SHOPPES AT KEARNEY TAX INCREMENT FINANCING PLAN

STAR ACQUISITIONS, LLC

A Missouri Limited Liability Company

DEVELOPER

PREPARED BY:

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EXHIBITS

I. INTRODUCTION

This Plan provides for the redevelopment of the Redevelopment Area, which is located at the southeastern quadrant of Interstate 35 and Highway 92 in Kearney, Missouri. The Redevelopment Area contains approximately thirty-seven (37) acres. The Redevelopment Area is legally described on Exhibit 1.

The Redevelopment Area is a blighted area, and has not been subject to growth or development through investment by private enterprise. As evidenced by the Blight Study attached as Exhibit 5, the Redevelopment Area is not developed to its highest and best use. The redevelopment of the Redevelopment Area will positively impact the City's economy. The Redevelopment Project, given its size, location at the City's gateway, and high quality will also benefit the City financially, reputationally, and otherwise, beyond its direct financial impacts within the Redevelopment Area. However, without tax increment financing ("TIF") to help defray certain redevelopment costs, including eradication of blight conditions, redevelopment of the Redevelopment Area is unlikely to occur. (See Blight Study attached as Exhibit 5, Developer Affidavit attached as Exhibit 9, Project Pro Formas attached as Exhibit 10, and "But For" Test Analysis herein at Section IV).

The Redevelopment Project will consist of land acquisition, engineering, site preparation, construction of public infrastructure improvements, and the design and construction of private improvements, as described on Exhibit 3 and shown on the Preliminary Site Plan on Exhibit 2.

The total cost of the Redevelopment Project ("Total Project Cost") is estimated to be approximately Thirty-Nine Million Dollars ($39,000,000). This Plan will make Payments in Lieu of Taxes and one half (1/2) of Economic Activity Taxes available to reimburse a portion of the Total Project Costs constituting Reimbursable Project Costs. The general categories and estimated amounts of Reimbursable Project Costs are listed on Exhibit 3.

Tax parcel 07-804-00-01-013.00 consists of approximately 84.5 acres of land. A portion of the tax parcel (approximately 37 acres) will be purchased and become the Redevelopment Area. When this occurs, the county will provide tax identification numbers for the resulting split of the existing tax parcel. Based on the 2009 assessed valuation of the existing tax parcel provided by the Clay County Assessor's Office, the current estimated proportionate assessed value of the proposed Redevelopment Area is One Hundred and Sixty-One Thousand Five Hundred and Seventy-Four Dollars ($161,574), which has been designated as the most recent estimated total equalized assessed value of the property that will become the Redevelopment Area.

It is estimated that the total equalized assessed value of real estate within the Redevelopment Area will be approximately Eight Million Six Hundred and Ten Thousand Dollars ($8,610,000) in the sixth (6th) full year following the activation of the Redevelopment Project (as shown on Exhibit 4), which is the first full year following the year in which the Redevelopment Project is anticipated to be completed.

The total Payments in Lieu of Taxes anticipated to be generated by the Redevelopment Project during the first 23 years of operation are shown on Exhibit 4, and are estimated to be approximately Five Million One Hundred and Thirty-Four Thousand Dollars ($5,134,000) (present value at 7%).

Half of the total Economic Activity Taxes (including the Captured CID Revenue, but excluding revenue attributable to utility taxes) anticipated to be generated by the Redevelopment Project during the first 23 years of operation is shown on Exhibit 4, and is estimated to be approximately Ten Million Seven Hundred Twenty-Two Thousand Dollars ($10,722,000) (present value at 7%).

In anticipation of a grocery store locating within the Redevelopment Area (the "New Grocery Store"), and in light of the approximately Eighteen Million Dollars ($18,000,000) of taxable sales generated by an existing grocery store within the City but outside the Redevelopment Area (the "Existing Grocery Store"), the estimate of Economic Activity Taxes in this Plan, as shown on Exhibit 4, assumes Eighteen Million Dollars ($18,000,000) of "base sales" within the Redevelopment Area for purposes of calculating Economic Activity Taxes generated by a grocery store in the Redevelopment Area (the "Grocery Store Base Sales"). Use of the Grocery Store Base Sales when calculating Economic Activity Tax revenue means that the first Eighteen Million Dollars ($18,000,000) of the New Grocery Store's taxable sales are assumed to be base sales within the Redevelopment Area in calculating Economic Activity Taxes, requiring the payment of the full City and County sales taxes on such sales, and CID sales tax if a CID is approved. In the event, however, that the Existing Grocery Store continues to operate after the New Grocery Store opens for business, the Eighteen Million Dollars ($18,000,000) of Grocery Store Base Sales for purposes of calculating Economic Activity Taxes generated in the Redevelopment Project Area will be reduced by the amount of taxable sales generated by the Existing Grocery Store.

