in Scenic to a parent or other affiliate of Subsurface or to Ash Grove Cement Company or any of its affiliates. As a condition to any permitted transfer under this Section 2.04, the transferee must agree to be bound by the provisions of this Section 2.04. Scenic also represents, warrants and covenants that in the event of the withdrawal, liquidation or termination of any of its partners, (i) no termination of Scenic will result and (ii) all interests of Scenic in the Partnership shall remain solely in Scenic.

2.05 DST represents that it is a wholly owned subsidiary of DST Systems, Inc. DST agrees that there shall be no change in control of DST other than a transfer of control to a

parent or other affiliate of DST or to Kansas City Southern Industries, Inc. or any of its affiliates without the consent of Scenic, which consent shall not be unreasonably withheld.

2.06 Each Partner represents and warrants to the other that no broker or finder has acted for it in connection with the transactions effected or contemplated by this Agreement.

2.07 Each Partner hereby covenants and agrees that at any time and from time to time following the execution of this Agreement it shall take such further actions and execute and deliver such further documents as may be reasonably requested by the other Partner in order to effectuate and carry out the provisions and purposes of this Agreement.

2.08 Scenic represents and warrants as follows:

(a) The Property is not subject to any liens or encumbrances other than the "Permitted Exceptions" shown on Exhibit A.

(b) So long as record title to the Property is held in the name of Scenic Ventures, a Missouri general partnership, Scenic shall not sell, transfer, convey, mortgage, pledge or otherwise encumber or impair such title, or permit such title to be so encumbered or impaired, without the express written consent of DST.

Section 3. Capitalization of Partnership.

3.01 The initial capital of the Partnership to be contributed upon execution of this Agreement shall be each Partner's one-half interest in and to the Property, DST's undivided one-half (1/2) interest being that acquired pursuant to the terms hereof, and Scenic's undivided one-half (1/2) interest being that remaining after such acquisition by DST; record title of the Property will be held as provided in Section 1.5 hereof.

3.02 Such additional capital as shall be reasonably needed at any time or from time to time shall be contributed in equal portions by the Partners.

3.03 A separate capital account shall be maintained for each Partner. No part of either Partner's total capital contribution to the Partnership (including any additional contributions made pursuant to paragraph 3.02 above) may be withdrawn without the prior written approval of the other Partner.

3.04 The parties understand that each Partner may individually have an adjusted basis, as that term is used in section 1011 of the Internal Revenue Code (the "Code"), for the property interests which are being contributed to the Partnership, which varies from the agreed value of the property as set forth on Exhibit D attached hereto and made a part hereof. The parties further understand that the Partnership's adjusted basis for the property which is being contributed to the Partnership is the sum of the Partners' adjusted bases in their interests in

such property immediately prior to the time such property interests are transferred to the Partnership. The Partners agree that any income, gain, loss or deduction (including depreciation) computed for income tax purposes with respect to such property shall be allocated to the Partners in the manner provided in section 704(c) of the Code. Such allocation shall take into account, to the full extent permitted by the Code, the variation between the adjusted bases of the properties to the Partner contributing them and the agreed values of the properties at the time of their contribution.

3.05 Any advance of funds to the Partnership in addition to capital contributions may be made only by agreement of the Partners.

Section 4. Condition of Property - Maintenance and Repair.

4.01 It is understood and agreed by DST that, in the acquisition by DST from Scenic of the undivided one-half (1/2) interest in the Property being contributed to the Partnership by DST pursuant to Section 3.01 hereof, Scenic does not make, and shall not be considered to make, any representations, warranties or covenants as to the condition, safety or fitness for use for any purpose of, among other things, the Property or any part thereof. DST has made such investigations and examinations of such matters as it deems necessary and releases Scenic from any liability or responsibility to it with respect to any representa-

tions, warranties, or covenants as to the condition, safety or fitness for use.

4.02 If and to the extent that any repairs, maintenance or restorations of any type or nature are required with respect to the Property, the same shall be considered to be an expense of the Partnership unless and to the extent that such shall be the responsibility of a third party such as, but not limited to, a Tenant.

Section 5. Allocation of Profits and Losses; Distributions.

5.01 The net profits and losses of the Partnership for each fiscal year shall be determined in accordance with generally accepted accounting principles consistently applied under the method of accounting adopted by the Partnership.

5.02 The net profits and losses of the Partnership for each fiscal year shall be allocated between the Partners equally. A separate income account shall be maintained for each Partner and Partnership profits or losses and shall be credited or charged to the separate income account of each Partner.

5.03 Revenues of the Partnership shall be applied in the following order:

- (a) To taxes imposed on the Partnership;
- (b) To current maturities of any mortgage indebtedness of the Partnership;

(c) To other costs, debts, and expenses of the Partnership;

(d) To any reserves established by the Partnership for Partnership expenses and contingencies; and

(e) To any advances made by either Partner to the Partnership pursuant to Section 3.05.

5.04 Within 45 days after the close of each fiscal quarter of the Partnership, there shall be distributed to each Partner, to the extent that the Partnership has cash available therefor, an amount in cash equal to 50% of the amount of the net cash flow, if any, of the Partnership for such fiscal quarter, or such lesser or greater percentage of the net cash flow of the Partnership as the Partners may mutually agree in writing. "Net cash flow" shall be the gross income of the Partnership plus the net proceeds from the sale of any assets of the Partnership, less the amounts expended or applied pursuant to Section 5.03 and the amounts necessary to provide such working capital as the Partnership Management Committee deems appropriate. In computing net cash flow, no deduction shall be made for depreciation or amortization of assets of the Partnership.

5.05. Upon any termination, liquidation or dissolution of the Partnership, all partnership assets available for distrib-

ution to the Partners, including the aggregate amount of the Partners' capital accounts, shall be distributed equally.

Section 6. Management of the Partnership.

The management of the Partnership, including, without limitation, all executive and administrative responsibility for the management and supervision of all aspects of the Partnership's business, shall be vested solely in a Management Committee consisting of four persons, two designated by each Partner. Each Partner shall notify the other in writing of its initial Management Committee representatives and of any subsequent change. All decisions pertaining to the management and operations of the Partnership, including, without limitation, approval of all expenses of the Partnership, shall be made by unanimous vote of the Management Committee; provided, however, that the Management Committee shall not take any of the following actions without the written approval of both Partners (which approval shall be by writing executed by an authorized Partner representative designated by each Partner from time to time by written notice to the other, and which approval shall not be unreasonably withheld):

- (a) Incurring any obligation for borrowed money (including any mortgage indebtedness) or entering into any contract committing the Partnership for an amount in excess of \$100,000;

(b) Making any loans or advances, or guaranteeing of the obligations of others in excess of \$100,000;

(c) Purchasing any item of equipment at a price in excess of \$100,000;

(d) Setting up any reserves for expenses or contingencies which in the aggregate exceed \$100,000;

(e) Instituting any profit sharing plans, bonus plans, pension plans or other major employee benefit programs;

(f) Hiring or agreeing to hire on behalf of the Partnership any employee at a salary greater than \$40,000 per year;

(g) Selecting the auditors, attorneys, or appraisers for the Partnership;

(h) Selecting and contracting with a project manager or managing agent for the Property;

(i) Determining the amount of insurance coverage for the Partnership and its assets, and selecting the insurance carriers;

(j) Entering any lease pertaining to the Property or any asset of the Partnership; or

(k) Selling or otherwise disposing of any Partnership assets with a value in excess of \$100,000.

Section 7. Accounting Procedures, Audits and Reports.

7.01 The books and records of the Partnership shall be kept and maintained at the office of the Partnership, and each Partner shall have the right at any time and from time to time during normal business hours to have access to the books and records for the purpose of examination and copying. Such books and records shall show the assets, liabilities, costs, expenditures, receipts, profits and losses of the Partnership and such other matters as the auditors of the Partnership shall deem reasonable and necessary.

7.02 Within thirty days after the close of each Partnership fiscal year quarter, the Management Committee shall cause to be prepared and delivered to each Partner a financial report for the preceding quarter, containing an income statement and balance sheet (together with supporting schedules), showing the operating results of the Partnership for such quarter and the financial position of the Partnership at the close of such quarter. After the close of each fiscal year of the Partnership, the Partnership shall cause the books and records of the Partnership to be audited by Price Waterhouse & Co., auditors of the Partnership. A copy of the results of such audit shall be furnished by such auditors to each Partner within 30 days of the close of the fiscal year and shall include a profit and loss statement, statement of change in financial position, balance

sheet, and any related statements, including any notes thereto, to fairly present the results of the operations of the Partnership as of the date and for the period indicated and the financial position of the partnership as of the date indicated. Such statements shall be prepared in accordance with generally accepted accounting principles consistently applied throughout the period indicated.

7.03 The Partnership shall cause to be prepared by the auditors of the Partnership all necessary tax or information returns for the Partnership and shall provide such information to the Partners on appropriate Partnership forms within 45 days of the close of the fiscal year of the Partnership.

Section 8. Transfer and Sale of Partnership Interests.

8.01 Except as otherwise specifically set forth in this Agreement, each Partner covenants and agrees that it shall not, without the prior written consent of the other Partner, sell, assign, transfer, pledge or otherwise dispose of, encumber, directly or indirectly, the whole or any part of its interest in the Partnership or Partnership Property. Any sale, assignment, transfer, pledge, disposition or encumbrance by either Partner in contravention of this Section shall be void and of no effect and shall not bind or be effective as to the Partnership or the other Partner.

8.02 After December 31, 1986, if either DST or Scenic desires to terminate the Partnership, it shall have the following option:

(a) To establish a price payable in cash (the "offering price") for all of the other Partner's interest in the Partnership and Partnership assets;

(b) To submit to the other Partner in writing an offer to purchase all of the other Partner's interest in the Partnership and Partnership assets at the offering price or to sell all of the offering Partner's interest in the Partnership and such Partnership assets at the offering price;

(c) The Partner receiving such an offer shall have 30 days from the receipt of the offer either to accept the offer to purchase its interest in the Partnership and Partnership assets or to elect to purchase at the offering price all of the offering Partner's interest in the Partnership and such Partnership assets;

(d) Should the Partner receiving the offer specified in Section 8.02(b) elect to purchase the offering Partner's interest in the Partnership and such Partnership assets, the offering Partner shall be

bound by such election and must sell to the other Partner at such price;

(e) In the event the Partner receiving the offer described in Section 8.02(b) fails to respond as provided in Section 8.02(c), such Partner shall be deemed to have accepted the other Partner's offer to purchase on the last day of the time period provided in Section 8.02(c);

(f) The offer described in Section 8.02(b) may be withdrawn only by agreement of DST and Scenic;

(g) Within 30 days after the acceptance of the offer to purchase or the election to purchase, the selling Partner shall tender a bill of sale and other appropriate transfer documents to the purchasing Partner, in proper form for transfer of all of the selling Partner's interest in the Partnership free and clear of all liens and encumbrances, and the Partnership assets, and the purchasing Partner shall deliver to the selling Partner the offering price (as described in the offer) in exchange for such transfer documents, and the purchasing Partner shall indemnify the selling Partner from and against all Partnership liabilities, including any mortgage loans on the Property, from and after such date.

8.03 If at any time a Partner shall receive a bona fide offer to purchase all or any portion of the Property, such Partner shall immediately advise the other Partner of such offer, including all terms and conditions thereof.

8.04 Notwithstanding the provisions of this Section 8, Section 1.08 and Section 9, any Partner or any such Partner's assignee or designee, which acquires the interest of another Partner shall have the right, but not the obligation, not to terminate the Partnership. In the event such acquiring Partner elects not to terminate the Partnership, then such Partner shall indemnify and hold the former owner of the acquired Partnership interest harmless against and from any and all loss, cost, damage, liability and expense arising from the continued existence or operation of the Partnership subsequent to the date of such acquisition by the acquiring Partner.

Section 9. Default of a Partner; Remedies.

9.01 A Partner shall be deemed to be in default hereunder if any of the following events occurs:

(a) Such Partner is adjudicated a bankrupt or insolvent and, if such adjudication be involuntary, it is not vacated within 30 days;

(b) Any proceeding is commenced by or against such Partner seeking relief under any bankruptcy or insolvency law, including, without limita-

tion, a reorganization, arrangement, readjustment of debt, receivership, trusteeship or liquidation, and, if such proceeding be involuntary, it remains undismissed for 30 days, or such Partner, by action or answer, approves of, consents to or acquiesces in such proceeding or admits the material allegations of, or defaults in answering, a petition filed in such proceeding;

(c) A trustee, receiver or liquidator is appointed with or without such Partner's consent for all or any substantial part of the property of such Partner (whether or not including such Partner's interest in the Partnership) and, if such appointment is without such Partner's consent, such appointment is not discharged within 30 days;

(d) Such Partner admits in writing its inability to pay its debts as they become due;

(e) Such Partner makes a general assignment for the benefit of creditors;

(f) Any of the foregoing occurs to or is done by the direct parent company of DST or by any partner of Scenic; provided, however, that with respect to any default under subparagraphs (a) through (e) or (g) through (j) hereof by Scenic because of any

action by or condition of a partner of Scenic, the other Scenic partner may cure such default by commencing and diligently carrying forward the acquisition of the entire interest of such Scenic partner in the Partnership, so long as the Partnership is not, in the good faith judgment of DST, materially adversely affected by any delay in effecting such cure.