The property owner within the Redevelopment Area intends to petition the City to establish a community improvement district with boundaries identical to those of the Redevelopment Area, except that such boundaries will also include the site of a proposed City-owned community center (the "CID"). The CID is expected to levy a One Cent ($0.01) sales tax ("CID Sales Tax"). The CID Sales Tax Revenues will fall into two categories:

(1) One half (1/2) of such CID Sales Tax Revenue, consisting of (a) the portion of the CID Sales Tax Revenue captured as Economic Activity Taxes plus (b) one half of the portion of the CID Sales Tax Revenue that is attributable to Grocery Store Base Sales (which is not deposited in the Special Allocation Fund as Economic Activity Taxes but which will be treated as allocable with Economic Activity Taxes) (together, the "Captured CID Revenue"), will be used to finance certain Reimbursable Project Costs, as permitted by law. The City intends to enter into a cooperative agreement with the CID in which one half of the CID Sales Tax Revenue attributable to Grocery Store Base Sales, which is allocable with Economic Activity Taxes and treated as a portion of the Captured CID Revenue under this Plan, is made available to reimburse the Developer for Reimbursable Project Costs, as permitted by law, subject to annual appropriation by the CID; and

(2) The remaining one half (1/2) of such CID Sales Tax Revenue, consisting of that portion of the CID Sales Tax Revenue not considered hereunder as Captured CID Revenue ("Non-Captured CID Revenue") will be made available by the CID, as set forth in a cooperative agreement between the CID and the City, to finance certain costs associated with the City's community center project, as permitted by law, subject to annual appropriation.

The Non-Captured CID Revenue is approximately Three Million Four Hundred and Seventy-Three Thousand Dollars ($3,473,000) (present value at 7%), as included in the projections on Exhibit 4.

Together, TIF and Captured CID Revenues generated during the first twenty-three (23) years of the Redevelopment Project are estimated to exceed Fifteen Million Eight Hundred and Fifty-Six Thousand Dollars ($15,856,000) (present value at 7%).

As stated above, Total Project Costs are estimated at approximately Thirty-Nine Million Dollars ($39,000,000), including pre-development professional service costs Developer anticipates incurring as initial expenses for the Redevelopment Project. As a subset of Total Project Costs, this Plan uses the term *Reimbursable Project Costs* to identify those costs that are reimbursable with TIF Revenues, as shown on Exhibit 3.

This Plan does not allow for reimbursement of the cost of acquiring the land constituting the Redevelopment Area, or for the cost of building construction, but does allow for reimbursement of any other project costs to the full extent permitted under the TIF Act (defined herein as "Reimbursable Project Costs"), as shown on Exhibit 3, subject to a total cap on reimbursement of project costs using TIF and Captured CID Revenues, or proceeds of Obligations financed with such revenues, of Thirteen Million Eight Hundred and Twenty-Eight Thousand Five Hundred and Seventy-Two Dollars ($13,828,572), not including Financing Costs ("Capped Amount of Reimbursable Project Costs"), except as further limited below.

Any category of cost set forth as a Reimbursable Project Cost on Exhibit 3, and any other Reimbursable Project Costs, will be eligible for reimbursement via TIF and CID proceeds[1]. The reimbursable amounts listed on Exhibit 3 do not represent caps on any individual expenditure or category of expenditures, as reimbursable amounts may be moved from one line item or cost category to another, and between the TIF reimbursable and CID reimbursable columns, to the full extent permitted by law, to reflect actual expenditures, subject to the Capped Amount of Reimbursable Project Costs. Provided, however, that the total reimbursement of Soft Costs may not exceed one hundred and ten percent (110%) of the total amount of budgeted Soft Costs set forth on Exhibit 3 without written consent of the City. Any reimbursable amounts associated

[1] The CID Act permits reimbursement of some but not all of the Reimbursable Project Costs. CID Revenues may be used to reimburse Reimbursable Project Costs to the full extent permitted under the CID Act.

with Soft Costs in the budget set forth on Exhibit 3 can be moved to non-Soft Cost line items and categories for purposes of reimbursement without obtaining the City's consent.