(g) Any part of the interest of such Partner in the Partnership is seized by a creditor of such Partner or creditor of any partner of Scenic or any person or entity having a direct or indirect ownership interest in Scenic, and such interest is not released from seizure within 30 days from the date of notice of seizure;

(h) Such Partner fails to perform any material obligation imposed upon such Partner under this Agreement or under any agreement relating to borrowed money of the Partnership;

(i) Such Partner attempts to transfer any of its interest in the Partnership except as permitted by this Agreement;

(j) Such Partner attempts to dissolve the Partnership otherwise than as provided in Section 8 or in this Section 9;

such Partner shall be referred to as the "Defaulting Partner," and the other Partner shall be referred to as the "Non-Defaulting Partner."

9.02 If a Partner becomes a Defaulting Partner, the Non-Defaulting Partner shall have the right to give the Defaulting Partner a Notice of Default, which shall be in writing, shall set forth the nature of the default, and shall set forth the date by which such default must be cured, which shall be 10 days after receipt of the Notice of Default if payment of money is required, or 30 days after receipt of the Notice of Default for defaults other than payment of money, or such shorter period as may be necessary in the good faith judgment of the Non-Defaulting Partner to prevent a default under any agreement for borrowed money to which the Partnership is a party or to avoid jeopardizing the Non-Defaulting Partner's investment in the Partnership. If within the period specified in the Notice of Default the Defaulting Partner cures such default, the Notice of Default shall be inoperative and the Defaulting Partner shall lose no rights hereunder, except that the Non-Defaulting Partner shall be entitled to compensation from the Defaulting Partner for reasonable expenses incurred as the result of the occurrence of the Event of Default.

Upon the expiration of the period specified in the Notice of Default without cure of the default, the Non-Defaulting

Partner may, at its option, and in addition to all other rights and remedies it may have, either at law or in equity, upon 30 days' notice given within 120 days of learning of the default, terminate the Partnership by purchasing the interest of the Defaulting Partner in the Partnership at 90% of the Book Value thereof at the date of such notice. The "Book Value" of a Partner's interest in the Partnership for purposes hereof shall be determined by the Partnership's auditors, which determination shall be final and binding upon the parties, and shall be computed in accordance with generally accepted accounting principles consistently applied except that (a) no value shall be given for good will or other intangible assets except to the extent actually paid for by the Partnership, and (b) all securities and real estate properties shall be valued at fair market value. With respect to the fair market value of any real estate, the auditors shall use the value agreed upon by the Partners or, if no agreement, the value determined by two appraisers, one appointed by each Partner. Each appraiser must be a member of the American Institute of Real Estate Appraisers. In the event the two appraisers cannot agree on the fair market value, they shall select a third appraiser (who shall be a member of the American Institute of Real Estate Appraisers) whose decision respecting fair market value shall be final if such value is the same as the value determined by either of the other appraisers or is an

amount between the values determined by the other two appraisers; otherwise each Partner shall select a different appraiser and the process of determining value shall be repeated until such time as fair market value is determined. Should the Partnership suffer liability as a result of an act or omission occurring during a period prior to the Non-Defaulting Partner's purchase of the interest of the Defaulting Partner, which liability had not been accrued on the books of the Partnership on the date as of which the book value of the Defaulting Partner's interest in the Partnership is determined, the amount to be paid to the Defaulting Partner shall be reduced by an amount equal to the portion of such liability equal to the Ownership Interest of the Defaulting Partner prior to its default (except that the Defaulting Partner shall bear all loss or liability to the Partnership directly attributable to the event of default); or, the Non-Defaulting Partner at its option may offset such an amount against any other sums owed by the Partnership or the Non-Defaulting Partner to the Defaulting Partner.

In addition, and without prejudice to the rights above stated, a Non-Defaulting Partner may, upon the occurrence of a default (and upon expiration of the period specified in the Notice of Default without cure of the default), upon 30 days' written notice to the defaulting Partner, cause the winding up

and liquidation of the Partnership under the supervision of one liquidator appointed by the Non-Defaulting Partner.

Section 10. Indemnification.

10.01 Each Partner agrees to, and does hereby, indemnify and save and hold harmless the other Partner, from and against all claims, causes of action, liability, payments, obligations, expenses (including without limitation reasonable fees and disbursements of counsel) or losses arising from a Partnership liability or obligation, to the extent necessary so that each Partner (and its affiliates and owners) shall bear only that portion of Partnership liabilities and obligations equal to such Partner's proportionate interest in the Partnership. The foregoing shall not:

(a) Inure to the benefit of any Partner (or any affiliate or owner of any Partner) with respect to any claim, liability or loss which:

(1) Arises out of or is based upon the gross negligence or willful misconduct of such Partner (or any affiliate or owner of such Partner), in which case such claim, liability or loss shall be borne by such Partner; or

(2) Is a tax, levy or similar law or governmental charge not imposed upon the Partnership or upon any property owned or leased

by the Partnership, in which case such tax, levy or similar law or charge shall be borne by the Partner or other person upon whose property it is levied or imposed; or

(b) Apply to any claim, liability or loss to the extent that it is covered by insurance maintained by the Partnership.

10.02 Scenic agrees to, and does hereby, indemnify and save and hold harmless DST from and against all claims, causes of action, liability, payments, obligations, expenses (including without limitation reasonable fees and disbursements of counsel) or losses arising from any lien, encumbrance, defect or other exception created or caused by Scenic, other than the Permitted Exceptions, which may affect the Property.

10.03 The non-indemnifying Partner shall promptly notify the other Partner if any actual or threatened liability or obligation for which it may claim indemnity comes to its attention. The indemnifying Partner shall have the right to designate counsel to defend any such claim, and both Partners shall cooperate fully with respect thereto. This Section 10 shall survive any termination of this Agreement.

Section 11. Miscellaneous.

11.01 Any notice, request, demand, report, consent or other communication which is required or contemplated hereunder

shall be in writing and shall be deemed to have been properly given when it is (a) hand delivered or (b) deposited in the United States mail, registered or certified, return receipt requested, addressed as follows:

If to DST:

President
DST Systems, Inc.
1004 Baltimore
Kansas City, MO 64105

If to Scenic:

Scenic Venture
Attention: William Chiles
Suite 100
6301 Winchester
Kansas City, MO 64123

Either Partner may change the address to which notices or other communications are to be sent to it by written notice to the other. .

11.02 Once a notice is properly given under either Section 8.02 or Section 9 of this Agreement, no notice may be given under the other section until such time as the notice given has been withdrawn by agreement of the Partners or otherwise becomes ineffective.

11.03 All representations, warranties, covenants and agreements made herein by each Partner shall survive the execution and delivery of this Agreement.

whether written or oral, are merged herein and shall be of no force and effect. This Agreement cannot be changed, modified or discharged, except by an instrument in writing specifically referring to this Agreement and signed by both Partners.

11.08 This Agreement and all amendments hereof and waivers and consents hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of Missouri.

11.09 This Agreement may be executed in one or more counterparts, all of which taken together shall be deemed one original.

11.10 DST does hereby agree that each and all of its rights and options respecting the Property existing under or by virtue of the Option Agreement are satisfied by this Agreement and DST does hereby agree that all such rights and options are terminated, cancelled and released. The Option Agreement shall remain unchanged with respect to all of the property therein described which is not included within the Property.

11.11 DST and Scenic do hereby approve of the sale and conveyance of a portion of the Property to Hewlett-Packard Company. A copy of the proposed contract of sale to Hewlett-Packard Company is attached hereto as Exhibit D which describes the property in question and the proposed terms and conditions of sale. Scenic is hereby authorized and directed to consummate

WINCHESTER VENTURES II
FIRST AMENDMENT TO PARTNERSHIP AGREEMENT

THIS FIRST AMENDMENT TO PARTNERSHIP AGREEMENT (the "First Amendment"), entered into as of the 9th day of July, 1986, by and between DST REALTY, INC., 127 West 10th Street, Kansas City, Missouri, a Missouri corporation ("DST"), and SCENIC VENTURE, Suite 100, 6301 Winchester, Kansas City, Missouri ("Scenic"), a Missouri general partnership consisting of CVM, INCORPORATED, a Missouri corporation ("CVM"), and SUBSURFACE DEVELOPMENT CO., a Missouri corporation ("Subsurface"). DST and Scenic are sometimes hereinafter referred to collectively as the "Partners" and individually as a "Partner".

RECITALS

A. By that certain Partnership Agreement dated April 15, 1985 (the "Partnership Agreement"), DST and Scenic associated themselves and formed a general partnership under the Partnership Law of the State of Missouri, said partnership being known as Winchester Ventures II (the "Partnership").

B. DST and Scenic formed the Partnership for the purpose of owning, developing and operating certain real estate described in Exhibit A to the Partnership Agreement (the "Original Property") and such other real estate, and engaging in such other business, as the Partners may agree.

C. Pursuant to that certain Purchase and Sale Agreement of even date herewith, by and between Scenic and DST (the "Sale Agreement"), Scenic has sold and conveyed to DST an undivided one-half interest in the real estate described in Exhibit A thereto (the "New Property"), and Scenic retains an undivided one-half interest in the New Property.

D. The Partners desire that the Partnership shall own, develop and operate the New Property under the terms of the Partnership Agreement.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

Section 1. Partnership Property. The Partners agree to contribute their respective undivided one-half interests in the New Property to the capital of the Partnership and that the New Property shall be held by the Partnership under the terms and conditions set forth in the Partnership Agreement, as hereby amended. All references to the "Property" in the Partnership Agreement shall be deemed to include the New Property as well as the Original Property. Exhibit A of the Partnership Agreement is amended as of this date by substituting for the content thereof the matters set forth on Schedule 1 to this Agreement, and all references to Exhibit A in the Partnership Agreement shall be deemed to mean, from and after this date, Exhibit A as amended by this First Amendment. Without limiting the generality of the foregoing, as to the New Property, the Partners reaffirm, as of the date hereof, all covenants, agreements, representations and warranties contained in the Partnership Agreement.

Section 2. Title to Partnership Property.

A. Paragraph 1.05 of the Partnership Agreement is hereby amended to read in its entirety as follows:

"1.05 Record title to all property and assets of the Partnership shall be held in the Partnership's name, or in the name of such nominee, including but not limited to a Partner, as the Partners may from time to time agree upon in writing. Whenever record title to any Partnership property or assets is held in the name of a Partner, such Partner shall not sell, transfer, convey, mortgage, pledge or otherwise encumber or impair such title, or permit such title to be so encumbered or impaired, without the express written consent of the other Partner.

B. Subparagraph (b) of Paragraph 2.08 of the Partnership Agreement is hereby deleted.

Section 3. Other Amendments. Paragraphs 11.10, 11.11 and 11.12 of the Partnership Agreement are hereby deleted.

Agreed Value. The Fair Market Value of the New Property is \$1,333,770.44, with one-half of said value allocated to DST and one-half to Scenic.

Section 5. Counterparts. This First Amendment may be executed in one or more counterparts, all of which taken together shall be deemed one original.

Section 6. No Other Amendments. Except as expressly set forth herein, the Partnership Agreement is not amended or modified in any respect and is and shall remain in full force and effect in accordance with its terms.

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

DST REALTY, INC.

By 

Arthur J. Wilkinson, Jr.
Vice President

SCENIC VENTURE, by its partners:

SUBSURFACE DEVELOPMENT CO.

By 

James P. Sunderland, President

CVM, INCORPORATED

By 

William W. Chiles, President

SCHEDULE 1

PARCEL 1

TRACTS 2 AND 3, WINCHESTER OFFICE CENTER, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

Permitted Exceptions as to Parcel 1:

1. The building set back lines, easements and other matters shown on Exhibit B to that certain Real Property Purchase Agreement dated April 15, 1985, by and between Scenic Venture and Hewlett-Packard Company (the "Hewlett-Packard Company Contract").
2. Those covenants, conditions and restrictions referred to in Section 11(d) of the Hewlett-Packard Company Contract.

[Items 3, 4, 5, 6 and 7 intentionally omitted]

8. General and special taxes and assessments as hereafter listed, if any (all amounts shown being exclusive of interest, penalties and costs):

- a. General state, county and city taxes for the year 1985.