Interest charges incurred by Developer as Financing Costs shall not be reimbursable after the last day of the twentieth (20th) year following activation of the Redevelopment Project.

Because new jobs created by the Redevelopment Project are expected to induce workers and their families to relocate to the Kearney R-1 School District ("School District") and additional capital costs will be incurred by the School District as a result, the following amount of annual capital contribution payments will be transferred annually by the City to the School District during the term of the TIF to offset the School District's capital costs associated with any such new students ("School District Payments"):

Year 1	$9,400
Year 2	$10,980
Year 3	$12,550
Year 4	$15,690
Year 5 through TIF termination (prorated as necessary for partial final year)	$18,830

The School District Payments set forth above shall only be required to the extent sufficient TIF Revenues have been collected during the year to make such payments. The City will not make the School District Payments set forth above in a particular year in the event insufficient TIF Revenues are collected in the relevant year. In no event will the Developer have any obligation to make School District Payments. Over the estimated nineteen (19) year life of the TIF, School District Payments are expected to total One Hundred and Seventy-One Thousand Four Hundred and Twenty-Eight Dollars ($171,428) (present value at 7%).

Once reimbursement of all Reimbursable Project Costs has occurred and all Obligations, if any, have been retired, tax increment financing shall be terminated according to Section XII below. The CID shall not be affected by termination of tax increment financing and the CID Sales Tax Revenues may continue to be collected and utilized as set forth in the CID documents.

It is anticipated that TIF and CID Sales Tax Revenues will be collected and used to reimburse Reimbursable Project Costs on a "pay-as-you-go-basis." However, the City may determine in its sole discretion to issue Obligations financed with TIF and CID revenues in lieu of, or in combination with, pay-as-you-go financing. Assuming pay-as-you-go is exclusively used to finance the Reimbursable Project Costs, it is anticipated that the Reimbursable Project Costs will be fully reimbursed within approximately nineteen (19) years after the activation of the Redevelopment Project, as shown in the pay-as-you-go amortization table on Exhibit 6. After all Obligations, if any, are retired, and reimbursement of the Reimbursable Project Costs is completed, tax increment financing for the Redevelopment Area will be terminated and the Taxing Districts will receive all tax revenues generated by the Redevelopment Projects, leaving significant economic benefits for the taxing jurisdictions. Revenues generated by the CID sales tax may continue to be utilized as set forth in the CID documents. It is anticipated that the CID documents will specify that, after the TIF is terminated, revenues generated by the CID sales tax will be used to maintain the Redevelopment Area and the community center.

With this Plan, the Developer requests reimbursement of Reimbursable Project Costs, up to the Capped Amount of Reimbursable Project Costs, with all available TIF Revenues (less any School District Payments) on a pay-as-you-go basis, through proceeds of Obligations, or a combination of both.

II. DEFINITIONS

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

A. Approved Site Plan: The actual site plan as approved by the City for the applicable Redevelopment Area, as amended from time to time.

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

C. Board of Aldermen: The governing body of Kearney, Missouri.

D. Captured CID Revenues: One half (1/2) of the CID Sales Tax Revenue, consisting of the portion of the CID Sales Tax Revenue captured as Economic Activity Taxes plus one half of the portion that is attributable to Grocery Store Base Sales, to be used to finance certain Reimbursable Project Costs, as permitted by law.

E. City: Kearney, Missouri.

F. City Administrative Fees and Costs: The amount of documented City administrative hard and soft costs and expenses in connection with the preparation, development and implementation of this Plan and the TIF Redevelopment Agreement (including but not limited to staff time, sales tax software, CID administration, reporting, professional fees) and with the City's performance of its obligations under the TIF Redevelopment Agreement that are not paid or reimbursed by the Developer pursuant to the Funding Agreement, as more specifically set forth in the TIF Redevelopment Agreement.

G. City Director of Finance: The Chief Financial Officer of Kearney, Missouri.

H. CID: The anticipated CID with boundaries identical to those of the Redevelopment Area, except that such boundaries will also include the site of a proposed City-owned community center and potentially the roadways connecting the community center parcel and the Redevelopment Area, which would make all land within the CID contiguous, for which a petition by the property owner within the Redevelopment Area is expected to be submitted during the City's consideration of the Redevelopment Plan.

I. CID Act: The Community Improvement District Act, Sections 67.1401, *et seq.*, Revised Statutes of Missouri, as amended.