9. Financing statements, if any, affecting crops growing or to be grown on the land in question.

10. Tenancy rights, either as month to month or by virtue of written leases of persons now in possession of any part of the premises in question.

[Item 11 intentionally omitted]

12. Lack of direct access to Interstate Route I-435 from a portion of the premises in question, such right of access having been condemned by Suit No. 665343 and having been granted to the State of Missouri by the instruments recorded as Document No. B-342139, in Book B-5304, Page 351, and B-346887, in Book B-5317, Page 435.

13. Easements granted to Kansas City Power and Light Company by the instrument dated February 16, 1965, in Book B-5832, Page 166, Document No. B-528233, and by instrument dated February 20, 1965, in Book B-5832, Page 171, Document No. B-528238. (Affects Tracts 1 and 2)

14. Drainage and sewer easement granted to Kansas City over a portion of subject property, as established and being more specifically described in Book K-1106, Page 926, Document No. K-502934. (Affects Tract 1).

15. Drainage and sewer easement granted to Kansas City over a portion of subject property, as established and being more specifically described in Book K-1106, Page 928, Document No. K-502935. (Affects Tract 1)

The foregoing drainage and sewer easements shown at Nos. 24 and 25 above were accepted under Ordinance No. 53471, passed November 12, 1981, and recorded December 14, 1981, as Document No. K-508755, in Book K-1116, Page 2223.

16. Easements to support embankments and sloping the sides of cuts back, as established by the instrument recorded as Document No. K-526060, in Book K-1148, Page 1397. (Affects Tract 1)

The foregoing instrument was accepted under Ordinance No. 54061, passed June 10, 1982, and recorded June 22, 1982, as Document No. K-526059, in Book K-1148, Page 1394.

17. Utility easement in vacated Scenic Drive and a portion of Winchester Avenue, reserved in Ordinance No. 53500 and recorded July 23, 1982, as Document No. K-52907, in Book K-1154, Page 892, vacating the same. (Affects Tract 1)

18. Easements, if any, for public utilities installed in, under or upon vacated Scenic Drive and a portion of Winchester Avenue, prior to the vacation thereof, and for which no notice appears in the Office of the Recorder of Deeds.

19. Easement for drainage ditch granted to the State of Missouri, over a portion of subject property, being a tract 50 feet by 75 feet, as established and being more specifically described in Book B-5317, Page 435, Document No. B-346887, as modified by the instrument filed February 6, 1981, as Document No. K-476429, in Book K-1058, Page 1152, as modified by Document No. K-483189, in Book K-1070, Page 2048.

20. Declaration of Restrictions dated November 14, 1983, recorded November 15, 1983, as Document No. K-587346, in Book K-1262, Page 1174, in Kansas City and recorded November 16, 1983, as Document No. I-545308, in Book I-1262, Page 2321, in Independence, affecting the property described therein. (Includes other Property)

21. Memorandum of Agreement dated November 11, 1983, recorded November 15, 1983, as Document No. K-587348, in Book K-1262, Page 1189, in Kansas City and recorded November 16, 1983, as Document No. I-545310, in Book I-1262, Page 2334, at Independence, by and between Scenic Venture and DST Realty, Inc., relating to certain rights of first refusal and a certain Option Agreement. (Includes other Property)

22. Except that part thereof in streets.

NOTE: Part of Scenic Drive was not vacated, also there is a County Road running through the subject land which is not locatable and the new right of way for Winchester Avenue under Document No. K-526060.

PARCEL 2

LOT 1, EXCEPT the West 17 feet, SWOPE ACRES, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

Permitted Exceptions as to Parcel 2:

1. An easement or license to Kansas City to locate, construct and maintain or authorize the location, construction and maintenance of conduits, water, gas and sewer pipes, poles and wires or all or any of them upon the rear four feet of all lots in said subdivision and over and under the side lines of such lots as adjoin the rear of another lot or lots, as granted in the recorded plat of Swope Acres.

PARCEL 3

LOTS 1 to 11, INCLUSIVE, EVERS PLACE, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

Permitted Exceptions as to Parcel 3:

1. Utility easements over the North or rear, five feet of Lots 1, 2, 3, 4, 5 and 6, the East five feet of Lots 6 and 7, and the South, rear, five feet of Lots 7, 8, 9, 10 and 11, Evers Place, granted in the recorded plat of said subdivision.

2. "Easement for ornamental entrance" upon the Southwesterly portion of Lot 1 and upon the Northwesterly portion of Lot 11, Evers Place, delineated on but not dedicated in the recorded plat of the subdivision.

3. Covenants and restrictions, but omitting any such covenant or restriction based on race, color, religion, or national origin, contained in instrument filed January 20, 1964, as Document No. B-470573, recorded in Book B-5665, Page 564.

4. Building setback lines over the front 40 feet of each lot and over the West 25 feet of Lots 1 and 11.

PARCEL 4

A tract of land in Section 1, Township 48, Range 33 in Kansas City, Jackson County, Missouri, including all of Lot 13 and parts of Lots 14 and 15, SWOPE PARK RIDGE, a subdivision in said city, county and state, all more particularly described as follows: Beginning at the intersection of the West line of the Northeast Quarter ($NE \frac{1}{4}$) of said Section 1, with the Southerly line of 53rd Street Trafficway (as adjudicated and established in Cause No. 682010, July 3, 1967); thence South $64^{\circ}42'43''$ East along said Southerly line (this and subsequent bearings relating to the bearing on the West line of said Northeast Quarter being North $2^{\circ}07'22''$ East), a distance of 224.93 feet (225.91 feet deeded); thence Southeasterly, along said Southerly line, being a curve to the left from the last described course as a tangent, having a radius of 1018.93 feet and a central angle of $8^{\circ}45'43''$, a distance of 155.82 feet (154.42 feet deeded); thence South $73^{\circ}28'26''$ East, along said Southerly line and tangent to the last described curve, a distance of 220.13 feet (220.81 feet deeded); thence Southeasterly and Easterly along said Southerly line, being a curve to the left from the last described course as a tangent, having a radius of 882.51 feet and a central angle of $20^{\circ}30'12''$, a distance of 315.81 feet to a point on the Westerly line of Winchester Avenue, as now established; thence South $7^{\circ}13'31''$ East, along said Westerly line a distance of 18.46 feet; thence Southeasterly along said Westerly line, being a curve to the left from the last described course as a tangent, having a radius of 183 feet and a central angle of $69^{\circ}23'06''$, a distance of 221.61 feet, thence Southeasterly along said Westerly line, being a curve to the right from a common tangent with the last described curve, having a radius of 228.60 feet and a central angle of $30^{\circ}51'58''$, a distance of 123.15 feet; thence South $45^{\circ}44'39''$ East, along said Westerly line and tangent to the last described curve a distance of 209.83 feet; thence Southeasterly along said Westerly line, being a curve to the right from the last described course as a tangent, having a radius of 470 feet and a central angle of $38^{\circ}40'00''$, a distance of 317.18 feet; thence South $7^{\circ}04'39''$ East, along said Westerly line and tangent to the last described curve, a distance of 374.42 feet; thence Southeasterly along said Westerly line, being a curve to the left from the last described course as a tangent, having a radius of 530 feet and a central angle of $14^{\circ}24'45''$, a distance of 133.32 feet; thence Southeasterly, Southerly and Southwesterly along said Westerly line, being a curve to the right from a common tangent with the last described curve, having a radius of 570 feet and a central angle of $39^{\circ}21'58''$, a distance of 391.63 feet; thence Southwesterly along said Westerly line, being a curve to the right from a common tangent with the last described curve, having a radius of 3170 feet and a central angle of $6^{\circ}27'26''$, a distance of 357.26 feet; thence South $24^{\circ}20'00''$ West, along said Westerly line and tangent to the last described curve, a distance of 96.65 feet; thence Southwesterly along said Westerly line, being a curve to the left from the last described course as a tangent, having a radius of 1700 feet and a central angle of $14^{\circ}15'31''$, a distance of 423.06 feet to a point on the prolongation East of the North line of said Lot 13; thence North $86^{\circ}55'51''$ West along a jog in said Westerly line, a distance of 15.35 feet to the Northeast corner of said Lot 13; thence South $2^{\circ}22'06''$ West along said Westerly line and along the East line of said Lot 13, a distance of 247.50 feet to the Southeast corner thereof and a point on the North line of 66th Street, as now established; thence Westerly along said North line and along the South line of said Lots 13 and 14, a distance of 217.31 feet to the Southwest corner of the East Half of said Lot 14; thence Northerly along the West line of said East Half of Lot 14, a distance of 150 feet; thence Westerly, parallel with the South line of said Lots 14

and 15, a distance of 100 feet to a point on the West line of the East Half of said Lot 15; thence Northerly along said West line, a distance of 97.50 feet to the Northwest corner of said East Half of Lot 15; thence Westerly along the North line of Lots 15, 16 and 17 in said SWOPE PARK RIDGE, a distance of 199.40 feet to the Southeast corner of Lot 7, EVERS PLACE, a subdivision in said city, county and state; thence Northerly along the East line of said Lot 7, its prolongation North and along the East line of Lot 6 in said EVERS PLACE, a distance of 382.41 feet to the Northeast corner of said Lot 6 and a point on the South line of the Northwest Quarter (NW $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) of said Section 1; thence Westerly along said South line and along the North line of said EVERS PLACE, a distance of 750 feet to the Northwest corner of Lot 1 in said EVERS PLACE and a point on the Easterly line of Bennington Avenue as now established; thence Northerly along said Easterly line and 30 feet East of and parallel with the West line of the Northwest Quarter (NW $\frac{1}{4}$) of the Southeast Quarter, (SE $\frac{1}{4}$) of said Section 1, a distance of 1319.96 feet to a point on the North line of said quarter-quarter section; thence Westerly along said North line a distance of 30 feet to the Northwest corner of said quarter-quarter section; thence Northerly along the East line of the Southeast Quarter (SE $\frac{1}{4}$) of the Northwest Quarter (NW $\frac{1}{4}$) of said Section 1, a distance of 65.34 feet to a point on the Northerly line of 63rd Street, as now established; thence Westerly along said Northerly line and its prolongation West, being parallel with the South line of the Southeast Quarter (SE $\frac{1}{4}$) of the Northwest Quarter (NW $\frac{1}{4}$) of said Section 1, a distance of 1326.08 feet to a point on the West line of said quarter-quarter section; thence Southerly along said West line a distance of 65.34 feet to the Southwest corner of said quarter-quarter section; thence Westerly along the Southerly line of the Southwest Quarter (SW $\frac{1}{4}$) of the Northwest Quarter (NW $\frac{1}{4}$) of said Section 1, a distance of 388.33 feet to a point on the Easterly line of the right-of-way of the Kansas City Southern Railway Co.; thence Northerly along said Easterly line, being a curve to the right having a radius of 1835.08 feet, a distance of 114.48 feet, more or less; thence Northerly, along said Easterly line, tangent to the last described curve, a distance of 1447.32 feet to a point on the Southerly line of said 63rd Street Trafficway; thence Southeasterly along said Southerly line being a curve to the right, having a radius of 1454.67 feet, a distance of 432.89 feet, more or less; thence continuing Southeasterly along said Southerly line and tangent to the last described curve, a distance of 955.26 feet; thence continuing Southeasterly along said Southerly line, being a curve to the left from the last described course as a tangent, having a radius of 1949.86 feet, a distance of 104.65 feet; thence continuing Southeasterly along said Southerly line and tangent to the last described curve, a distance of 383.80 feet to the point of beginning.

Permitted Exceptions as to Parcel 4:

1. General and special taxes and assessments as hereafter listed, if any (all amounts shown being exclusive of interest, penalties and costs):

(a) The lien of general state and county taxes for the year 1986, due November 1, 1986, delinquent January 1, 1987.

(b) General city taxes for the year 1986, \$494.17, year 1985, \$26.80, unpaid.

2. That part of the premises herein in question, if any, conveyed by B. Haywood Hagerman and Helen E. Hagerman, his wife, to Kansas City and Grandview Railway Company by Warranty deed filed for record February 11, 1927, under Document No. A-328561, and recorded in Book B-2755, page 176, and by said railway company conveyed to Kansas City Southern Railway Company by deed filed for record January 14, 1944, under Document No. A-748325, and recorded in Book B-3651, page 459.

3. Easements in favor of the County of Jackson for the purpose of changing the course of a creek, together with the right of ingress and egress, and the right to remove fence or hedge, if necessary, in exercise of said rights, as granted by right of way deed from B. Haywood Hagerman and Helen E. Hagerman, his wife, filed for record December 14, 1931, under Document No. A-486514, and recorded in Book B-3042, Page 348.

4. Sewer right of way granted to Kansas City by the instrument filed as Document No. K-05711, in Book K-13, Page 1076, as successively modified by instruments filed as Document No. K-45388, in Book K-106, Page 717, and as Document No. K-101188, in Book K-221, Page 1073.

5. Easement granted to Kansas City Power & Light Company by the instrument filed as Document No. B-528226, in Book B-5832, Page 159, over the North 5 feet of the West 63 feet and the West 5 feet of the North 287 feet of the Northeast 1/4 of the Southeast 1/4 of Section 1, Township 48, Range 33, Kansas City, Jackson County, Missouri, also the West 5 feet of the South 117 feet of the Southeast 1/4 of the Northeast 1/4 of said Section 1.

6. Easements granted to Kansas City Power & Light Company by the instrument dated February 16, 1965, in Book B-5832, Page 166, Document No. B-528233, by instrument dated February 19, 1965, in Book B-5832, page 155, Document No. B-528222, and by instrument dated February 20, 1965, in Book B-5832, Page 171, Document No. B-528238.

7. Easement granted to Kansas City Power & Light Company over a strip 6 feet wide across a portion of subject property, as established in Book B-4332, Page 78, Document No. A-986679.

8. Easement granted to Kansas City Power & Light Company over a portion of subject property, as established by the instruments recorded as follows:

- (a) Document No. B-175092, in Book B-4992, Page 529.
- (b) Document No. A-901430, in Book B-4143, Page 198.
- (c) Document No. B-221509, in Book B-7028, Page 34.
- (d) Document No. A-900452, in Book B-4142, Page 693.
- (e) Document No. B-533944, in Book B-5845, Page 714.

9. Easement granted to Kansas City Power & Light Company by the instrument filed as Document No. B-528214, in Book B-5832, Page 147, over the West 5 feet of the North 214 feet of the South 331 feet of the Southeast 1/4 of the Northeast 1/4 of Section 1, in question.

10. Utility easement over a portion of subject property, as established by the instruments recorded as Document No. B-125236, in Book B-4853, Page 422, and B-141694, in Book B-4899, Page 563.

11. Drainage easements and easements to support embankments and slope the sides of cuts back over a portion of subject property, as established and being more specifically described in the Judgment and Decree Confirming Verdict and Vesting Title, dated July 3, 1967, filed August 9, 1967, as Document No. B-586430, in Book B-5986, Page 326.

12. Drainage and sewer easement granted to Kansas City over a portion of subject property, as established and being more specifically described in Book K-1106, page 928, Document No. K-502934.

13. Drainage and sewer easement granted to Kansas City over a portion of subject property, as established and being more specifically described in Book K-1106, Page 928, Document No. K-502935.

The foregoing drainage and sewer easements shown at Nos. 12 and 13 above were accepted under Ordinance No. 53471, passed November 12, 1981, and recorded December 14, 1981, as Document No. K-508755, in Book K-1116, Page 2223.

14. Terms and provisions of the instrument recorded December 21, 1982, as Document No. K-544177, in Book K-1182, Page 1542, for the purpose of establishing permanent and temporary sewer easements over a portion of subject property, said easements being more specifically described in said instrument.

The foregoing sewer easement was accepted under Ordinance No. 54784, passed February 18, 1983, and recorded June 22, 1983, as Document No. K-565567, in Book K-1223, Page 1892.

15. Terms and provisions of the instrument recorded December 21, 1982, as Document No. K-544176, in Book K-1182, Page 1540, which pertains in part to a waiver of rights to a survey and appraisal of the easements over the land show at No. 23 above.

16. Right of way agreement granted to The Gas service Company, over a portion of subject property, as established and being more specifically described in Book K-1158, Page 2359, Document No. K-531812.

17. Covenants and restrictions contained under Document No. A-995189, in Book B-4395, Page 502.

18. Utility easement in vacated Scenic Drive and a portion of Winchester Avenue, reserved in Ordinance No. 53500 and recorded July 23, 1982, as Document No. K-529207, in Book K-1154, Page 892, vacating the same.

19. Easements, if any, for public utilities installed in, under or upon vacated Scenic Drive and a portion of Winchester Avenue, prior to the vacation thereof, and for which no notice appears in the Office of the Recorder of Deeds.

20. Declaration of Restrictions dated November 14, 1983, recorded November 15, 1983, as Document No. K0587346, in Book K-1262, Page 1174, in Kansas City and recorded November 16, 1983, as Document No. I-545308, in Book I-1262, Page 2321, in Independence, affecting the property described therein.

Permitted exceptions as to all parcels:

1. Encroachments, overlaps, boundary line disputes, and any other matters which would be disclosed by an accurate survey and inspection of the premises.

2. Easements or claims of easements not shown by the public records.

STATE OF MISSOURI



ROY D. BLUNT
SECRETARY OF STATE

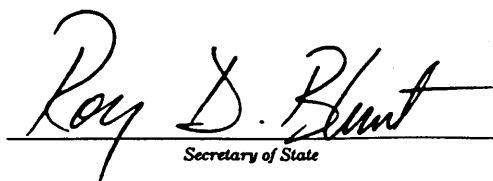
CORPORATION DIVISION

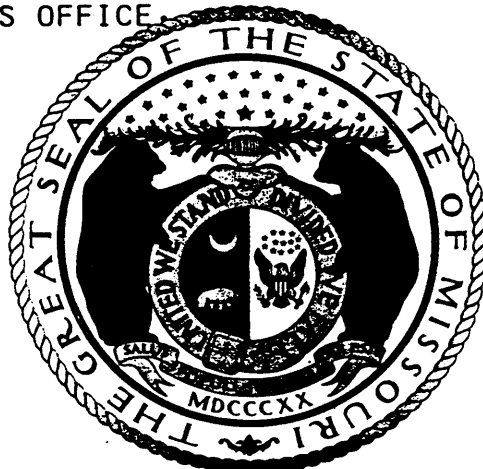
CERTIFICATE OF CORPORATE GOOD STANDING

I, ROY D. BLUNT, SECRETARY OF STATE OF THE STATE OF MISSOURI,
DO HEREBY CERTIFY THAT THE RECORDS IN MY OFFICE AND IN MY CARE
AND CUSTODY REVEAL THAT
DST REALTY, INC.

WAS INCORPORATED UNDER THE LAWS OF THIS STATE ON THE 21ST
DAY OF MAY, 1982, AND IS IN GOOD STANDING, HAVING FULLY
COMPLIED WITH ALL REQUIREMENTS OF THIS OFFICE.

IN TESTIMONY WHEREOF, I HAVE SET MY
HAND AND IMPRINTED THE GREAT SEAL OF
THE STATE OF MISSOURI, ON THIS, THE
21ST DAY OF OCTOBER, 1991.


Secretary of State



AMENDMENT TO JOINT VENTURE AGREEMENT

THIS AMENDMENT, made and entered into this thirty-first day of December 1987, by and between CVM, INCORPORATED, a Missouri corporation ("Developer"), and SUBSURFACE DEVELOPMENT CO., a Missouri corporation ("Corporation");

WITNESSETH

WHEREAS, pursuant to a certain Joint Venture Agreement dated July 20, 1978 (the "Joint Venture Agreement") and amended on November 11, 1983 and January 1, 1986, Developer and Corporation have formed a partnership (herein called the "Venture") for the purpose and scope and upon the terms, covenants and conditions set forth in such Joint Venture Agreement; and

WHEREAS, certain terms of the Joint Venture Agreement are unclear with respect to the treatment of advances; and

WHEREAS, Developer and Corporation desire to amend the Joint Venture Agreement in order to clarify and reflect the original intent of the parties to the Joint Venture Agreement; and

WHEREAS, Developer and Corporation are sometimes referred to hereinafter collectively as "Venturers" and individually as "Venturer";

NOW, THEREFORE, in consideration of the premises, and the covenants and agreements hereinafter set forth, the Venturers hereby amend and modify the Joint Venture Agreement as follows:

(A) Section 10 of the Joint Venture Agreement is hereby deleted in its entirety and a new section 10 substituted in lieu thereof, which reads in its entirety as follows:

Either Venturer may (but shall not be obligated to) advance funds to the Venture in such amounts, at such times, with such interest, upon such terms and with such security as may be agreed upon by the Venturers. Such advances shall be deemed for purposes of this Joint Venture Agreement to be a capital contribution and entitle the Venturer making such advance to any increase in a share of the distributions of the venture as set forth in section 13(b)(ii) and shall increase each Venturer's capital account for purposes of section 14.D of the Joint Venture Agreement. Such advances shall be evidenced by notes of the Venture executed on behalf of the Venture by the Venturer not making the advance. Advances made by Ash Grove Cement Company, Corporation's parent, will be

deemed advances made by or on behalf of Corporation. Due to the respective capital account balances, the Venturers agree and confirm that all losses of the Venture for 1987 and prior years are allocable to Corporation.

(B) Except as expressly amended and modified hereby, the Joint Venture Agreement is and remains in full force and effect and binding and enforceable in accordance with its terms.

IN WITNESS WHEREOF, Developer and Corporation have caused this Amendment to be executed as of the date first above written.

[SEAL]
ATTEST

Cyril L. Chiles
Secretary

CVM, INCORPORATED

By William W. Chiles
President

Developer

[SEAL]
ATTEST

John A. Ross
Vice President &
Secretary

SUBSURFACE DEVELOPMENT CO.

By James F. Henderson
President

AMENDMENT TO JOINT VENTURE AGREEMENT

THIS AMENDMENT, made and entered into this 11 day of November, 1983, by and between CVM, INCORPORATED, a Missouri corporation ("Developer"), and SUBSURFACE DEVELOPMENT CO., a Missouri corporation ("Corporation");

WITNESSETH:

WHEREAS, pursuant to a certain Joint Venture Agreement dated July 20, 1978 (the "Joint Venture Agreement"), Developer and Corporation have formed a partnership (herein called the "Venture") for the purpose and scope and upon the terms, covenants and conditions set forth in such Joint Venture Agreement; and

WHEREAS, Developer and Corporation desire to amend and modify the terms, covenants and conditions set forth in the Joint Venture Agreement; and

WHEREAS, Developer and Corporation are sometimes referred to hereinafter collectively as "Venturers" and individually as "Venturer";

NOW, THEREFORE, in consideration of the premises, and the covenants and agreements hereinafter set forth, the Venturers hereby amend and modify the Joint Venture Agreement as follows:

A. Section 3 of the Joint Venture Agreement is hereby deleted in its entirety and a new Section 3 substituted in lieu thereof, which reads in its entirety as follows:

"3. The purpose of this Venture is the acquisition from Corporation of all of that certain real property (the "Joint Venture Area") described in Exhibit A attached hereto and by this reference made a part hereof, its development and its ultimate disposition, as is from time to time determined by the mutual agreement of the Venturers. Without limiting the generality of the foregoing, the Venture may, upon agreement of all of the Venturers, undertake or accomplish the development of the Joint Venture Area in whole or in part by establishing and/or participating in a partnership or joint venture in which the Venture is a partner or joint venturer, and the Venture may contribute or otherwise transfer all or any part of its right, title and

interest in the Joint Venture Area to such partnership or joint venture, all upon such terms and conditions as all of the Venturers shall agree to. The specification of a particular business shall not be deemed a limitation upon the general powers of the Venture. No other ventures shall be undertaken by the Venture except as herein provided without the consent of all of the Venturers."

B. Section 22(b) of the Joint Venture Agreement is hereby deleted in its entirety and a new Section 22(b) substituted in lieu thereof, which reads in its entirety as follows:

"(b) At such time as all of the Joint Venture Area has been sold; provided, however, that a contribution or other transfer by the Venture of all or any part of its right, title and interest in the Joint Venture Area to a partnership or joint venture in which the Venture is a partner or joint venturer shall not constitute a sale of said Joint Venture Area and such a contribution or other transfer shall not operate to dissolve and liquidate the Venture;"

C. Except as expressly amended and modified hereby, the Joint Venture Agreement is and remains in full force and effect and binding and enforceable in accordance with its terms.

IN WITNESS WHEREOF, Developer and Corporation have caused this Amendment to be executed as of the date first above written.

[SEAL]

ATTEST:

[Signature]
Secretary

EVM, INCORPORATED

By *William W. Miles*
President

DEVELOPER

[SEAL]

ATTEST:

John W. Ross
W.F.R. Secretary

SUBSURFACE DEVELOPMENT CO.

By *James P. Hunkeler*
President

CORPORATION

JOINT VENTURE AGREEMENT

THIS AGREEMENT, entered into and effective as of the 20th day of July, 1978, by and between CVM, INCORPORATED, a Missouri corporation ("Developer"), and SUBSURFACE DEVELOPMENT CO., a Missouri corporation ("Corporation"), both of whom desire to form a partnership for the purposes stated herein and on and subject to the terms and provisions herein set forth. Developer and Corporation are also sometimes referred to hereinafter collectively as "Venturers" and individually as "Venturer".

WITNESSETH:

WHEREAS, each of the parties to this Agreement desire to constitute themselves a partnership (herein called "Venture") for the purpose and scope and upon the terms, covenants and conditions herein;

NOW, THEREFORE, IT IS MUTUALLY AGREED by and between the parties hereto as follows:

1. NAME: The name of this Venture shall be SCENIC VENTURE, a Joint Venture, and such name shall be used at all times in connection with the Venturers' business and affairs.

2. FORMATION: Pursuant to this Agreement, the rights and obligations of the Venturers and the formation, administration and termination of the Venture shall be governed by the Uniform Partnership Act of Missouri. A Venturer's interest in the Venture shall be personal property for all purposes. All real and other property owned by the Venture shall be deemed owned by the Venture as an entity, and no Venturer, individually, shall have any ownership in such property.

3. PURPOSE: The purpose of this Venture is the acquisition from Corporation of all of that certain real property (the

"Joint Venture Area") described in Exhibit A attached hereto and by this reference made a part hereof, its development and its ultimate disposition, as is from time to time determined by the mutual agreement of the Venturers. The specification of a particular business shall not be deemed a limitation upon the general powers of the Venture. No other ventures shall be undertaken by the Venture.

4. PRINCIPAL OFFICE: The location of the principal office of business shall be 10101 W. 87th, Room 101, Overland Park, Kansas 66212, or shall be at such place or places as shall be mutually acceptable.

5. STATUTORY COMPLIANCE: Upon the execution of this Agreement, and upon any subsequent change in the name of this Venture, the parties shall sign and cause to be filed in all appropriate offices, the fictitious business name statement and other forms required by Missouri law.

6. TERM: The Venture shall commence on the date hereof and shall continue until terminated and liquidated in accordance with the provisions hereof..

7. NAME AND RESIDENCE ADDRESS OF THE VENTURERS:

A. Developer

CVM, Incorporated
10101 W. 87th
Overland Park, Kansas 66212

B. Corporation

Subsurface Development Co.
Tenth Floor
TenMain Center
Kansas City, Missouri 64105

8. CAPITAL: The initial capital of the Venture shall consist of the Joint Venture Area which, the Venturers agree, has a fair market value on the effective date of this Agreement of

\$1,500,000.00. On the effective date of this Agreement, the Corporation shall contribute the Joint Venture Area to the Venture by executing, acknowledging and delivering to the Venture a special warranty deed conveying said Joint Venture Area to the Venture and causing said deed to be recorded, Said Joint Venture Area shall be conveyed to the Venture subject to (a) easements, restrictions and reservations of record, if any; (b) taxes and assessments, general and special, not due and payable at the time of conveyance; (c) leases and tenancies and the rights of all other parties in possession; (d) the rights of the public in streets and roads; (e) zoning and other similar laws, orders or regulations, and (f) overlaps, encroachments, boundary line disputes and other matters of survey. Title will be conveyed free and clear of deeds of trust and mortgages. Developer shall not be required to make any capital contributions to the Venture, and, except as respects the contribution of the Joint Venture Area, Corporation shall not be required to make further capital contributions to the Venture.

9. THIRD PARTY FINANCING. Funds which are required in connection with the activities and operations of the Venture shall, to the extent possible, be obtained through borrowings from third parties on terms acceptable to both Venturers. If approved by both Venturers, all or part of the Joint Venture Area may be mortgaged to secure such third party loans. It is contemplated that, if possible, such third party loans shall be on a non-recourse basis, with neither Venturer being contractually liable thereon. If the Corporation approves, such third party loans may be on a non-recourse basis as to the Developer alone with the Developer not being contractually liable thereon.

10. VENTURER'S LOANS. Either Venturer may (but shall not be obligated to) loan funds to the Venture in such amounts, at such times, with such interest, upon such terms and with such security as may be agreed upon by the Venturers. Such loans shall not be considered a capital contribution or entitle the Venturer making such loan to any increase in a share of the distributions of the Venture as set forth in Section 13(b)(ii). Such loans shall be evidenced by notes

of the Venture executed on behalf of the Venture by the Venturer not making the loan.

11. WITHDRAWAL OF CAPITAL: The Corporation may not withdraw its capital from the Venture, except as specifically provided herein, without the approval of the Developer.

12. REIMBURSEMENT FOR EXPENSES: If either Venturer pays a properly incurred obligation of the Venture, such Venturer shall be reimbursed by the Venture upon presentation to the other Venturer of satisfactory evidence of such payment.

13. DISTRIBUTION: At the end of each calendar quarter, Corporation and Developer shall determine reasonable working capital requirements of the Venture to service the obligations of the Venture and its debt for the following three months, plus an agreed amount to be retained for unanticipated disbursements. The amount of cash owned by the Venture which is in excess of such reasonable working capital requirements and contingencies shall be deemed to be "Distributable Funds" and shall be distributed in the following order of priority:

(a) To payment of loans, if any, together with interest thereon, made by either Venturer to the Venture;

(b) Provided that all loans from either Venturer to the Venture have been repaid pursuant to Section 13(a) hereof, then Distributable Funds shall be distributed in the following order of priority:

(i) To the Corporation as a repayment of its original capital contribution, such distributions to continue until the sum of \$1,500,000.00 has been paid to the Corporation;

(ii) Any balance of the Distributable Funds shall, after satisfaction of all sums described in Sections 13.(a) and

(b)(i), be paid as follows: Eighty percent

(80%) to the Corporation and twenty percent (20%) to the Developer, which percentages shall be the Venturers' respective distributable shares of profits and losses of the Venture.

14. ACCOUNTS.

A. Proper books of account shall be kept for the Venture by the Corporation and entries made therein of all money expended and received by, and of all other matters relating to, the Venture usually or properly entered in the books of account. The Venture shall maintain its books of account and shall report for income tax purposes on a calendar year basis. Such books and all papers, letters and writings relating to or belonging to the Venture shall be kept at the office of the Corporation and each Venturer, and its authorized representative, or either of them, shall have the full right and power to examine and inspect the books, records, accounts and other papers of the Venture at all times during business hours. Corporation shall have the right, from time to time, to make a fair and reasonable charge for the accounting and bookkeeping services performed hereunder and the same shall be promptly paid as an expense of the venture.

B. If either Venturer requests by written notice to the other, an annual general accounting and audit shall be taken and made at the expense of the Venture by a qualified Certified Public Accountant firm selected by agreement of the Venturers, the same covering all of the assets, liabilities and capital accounts of the Venture at year-end, and also its dealings, transactions and operations during the calendar year just ended, the revenues collected and expenses disbursed, and all other matters customarily included in such accounts and audits, and a copy thereof delivered to the Venturers.

C. The accounts of each Venturer on the partnership books shall be kept on an accrual basis in accordance with generally accepted accounting principles for accrual basis accounting. There shall be maintained for each Venturer a capital account and an income account.

D. Each Venturer's distributive share of profits and losses shall be credited or debited to his income account quarterly and shall be transferred to his capital account as of the close of each calendar year; provided, however, that no Venturer shall be charged with any expense or loss in excess of an amount which would cause such Venturer's capital account to have a zero balance unless all Venturers' capital accounts shall have been reduced to zero. Any distribution of funds to the Corporation pursuant to Section 13 (b) (i) shall be charged to its capital account. For purposes of this Section 14.D. (and only for purposes of this Section 14.D.) the respective capital accounts of Developer and Corporation shall include and have added thereto each of the respective Venturer's share (being the same as said respective Venturer's distributable share of profits and losses as set forth in Section 13. (b) (ii) of this Agreement) of the unpaid principal amount or any loans or the venture owed to third parties and with respect to which said respective Venturer is contractually liable.

15. MANAGEMENT:

A. Original Manager. The Venture shall have a Manager. The Developer is hereby designated the original Manager.

B. Removal of Manager. The Corporation may at any time, at its option, terminate the appointment as Manager of Developer or any other person or entity hereinafter named as

Manager, such termination to be effective as of the exercise of such option to terminate by Corporation. Corporation shall exercise such option to terminate by written notice to Developer and such other party, if any, as is then Manager. Within thirty (30) days after termination of a Manager, the Corporation shall submit in writing to Developer the names of three responsible parties experienced in the management of real estate projects who would be acceptable to Corporation as Manager and the terms under which such parties would act as Manager. Within ten (10) days after receipt of such statement, Developer shall give Corporation a written notice setting forth the name of the party out of such three parties which Developer selects to act as Manager. In the event Developer does not give the notice setting forth the name of the party selected to act as Manager within the said ten (10) days, Corporation shall select the Manager from the list and give Developer notice of its selection. Corporation and Developer each agree to execute such documents and do such other acts as may be required in connection with the appointment of a Manager.

C. Duties of Manager:

(1) The Manager shall be responsible for the implementation of the decisions of the Venturers and, except where herein provided to the contrary, all decisions with respect to the management and control of the Venture shall be made only upon the mutual agreement of Developer and Corporation. Such decisions requiring mutual agreement of Developer and Corporation shall include, but shall not be limited to, the following: the acquisition of any land or

interest therein; construction of improvements on any land of the Venture; the entering into of any contracts binding on the Venture; sale or other transfer of property of the Venture; the mortgaging of any property of the Venture; the placing or suffering of any other encumbrances upon any property of the Venture, or upon any improvements thereon or any part or parts thereof; the incurring of any debts or obligations binding on the Venture, provided that Manager may incur debts or obligations in the ordinary course of the business of the Venture without the mutual agreement of Developer and Corporation as long as the aggregate outstanding amount incurred by Manager does not exceed \$5,000.00. The original Manager, or any replacement, shall devote such time to the affairs of this Venture as may be necessary to manage properly the Venture affairs and shall submit from time to time for the Venturers' prior approval:

(a) All zoning, plot, and use plans and any other architectural exhibits indicating the general nature of the development of the project;

(b) Budgets from time to time outlining in adequate detail the estimated costs of development and other expenses of the Venture, including but not limited to, architectural, engineering, permit fees, loan deposits, interest, streets, utilities, construction costs of the units, advertising, selling expenses and a reasonable reserve for contingencies;

(c) A financing plan for the financing of the Venture, including but not limited to, interim and permanent financing of the improvements and financing operations of the Venture; and

(d) The terms of all loans from third parties.

(2) Within thirty (30) days after each calendar month, the Manager shall, from materials supplied by Corporation, furnish to each Venturer a statement of the source and application of Venture funds for the previous calendar month. Within twenty (20) days after the end of each calendar quarter, the Manager shall, from materials supplied by Corporation, furnish to each Venturer a balance sheet and profit and loss statement as of the end of the last day of such quarter.

(3) Federal and State Partnership tax returns for the Venture shall be prepared by the Manager, from materials supplied by Corporation, through such agent as the Venturers shall select, and all copies distributed to each of the Venturers not later than March 1st of each year, and prior to filing.

D. Management Fees:

(1) The Developer shall be entitled, as an expense of the Venture, to a management fee for performance of its duties hereunder as Manager at the rate of \$2,500.00 per month, said \$2,500.00 to be paid, in advance, on July 20 1, 1978, and on the first day of each and every month during Developer's tenure as Manager; provided, however, if Developer is removed as Manager under Section 15.B. hereof and such removal becomes effective on a day other than the first day of a month, all such \$2,500.00 monthly management fee paid in advance shall be prorated on a per diem basis and the part not actually earned shall be refunded by Developer to the Venture. Developer further agrees that, except as provided in this Agreement, Developer shall not be entitled to any compensation, commissions, fees or other payments or income of any type or nature

for or with respect to any business or transactions which involve or in any way relate to the Venture or the land which now or hereafter makes up the Joint Venture Area, or any improvements thereon, and without limiting the generality of the foregoing and except as provided in this Agreement, Developer shall be entitled to no compensations, commissions, fees or other payments or income in connection with any sales or leases of, or construction or loans respecting the land now or hereafter making up the Joint Venture Area, any part thereof or any improvements thereon; provided, however, it is agreed by the Corporation that, with the Corporation's prior written consent, commissions or fees may be paid to other brokers or agents or to agents or employees of Developer in connection with the sale or lease of the Joint Venture Area, any part thereof or any improvement thereon. Any such compensations, commissions, fees, or other payments or income paid or payable to Developer which Developer is not entitled to under this Section 15.D.(1) shall be paid to and considered as income of the Venture.

(2) In the event of Developer's removal as Manager, any successor Manager shall be paid such compensation as Corporation shall determine, and the same shall constitute an expense in connection with the operation of the Venture.

16. INSURANCE: The Venture shall arrange and maintain in force the following insurance, the premium for which shall be an expense in connection with the operation of the Venture:

(a) Workmen's Compensation Insurance (including Employer's Liability Insurance), as required by law and providing benefits as required by law.

(b) Comprehensive General Liability Insurance on an "occurrence" basis for the protection of the Venture and its Venturers in an amount not less than One Million Dollars (\$1,000,000.00) from liability arising out of claims for bodily injuries, death or property damage.

(c) Performance and payment bonds on any contract for the construction or development of any improvements or buildings in excess of One Hundred Thousand Dollars (\$100,000.00) unless waived in writing by the Corporation.

(d) All Risks Builders' Risk Insurance (including coverage against collapse) with a monthly value reporting clause endorsement, including costs of materials, labor and all other construction expenses incidental thereto, and Fire and Extended Coverage Insurance on the completed improvements in an amount not less than one hundred percent (100%) of the actual replacement cost of such improvements without deduction for physical depreciation thereof.

(e) Fidelity Bond Insurance (including Fidelity Bond coverage on employees of the Venture) in connection with all operations of the Venture and the business and affairs arising out of, or in connection with the property, improvements and other assets of the Venture.

(f) Such other policies or such other coverages as Corporation shall require.

All such policies and bonds shall name the Venture and each Venturer as insureds as their interests may appear.

17. INDEMNIFICATION: The Manager shall indemnify and save harmless the Corporation from any loss, cost, claim or expense, including attorneys' fees, arising out of the negligent failure or

omission of the Manager to perform its duties under this Joint Venture Agreement; provided, however, that the foregoing indemnification shall not apply to any loss, cost, claim or expense, including attorneys' fees, arising out of any negligent act or omission by Corporation or the breach by Corporation of any provision of this Agreement. In the event of the appointment of a new Manager, such new Manager shall be required to indemnify the Venture and the Venturers pursuant to this Section 17.

18. TRANSFER OF PARTNERSHIP INTEREST: Neither Venturer shall mortgage, pledge, sell, transfer, assign or in any way dispose of or encumber his interest in the Venture without prior written consent of the other Venturer, and any such disposition or encumbrance without such consent shall be void at its inception.

19. BANK ACCOUNT: Funds of the Venture shall be deposited in a Joint Venture account in a bank or banks approved by the Corporation. Withdrawals from bank accounts shall be made by parties approved by the Venturers.

20. SIGNATURES: Subject to the requirements herein prohibiting certain actions unless made only upon the mutual agreement of Developer and Corporation including without limitation such requirements as are provided for in Section 15 hereof, any check, contract, deed, lease, promissory note, deed of trust, or any other instrument of any nature whatsoever, in any way connected with this Venture or on behalf of the Venture, and not contrary to the provisions of this Agreement, must and need only be signed by the Manager. A copy of each such agreement or instrument shall be mailed to the Corporation (or to both Venturers if Developer is not the Manager) within five (5) days after execution thereof.

21. TERMINATION OF VENTURE BY ELECTION: Either Venturer shall have the right to terminate this Venture and the terms and provisions of this Agreement by giving written notice (the "Termination Notice") of exercise of said right to the other Venturer. Said

Termination Notice shall specify a value (the "Value") which the Venturer giving the Termination Notice is willing to accept as being equal to the net equity value of all rights, titles, interests and estates in the entire Venture and its net assets, including but not limited to real property and improvements thereon, but considering as a debt of the Venture any portion of Corporation's original \$1,500,000 capital contribution that has not been repaid. Said Termination Notice shall state that the Venturer giving the Termination Notice is willing to accept its percentage under Section 13(b)(ii) of such Value, or to pay the other Venturer's percentage under Section 13(b)(ii) of such Value, for the sale of its own or the purchase of the other's entire interest in the Venture and all of its net assets, including but not limited to real property and improvements thereon, upon the condition that the purchasing Venturer, concurrent with the consummation of the purchase,

(i) discharges all obligations to repay to Corporation the unrepaid portion of the original \$1,500,000 capital contribution of Corporation; if the purchaser is Developer, such discharge will be effected by the Developer paying to Corporation, in cash, all of the Corporation's said original capital contribution that has not been repaid, and if the purchaser is Corporation, such discharge shall be effected by the Corporation delivering to Developer a release of any further duties or obligations of Developer to repay to Corporation any part of the Corporation's said original capital contribution, and

(ii) assumes the obligation to pay all debts and obligations of the Venture when due, which have been incurred pursuant to and in accordance with this Agreement.

The Venturer receiving such Termination Notice shall thereupon have a period of thirty (30) days after the date thereof to elect to accept or pay the purchase price so determined, for transfer of all interests of the selling Venturer in the entire Venture and the aforesaid property to the purchasing Venturer. If the Venturer receiving such Termination Notice fails to make such election within said thirty (30) days, said receiving Venturer shall be deemed to have agreed to accept the purchase price for its interest rather than pay the purchase price for the interest of the other. Other terms and conditions of any sale and purchase pursuant to the foregoing shall be:

(a) The purchase price shall be payable in full in cash or on such terms as are acceptable to the selling Venturer within twenty (20) days following the expiration of said thirty (30) days; provided, however, should the purchasing Venturer so elect, the purchasing Venturer shall have the right to obtain, at its cost, a title insurance policy insuring the title of the purchasing Venturer to all of the property of the Venture subject only to such matters of record as exist on the date hereof or have been placed of record in accordance with the terms of this Agreement, and the purchase price shall not be payable in such event until said title insurance policy has been obtained. The purchasing Venturer shall use due diligence in obtaining said policy in the event it elects to obtain said policy.

(b) The selling Venturer shall deliver to the purchasing Venturer an assignment and a special warranty deed, both in recordable form, conveying the selling Venturer's interest in the entire Venture and all of its assets, including but not limited to real property and improvements thereon, with the use and recordation thereof conditioned upon the receipt by the selling Venturer of cash, money order or certified check to the selling Venturer of the purchase price, and the satisfaction of the other agreements imposed on the purchaser hereunder.

(c) The selling Venturer's interest in the Venture and the property transferred in accordance with the foregoing shall be free and clear of all liens, encumbrances, or other charges except such matters of record as exist on the date hereof or have been placed upon the property in accordance with the terms of this Agreement and except for such other

liabilities of the Venture as may have been incurred in accordance with the terms of this Agreement.

(d) In the event Notice of Termination of this Venture is given by the Corporation pursuant to the foregoing provisions of this Section 21, the Developer, if it shall then be Manager, agrees to proceed with due diligence in the performance of all of its duties hereunder in order to protect the assets of the Venture and to continue orderly development of the property in accordance with the terms of this Agreement until such time as said sale and purchase has been consummated.

22. DISSOLUTION AND LIQUIDATION OF THE VENTURE: The Venture shall dissolve and be liquidated upon the happening of any of the following events:

(a) At any time upon the written approval of both Venturers;

(b) At such time as all of the Joint Venture Area has been sold;

(c) At the election of the Corporation, in the event of the death or total disability of William W. Chiles, principal stockholder of the Developer;

(d) Upon the insolvency or filing of a petition, voluntary or involuntary, in the Federal Bankruptcy Court or any state court by or against any Venturer;

(e) Upon the levy of any attachment, execution, lien or any judicial process upon the interest of any Venturer in the Venture or against the property of any Venturer without the removal thereof within ten (10) days following the levy; or

(f) At the election of the Corporation, in the event William W. Chiles shall lose effective management control

of the Developer, or in the event fifty percent (50%) or more of the voting stock of Developer is transferred without the written consent of the Corporation in such a manner as divests William W. Chiles of fifty percent (50%) of voting control of the Developer. William W. Chiles shall have been deemed to have lost effective management control of the Developer if he is not in actual day-to-day control of the business operations of Developer for any period of thirty (30) consecutive days. The Corporation shall not unreasonably withhold its consent to a transfer of voting stock, and shall give such consent upon a satisfactory showing that notwithstanding such transfer William W. Chiles will effectively retain the decision making power of the Developer. Under no circumstances can any transferee of any stock of Developer or of any interest of Developer in the Venture have any right to participate in the management of the Venture, unless such participation is approved by Corporation.

(g) At the election of the Developer, in the event that fifty percent (50%) or more of the voting stock of Corporation is transferred without the written consent of Developer (the same not to be unreasonably withheld) in such a manner as divests Ash Grove Cement Company of fifty percent (50%) of control of the Corporation. Nothing herein shall be deemed to prohibit Ash Grove Cement Company from itself merging into or consolidating with another corporation, or allowing another corporation (including but not limited to Corporation) to merge into or consolidate with it, or to sell or otherwise transfer substantially all of its assets to another corporation.

Upon the occurrence of any event of dissolution, each of the Venturers shall execute, deliver, file and record all notices of dissolution required by law and take any and all other steps required to terminate the Venture in accordance with the laws of the State of Missouri.

In the event of dissolution pursuant to the above, the Corporation shall have the right to terminate immediately any rights of the Developer as Manager hereunder and to perform and exercise all rights and duties of the Manager or to designate a third party who shall thereupon have the right to perform and exercise such rights and duties. This right shall not be the exclusive right of the Corporation, but shall be additional to any right that may be available to it at law or in equity.

23. GAIN OR LOSS DURING DISSOLUTION: Any gain or loss arising out of the disposition of Venture assets during the course of dissolution shall be controlled by the provisions of Section 13.

24. DISTRIBUTION OF ASSETS ON DISSOLUTION AND LIQUIDATION OF VENTURE: Upon any termination and liquidation of the Venture, all of the net assets of the Venture, from any source whatsoever, after paying all creditors of the Venture, including but not limited to the payment of the principal and interest of all loans made by a Venturer, shall be immediately distributed or credited to the Venturers in the following priority:

(a) The Corporation shall receive return of the balance of its \$1,500,000 original capital contribution.

(b) The balance, if any, of the income and capital accounts of the Venturers shall be paid to the respective Venturers.

(c) After the Corporation shall have received return of all of its \$1,500,000 original capital contributions and the Venturers have otherwise received return of all of their respective income and capital accounts, all of the remaining net assets shall be distributed to the Venturers in accordance with their respective participation in profits as hereinabove provided in Section 13(b)(ii) hereof.

In the above dissolution and liquidation, the Venturers shall be co-liquidators and have equal rights to wind up the partnership and shall cause the Venture's property to be sold and distributed as set forth in subsections (a), (b) and (c) as promptly as business circumstances and orderly business practices will permit.

In the event the Venture assets have not been liquidated at the end of the two-year period after dissolution as hereinabove provided, then there shall be distributed to the Venturers, as per subsections (a), (b) and (c), undivided interests in the Joint Venture Area and all other property of the Venture as valued and constituted on that date. Such property shall be evaluated by an appraiser to be selected as hereinafter provided, according to its fair market value at such date, and distribution shall proceed as if the undivided interests were being distributed in cash.

The outside appraisers shall be selected in the following manner:

(a) The Venturers shall agree upon a single appraiser or firm of appraisers to be chosen from a list supplied by the American Institute of Real Estate Appraisers.

(b) If the Venturers cannot agree upon an appraiser, then each Venturer shall choose an appraiser selected from a list to be supplied by the American Institute of Real Estate Appraisers. If either of the appraisers so chosen shall, for any reason, be unable or unwilling to serve, then a substitute appraiser may be appointed by the Venturer who chose the defaulting appraiser.

(c) The appraiser or appraisers thus chosen shall determine the fair market value of the property being appraised.

(d) If the appraisers thus chosen shall be unable to agree upon a figure within ninety (90) days after the last of them shall have been chosen, they shall agree

upon a third appraiser. If they shall be unable to agree upon a third appraiser, they shall request, in writing, that the American Institute of Real Estate Appraisers choose one of their member firms to serve as a third appraiser, and such selection shall be binding upon all of the parties to this Agreement.

(e) The decision of a majority of the appraisers shall be conclusive on all of the Venturers.

25. ADDITIONAL DOCUMENTS: Each party hereto agrees to execute with acknowledgment or affidavit, if required, any and all documents and writings which may be necessary or expedient in the creation of this Venture and the achievement of its purposes.

26. NOTICES: All notices which any of the parties may desire or may be required to give any of the other parties shall be in writing and shall be considered as given when given either personally or by prepaid Certified Mail directed to the parties' respective addresses as shown in this Agreement or as later entered upon the books of the Venture pursuant to written notification, signed by the party changing its address, to the other party.

27. PARTNERS MAY DEAL IN REAL PROPERTY: Nothing contained herein shall preclude either Venturer from purchasing or owning other real property in its own behalf, including that in the area of the real property constituting the subject matter in this Venture, without participation by the other Venturer, and without liability on the part of such Venturer to the other Venturer. Each Venturer waives any rights it may have against the other for capitalizing on information learned as a consequence of his connection with the affairs of this Venture.

28. AMENDMENTS: This Joint Venture Agreement, except as

hereinabove set forth, is subject to amendment only with the unanimous consent of both of the Venturers, and such amendment shall be effective as of such date as may be determined by them.

29. COSTS OF ENFORCEMENT: If either party hereto institutes legal action to enforce the provisions hereof or to recover damages by reason of breach of any of said provisions, the party prevailing in such action shall be entitled, in addition to any other award therein, to its reasonable attorneys' fees and costs incurred.

30. PARAGRAPH HEADINGS: The paragraph headings in no way define, limit, extend or interpret the scope of this Agreement, or of any particular paragraph.

31. BINDING: This Joint Venture Agreement shall inure to and bind all of the parties, their successors and assigns.

IN WITNESS WHEREOF, this Joint Venture Agreement is executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute one Joint Venture Agreement, by each of the parties hereto on the dates respectively indicated in the acknowledgments of said parties, to be effective as of the day and year first above written.

[SEAL]

ATTEST:

Carol L. Chiles

CVM, INCORPORATED

By

William C. Pheasant

President

DEVELOPER

[SEAL]

ATTEST:

John H. Ross III
Secretary

SUBSURFACE DEVELOPMENT CO.

By

James P. Sunderland

President

CORPORATION

STATE OF Missouri)
) SS.
COUNTY OF Jackson)

On this 20th day of July, 1978, before me,
appeared William W. Chiles, to me personally known, who
being by me duly sworn, did say that he is the President
of CVM, INCORPORATED, a corporation, and that the seal affixed
to the foregoing instrument is the corporate seal of said corporation
and that said instrument was signed and sealed in behalf of said
corporation by authority of its board of directors, and said
William W. Chiles acknowledged said instrument to be the free
act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my notarial seal at my office in Kansas City, Missouri,
the day and year last above written.

Mary Ann Carroll
Notary Public within and for
said County and State

My commission expires December 1, 1978.

STATE OF Missouri)
) SS.
COUNTY OF Jackson)

On this 20th day of July, 1978, before me,
appeared James P. Sunderland, to me personally known, who
being by me duly sworn, did say that he is the President
of SUBSURFACE DEVELOPMENT CO., a corporation, and that the seal
affixed to the foregoing instrument is the corporate seal of said
corporation and that said instrument was signed and sealed in behalf
of said corporation by authority of its board of directors, and said
James P. Sunderland acknowledged said instrument to be the free act
and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my notarial seal at my office in Kansas City, Missouri,
the day and year last above written.

Mary Ann Carroll
Notary Public within and for
said County and State

My commission expires December 1, 1978.

EXHIBIT A
TO JOINT VENTURE AGREEMENT

TRACT 1:

PARCEL 1:

Part of Section 1, Township 48, Range 33, in Kansas City, Jackson County, Missouri, described as follows: Beginning at the Southeast corner of the Northeast 1/4 of said Section 1; thence North 117 feet; thence West 1325.94 feet; thence South 202 feet; thence East 1325.94 feet; thence North 85 feet to beginning, except that part in I-435.

PARCEL 2:

Beginning on the East line of the Northeast 1/4 of the Southeast 1/4 of Section 1, Township 48, Range 33, in Kansas City, Jackson County, Missouri, at a point 85 feet South of the Northeast corner thereof; thence South 202 feet; thence West 1325.94 feet; thence North 202 feet; thence East 1325.94 feet to the point of beginning, except that part in I-435.

TRACT 2:

PARCEL 1:

That part of the South 829.69 feet of the Northeast Quarter of the Southeast Quarter of Section 1, Township 48, Range 33, in Kansas City, Jackson County, Missouri, lying Southerly and Westerly of the center line of Scenic Drive, formerly Bristol Avenue Extension.

PARCEL 2:

That part of the South 829.69 feet of the Northeast Quarter of the Southeast Quarter of Section 1, Township 48, Range 33, in Kansas City, Jackson County, Missouri, lying Northerly and Easterly of the center line of Scenic Drive, formerly Bristol Avenue Extension.

PARCEL 3:

The South 203 feet of the North 490 feet of the Northeast Quarter of the Southeast Quarter of Section 1, Township 48, Range 33, in Kansas City, Jackson County, Missouri.

PARCEL 4:

The East ten acres of the tract of land described as all of the Northwest Quarter of the Southeast Quarter of Section 1, Township 48, Range 33, except the West thirty acres of said quarter quarter section, in Kansas City, Jackson County, Missouri.

TRACT 3:

The West 30 acres of the Northwest 1/4 of the Southeast 1/4 of Section 1, Township 48, Range 33, in Kansas City, Jackson County, Missouri.

TRACT 4:

PARCEL 1:

All that part of the following described tract lying South of 63rd Street Trafficway as now established by Ordinance No. 32943; That part of the West 1/2 of the Northwest 1/4 of Section 1, Township 48, Range 33, in Kansas City, Jackson County, Missouri, described as follows: Beginning in the East line of said West 1/2 of the Northwest 1/4 at a point 867.7 feet South of the North line thereof; thence South along the East line of said West 1/2 of the Northwest 1/4 a distance of 866.90 feet to a point; thence West and parallel to the North line of said section a distance of 392.90 feet to the East line of the right of way of the Kansas City and Grandview Railroad Company; thence North along the East line of said right of way a distance of 866.90 feet; thence East 392.90 feet to the point of beginning.

PARCEL 2:

All that part of the Southwest 1/4 of the Northwest 1/4 of Section 1, Township 48, Range 33, in Kansas City, Jackson County, Missouri, described as follows: Beginning at the Southwest corner of said Northwest 1/4; thence North along the West line of said Northwest 1/4, 857.40 feet; thence East 1327.90 feet to the East line of said 1/4 1/4 section; thence South along the East line of said 1/4 1/4 section 874.80 feet; thence West along the South line of said 1/4 1/4 section 1329.10 feet to the point of beginning, lying East of right of way of Kansas City & Grandview Railway Company, as fully described in instrument creating said right of way filed for record February 11, 1927, under Recorder's Document No. A-328562, in Book 3-1776-34, Page 35.

PARCEL 3:

All that part of the South 7-72/100 acres of the Northeast 1/4 of the Northwest 1/4 and the North 1-98/100 acres of the Southeast 1/4 of the Northwest 1/4 of Section 1, Township 48, Range 33, in Kansas City, Jackson County, Missouri, lying Southwesterly of the Southwesterly line of 63rd Street Trafficway, as now established by Ordinance No. 32943.

PARCEL 4:

All that part lying South of 63rd Street Trafficway, as now established, by Ordinance No. 32943, of the Southwest 1/4 of the Northeast 1/4 of Section 1, Township 48, Range 33, in Kansas City, Jackson County, Missouri. Also all that part lying South of 63rd Street Trafficway as now established, by Ordinance No. 32943 of the Southeast 1/4 of the Northwest 1/4 of Section 1, Township 48, Range 33, in Kansas City, Jackson County, Missouri, except 1.98 acres off the North side thereof, and except 1.98 acres off the South side thereof.

TRACT 5:

That part of the West 20 acres of the North 30 acres of the Southeast 1/4 of the Northeast 1/4 of Section 1, Township 48, Range 33, in Kansas City, Jackson County, Missouri, lying South of 63rd Street Trafficway.

TRACT 6:

A parcel beginning at a point 117 feet North of the Southeast corner of Northeast 1/4 of Section 1, Township 48, Range 33; thence North 214 feet; thence West 1325.94 feet; thence South 214 feet; thence East 1325.94 feet to place of beginning.

TRACT 7:

All of LOT 13, LOT 14, except the South 150.00 feet of the West 50.0 feet, also the East 1/2 of LOT 15, except the South 150.0 feet, all in SWOPE PARK RIDGE, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, together with the North 11.5 acres of the Southwest 1/4 of the Southeast 1/4 of Section 1, Township 48, Range 33, except the West 780 feet, together with the following described tract of land: Beginning at a point 900.0 feet North of the Southwest corner of the Southeast 1/4 of the Southeast 1/4 of Section 1, Township 48, Range 33; thence East 6.0 feet; thence North 11° 14' East 72.0 feet; thence North 33° 14' East 135.00 feet; thence North 4° 54' 42" East 237.67 feet, to a point on the North line of said 1/4 1/4 section; thence North 89° 58' 40" West, along last said North line, 120.00 feet, to the Northwest corner of said 1/4 1/4 section; thence South 0° 46' 00" East, along the West line of said 1/4 1/4 section, a distance of 420.50 feet, to the point of beginning.

TRACT 8:

That part of the Southeast 1/4 of the Southeast 1/4 of Section 1, Township 48, Range 33, in Kansas City, Jackson County, Missouri, described as follows: Beginning 474.57 feet West of the Northeast corner of the Southeast 1/4 of the Southeast 1/4 of said Section 1, being point of intersection of the North line of said 1/4 1/4 section and the West line of said 1/4 1/4 section, as established in Deed filed February 24, 1960, in Document No. B-335901; thence Southerly along the Westerly line of said Highway 1050.19 feet to a point in the North line of LAUREL RIDGE, a subdivision in Kansas City, Jackson County, Missouri; thence Westerly along said North line of said subdivision to a point 230 feet East of West line of said 1/4 1/4 section; thence North 100 feet; thence West 230 feet to a point in the West line of said 1/4 1/4 section 370.02 feet North of the Southwest corner of said 1/4 1/4 section; thence North along said West line to a point 900 feet North of the Southwest corner of said 1/4 1/4 section; thence East 6.0 feet; thence North 11° 14' East 72.00 feet; thence North 33° 14' East 135.00 feet; thence North 4° 54' 42" East 237.67 feet, to a point on the North line of said 1/4 1/4 section; thence South 89° 58' 40" East along the North line of said 1/4 1/4 section, 731.64 feet to point of beginning.

TRACT 9:

That part of the East 10 acres of the North 30 acres of the Southeast 1/4 of the Northeast 1/4 of Section 1, Township 48, Range 33, in Kansas City, Jackson County, Missouri, lying South of 63rd Street Trafficway and I-435 approach, and West of I-435.

STATE OF MISSOURI



ROY D. BLUNT
SECRETARY OF STATE

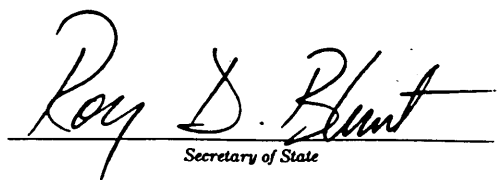
CORPORATION DIVISION

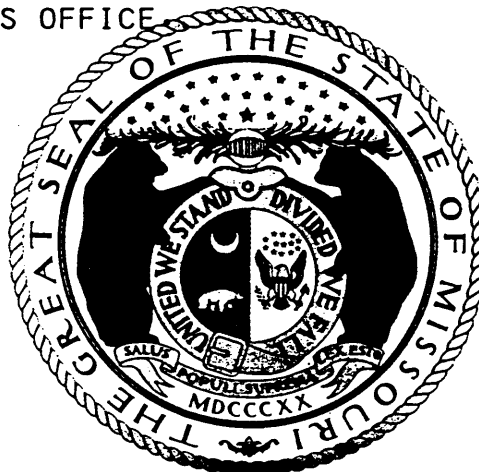
CERTIFICATE OF CORPORATE GOOD STANDING

I, ROY D. BLUNT, SECRETARY OF STATE OF THE STATE OF MISSOURI,
DO HEREBY CERTIFY THAT THE RECORDS IN MY OFFICE AND IN MY CARE
AND CUSTODY REVEAL THAT
SUBSURFACE DEVELOPMENT CO.

WAS INCORPORATED UNDER THE LAWS OF THIS STATE ON THE 10TH
DAY OF OCTOBER, 1977, AND IS IN GOOD STANDING, HAVING FULLY
COMPLIED WITH ALL REQUIREMENTS OF THIS OFFICE.

IN TESTIMONY WHEREOF, I HAVE SET MY
HAND AND IMPRINTED THE GREAT SEAL OF
THE STATE OF MISSOURI, ON THIS, THE
21ST DAY OF OCTOBER, 1991.


Secretary of State



STATE OF MISSOURI



ROY D. BLUNT
SECRETARY OF STATE

CORPORATION DIVISION

CERTIFICATE OF CORPORATE GOOD STANDING - FOREIGN CORPORATION

I, ROY D. BLUNT, SECRETARY OF STATE OF THE STATE OF MISSOURI,
DO HEREBY CERTIFY THAT THE RECORDS IN MY OFFICE AND IN MY
CARE AND CUSTODY REVEAL THAT

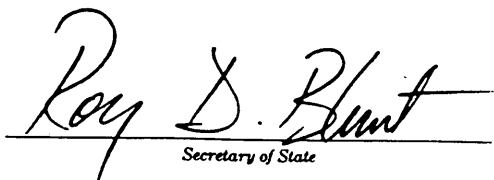
ASH GROVE CEMENT COMPANY

USING IN MISSOURI THE NAME

ASH GROVE CEMENT COMPANY

A DELAWARE CORPORATION FILED ITS EVIDENCE OF INCORPORATION
WITH THIS STATE ON THE 31ST DAY OF DECEMBER, 1949, AND IS IN
GOOD STANDING, HAVING FULLY COMPLIED WITH ALL REQUIREMENTS
OF THIS OFFICE.

IN TESTIMONY WHEREOF, I HAVE SET MY
HAND AND IMPRINTED THE GREAT SEAL OF
THE STATE OF MISSOURI, ON THIS, THE
21ST DAY OF OCTOBER, 1991.


Secretary of State



State of Delaware



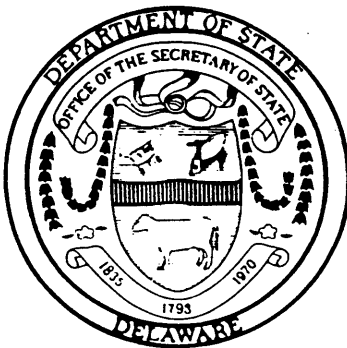
Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY ASH GROVE CEMENT COMPANY IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE DATE SHOWN BELOW.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.

* * * * *



711291103

A handwritten signature in cursive script, reading "Michael Harkins".

Michael Harkins, Secretary of State

AUTHENTICATION:

*3207442

DATE:

10/18/1991

EXHIBIT C TO PROPOSAL

Winchester Venture II
Balance Sheet
As of Sep 30 91

Assets

	CURRENT BALANCE	MONTHLY CHANGE
	-----	-----
Cash	\$ 32,315.42 \$	18,573.06
Land	1,746,318.00	0.00
Building Improvements		
Entrance	172,484.76	0.00
Site Grading	79,873.00	16,565.00
Roads	546,699.32	71.30
Consultants	169,214.91	313.89
Utilities	76,082.00	(4,290.00)
Landscape	50,002.43	0.00
Buildings	217,221.00	0.00
	-----	-----
Total Improvements	1,311,577.42	12,660.19
Accumulated Depreciation	(195,267.17)	(5,901.13)
	-----	-----
Total Assets	\$ 2,894,943.67 \$	25,332.12
	=====	=====

Liabilities

Accounts Payable and Accrued Liabilities	\$ 14,274.23 \$	(5,800.00)
Security Deposits	(75.00)	0.00
	-----	-----
Total Liabilities	14,199.23	(5,800.00)
	-----	-----

Equity

Contributed Capital	2,096,706.00	40,000.00
Venturers' Profit &(Loss) 1-1-91	869,978.00	0.00
Year-to-Date Profit &(Loss)	(85,939.56)	(8,867.88)
	-----	-----
Total Equity	2,880,744.44	31,132.12
	-----	-----
Total Liabilities and Equity	\$ 2,894,943.67 \$	25,332.12
	=====	=====

Winchester Venture II
Income Statement
For Period Ending Sep 30 91

	Current Month	Quarter To-Date	Year To-Date
	-----	-----	-----
Rent Income	\$ 634.00	\$ 2,359.00	\$ 8,689.00
	-----	-----	-----
Net Property Sales	634.00	2,359.00	8,689.00
	-----	-----	-----
Expenses			
Management Fees	1,200.00	3,600.00	10,800.00
Repairs and Maintenance	1,365.00	10,023.66	16,294.05
Rental Property Repairs	0.00	0.00	135.34
Supplies	0.00	30.93	282.93
Utilities	4.72	4.72	79.57
Advertising	0.00	0.00	3,482.22
Insurance	0.00	0.00	(1,766.00)
Contract Labor	0.00	3,181.25	3,181.25
Real Estate Tax	1,031.03	3,031.03	9,031.03
	-----	-----	-----
Total Operating Expenses	3,600.75	19,871.59	41,518.39
	-----	-----	-----
Net Operating Income	(2,966.75)	(17,512.59)	(32,829.39)
Depreciation	(5,901.13)	(17,703.39)	(53,110.17)
Net Income	\$ (8,867.88)	\$ (35,215.98)	\$ (85,939.56)
	=====	=====	=====

October 30, 1991

Mr. Michael C. Shaughnessy
c/o 920 Walnut
Kansas City, Missouri 64105

Dear Mr. Shaughnessy:

This letter is being addressed to you as well as the other owners of property along (1) the north and south sides of 64th Street west of Bennington to its termination point east of the Kansas City Southern Railroad right-of-way, and (2) west side of Bennington from 64th Street southerly to the north right-of-way line of 65th Street (said property owners herein sometimes referred to as the "Property Owners").

The undersigned, Winchester Ventures II (herein sometimes referred to as "Winchester") owns property lying to the east of the Property Owners' parcels and has, on October 25, 1991, filed with the Tax Increment Financing Commission of Kansas City, Missouri its proposal to be the developer with respect to the Winchester Center Tax Increment Financing Plan which has been prepared by the said Commission. The Property Owners' parcels are part of the property included in the area covered by the Plan, and there have been continuing discussions between representatives of Winchester and certain of the Property Owners.

By this letter Winchester does hereby agree that, in return for there being no opposition from the Property Owners either to the Plan or to Winchester's being selected as developer and subject to the hereinafter stated condition, it will enter into a recordable agreement (prior to any deeds of trust on property now or hereafter owned by Winchester) with the Property Owners by which Winchester, for itself and its successors and assigns, makes the following agreements which will be binding for a period ending December 31, 2024:

1. For purposes hereof, the term "Buffer Area" shall be that area lying between (a) the northerly right-of-way line of 65th Street (a public street in Kansas City, Jackson County, Missouri, as now established) from its intersection with the westerly line of Bennington (a public street in Kansas City, Jackson County, Missouri, as now established) westerly to the Kansas City Southern Railroad right-of-way, and (b) a line drawn 125 feet north of and parallel with the northerly right-of-way

Mr. Michael C. Shaughnessy
October 30, 1991
Page 2

line of 64th Street (a public street in Kansas City, Jackson County, Missouri, as now established) from its intersection with the westerly line of said Bennington and continuing westerly along said northerly right-of-way line of 64th Street and its westerly prolongation to the Kansas City Southern Railroad right-of-way.

2. No structures, or parts thereof, will be constructed within the Buffer Area other than single-family residential structures.

3. Winchester will not seek, or in any way induce or cooperate in the exercise of, eminent domain rights as respects of the property within the Buffer Area. Further, if any existing, contiguous separately owned parcel of land that fronts on the northerly right-of-way line of said 64th Street from the westerly line of said Bennington to the Kansas City Southern Railroad right-of-way extends beyond the northerly boundary of the Buffer Area, then Winchester's agreement under this paragraph 3 shall be applicable to all of said existing, contiguous, separately owned parcel, it being recognized and agreed, however, that nothing herein shall be considered as extending the boundaries of the Buffer Area for purposes of paragraph 2 hereof.

Winchester agrees to proceed in good faith with the negotiation of an agreement respecting these points, and will cooperate and exercise reasonable efforts to finalize the same by November 13, 1991. However, if the Winchester Center Tax Increment Financing Plan in its current form (subject to such changes as are acceptable to Winchester) is not created and approved by an ordinance of the City of Kansas City, Missouri, which is effective on or before December 31, 1991 (or such later date as is acceptable to Winchester), or if Winchester, or any related party, for any reason (including, but not limited to, Winchester's election to withdraw its proposal to be developer), is not selected as the developer respecting the said Plan, then this letter agreement and any agreement entered into pursuant hereto, shall be null and void and of no force or effect. If a Plan is created and approved by an ordinance of the City of Kansas City, Missouri, and Winchester, or any related party, is

Mr. Michael C. Shaughnessy
October 30, 1991
Page 3

selected as the developer, then any changes to said Plan and any delays in the effectiveness thereof beyond December 31, 1991, shall be deemed approved by Winchester.

Very truly yours,

WINCHESTER VENTURES II

By /s/ William Chiles

The Tax Increment Financing Commission of Kansas City, Missouri (the "TIF Commission") has under consideration a Redevelopment Plan (the "Plan") for a Redevelopment Area therein described bounded generally by 63rd Street on the north, I-435 on the East, 67th Street on the south and the Kansas City Southern right-of-way on the West. Two properties described herein are excluded, referred to generally as the DST Building and the Hewlett Packard Building. Under the applicable legislation the municipality (in this case, Kansas City, Missouri) adopts an ordinance providing that after the "total assessed valuation of the taxable real property in a redevelopment project" (the "Current Valuation") exceeds the "certified total initial equalized assessed valuation of the taxable real property in the redevelopment project" (the "Initial Valuation"), then there shall be the following division:

(1) That portion of the taxes levied on each taxable lot, block, tract or parcel of real property (hereafter "Tax Parcel") attributable to the Initial Valuation shall be allocated and paid to the taxing districts, and

(2) The PILOTS, as herein defined, attributable to the increase in the Current Valuation of each Tax Parcel over the Initial Valuation of each such Tax Parcel shall be allocated and paid into a Special Allocation Fund as provided for in R.S.Mo. Section 99.845.1(2), to be used to pay redevelopment costs and

obligations. The Current Valuation is, per R.S.Mo. Section 99.855.1., determined immediately after the adoption of the ordinance providing for tax increment allocation financing.

1. For and with respect to each year during which the Plan is in force and effect there will be made to the taxing districts, from the said Special Allocation Fund for the Plan, a payment in lieu of taxes (the "Payment") in the following amount:

A. As respects that property described as Tract 1 WINCHESTER OFFICE CENTER WEST (a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof) a sum equal to 75% of the PILOTS (as herein defined) attributable thereto for said year, and

B. As respects all of the following described property in the Redevelopment Area (as described in the Plan):

i. All of Winchester Business Center (a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof) except for Tracts A, B, C and D thereof (said tracts represent the aforesaid DST Building and are not in the Redevelopment Area);

ii. All of Winchester Office Center (a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof) except for Lot A and B as shown on certificate of survey of Tract 1 as filed for record (the same represent the aforesaid Hewlett Packard Building and are not in the Redevelopment Area);

iii. All of Winchester Office Center West (a subdivision in Kansas City, Jackson County, Missouri according to the recorded plat thereof), except for Tract 1 thereof which is covered in paragraph 1.A. hereof, and all of that unplatted property lying to the west and north thereof and presently owned by Winchester, [together with any additions thereto that are contiguous thereto and are, in the future, acquired by Winchester or its successor as Developer], and

iv. All that tract of land lying to the west of the westerly line of Bennington, to the north of the northerly line of 67th, to the east of the easterly line of the Kansas City Southern right-of-way and to the south of the northerly line of 65th.

a sum equal to 10% of the PILOTS attributable thereto for said year.

2. If, for any year commencing [6th], the total of the Payments respecting said year do not equal 100% of the PILOTS for said year attributable to Tract 1 WINCHESTER OFFICE CENTER WEST, then, an additional payment in lieu of taxes will be made to taxing districts which, when added to the Payments made or to be made for such year pursuant to paragraph 1.A. and B. hereof, will equal 100% of the PILOTS attributable to said Tract 1, WINCHESTER OFFICE CENTER WEST, for said year.

3. The payments to be made pursuant to paragraphs 1 and 2 above shall be made pursuant to and in the manner described in R.S.Mo. 99.820 1. (11).

4. This agreement shall be terminated when the Special Allocation Fund for the Redevelopment Area is dissolved and the designation of the Redevelopment Area as a redevelopment area is terminated, all pursuant to R.S.Mo. Section 99.850.2. Nothing herein shall have any application to the sums or items of revenue described in R.S.Mo. Section 99.845.3; it being understood that the payments described in paragraphs 1 and 2 hereof shall only be based on the described PILOTS which shall not, for purposes hereof, be deemed to include any of the sums or items of revenue described in R.S.Mo. Section 99.845.3,, and nothing herein shall be deemed as preventing the full amount of the sums or items of revenue described in R.S.Mo. Section 99.845.3 from being deposited in the Special Allocation Fund.

5. This is contingent on (A) an ordinance of the City of Kansas City, Missouri becoming effective prior to December 31, 1991 approving the Plan and tax increment allocation financing for the Redevelopment Area, (B) Winchester being selected as Developer by the TIF Commission, (C) the Initial Valuation of the said Tract 1, WINCHESTER OFFICE CENTER WEST, not including any value attributable to the buildings and improvements recently constructed thereon, and (D) there being for each year total PILOTS at least equal to the sums due for said year pursuant to paragraphs 1 and 2 hereof, and if not then the sums due hereunder shall be deemed reduced to be equal to said total PILOTS for said year.

EXHIBIT 11

ROSTER OF DISPLACED OCCUPANTS AND BUSINESSES

Residential Properties:

<u>Name of Property Owner</u>	<u>Address</u>	<u>Occupancy Status</u>
Bruce Anthony Miller	6534 Bennington	Rental

Commercial Properties:

None