J. CID Sales Tax Revenues: The revenues derived from the anticipated One Cent ($0.01) sales tax levied by the CID, collected in the Redevelopment Area over a twenty-three year period.

K. County Assessor: The Assessor of Clay County, Missouri.

L. County Collector: The Collector of Clay County, Missouri.

M. Debt Service: The amount required for the payment of interest and principal on Obligations and/or Private Loans as they come due, for the payment of mandatory or optional redemption payments, and for payments to reserve funds required by the terms of Obligations or Private Loans.

N. Developer: Star Acquisitions, LLC, a Missouri limited liability company, its successors and/or assigns.

O. Distribution Date: April 30, July 31, October 31, January 31 of each calendar year while this Plan remains in effect, or such other dates as may be required in order to repay Obligations or Private Loans.

P. Economic Activity Account: The separate segregated account within the Special Allocation Fund into which Economic Activity Taxes are to be deposited.

Q. Economic Activity Taxes: Fifty percent (50%) of the total additional revenue from taxes, penalties and interest which are imposed by the City or other Taxing Districts, and which are generated by economic activities within the Redevelopment Area, over the amount of such taxes generated by economic activities within the Redevelopment Area in the calendar year prior to the adoption of the Redevelopment Project for the Redevelopment Area by Ordinance, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500, RSMo, licenses, fees or special assessments other than Payments In Lieu of Taxes and penalties and interest thereon.

R. Financing Costs: Those costs incurred by the Developer, the TIF Commission, or the City as a result of issuing one or more series of Obligations or Private Loan(s) to pay all or any portion of Reimbursable Project Costs incurred or estimated to be incurred, including but not limited to interest, loan origination fees not to exceed two percent (2%) of the principal amount of the loan and interest payable to banks or similar financing institutions that are in the business of loaning money, capitalized interest, financial advisor fees, legal fees (including the City Attorney, special TIF counsel, bond counsel, and Developer's counsel), broker fees or discounts, original purchaser's discount, printing and other costs related to such financing. Financing Costs shall be Reimbursable Project Costs, but shall not be subject to the Capped Amount of Reimbursable Project Costs.

S. Non-Captured CID Revenue: One half (1/2) of the CID Sales Tax Revenue, consisting of that portion of the CID Sales Tax Revenue not considered hereunder as Captured

CID Revenue, which is anticipated to be made available to finance certain costs associated with the City's community center project, as permitted by law.

T. Obligations: Bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by the TIF Commission or the City to pay or reimburse all or any portion of Reimbursable Project Costs incurred or estimated to be incurred, to finance the cost of issuing such Obligations, to establish reserves to refund or secure such Obligations, to finance the interest costs associated with such Obligations or to refund, redeem or defease outstanding Obligations.

U. Ordinance: An ordinance enacted by the Board of Aldermen.

V. Payments in Lieu of Taxes: Revenues from real property taxes in the Redevelopment Area selected for the Redevelopment Project which are to be used to reimburse the Reimbursable Project Costs, which Taxing Districts would have received had the City not adopted TIF financing, and which result from levies made after the time of the adoption of TIF financing within the Redevelopment Area, and during the time the current equalized value of real property in the Redevelopment Area exceeds the Total Initial Equalized Assessed Value of real property in the Redevelopment Area, until the designation is terminated pursuant to this Plan which shall not be later than twenty-three (23) years after the Redevelopment Project for the Redevelopment Area is approved, excluding, however, the blind pension fund tax levied under the authority of Article 111, Section 38(b) of the Missouri Constitution, and the merchant's and manufacturer's inventory replacement tax levied under the authority of Article X, Section 6(2) of the Missouri Constitution.

W. PILOT Account: The separate segregated account within the Special Allocation Fund into which Payments in Lieu of Taxes are to be deposited.

X. Plan: This Tax Increment Financing Plan.

Y. Preliminary Site Plan: The preliminary site plan for the Redevelopment Area attached as Exhibit 2.

Z. Private Loans: Loans made to or for the benefit of the Developer, the proceeds of which are used to finance or refinance Reimbursable Project Costs.

AA. Redevelopment Area: The real property legally described on Exhibit 1.

BB. Redevelopment Project: The project described in this Plan for redevelopment of the Redevelopment Area. The retail, specialty retail, restaurant and/or other commercial facilities and related infrastructure which may include, but is not required to include, a grocery store, bank, gas station, pharmacy, hotel, sit-down and fast food restaurants, and small and large tenant retail, all as generally depicted on Exhibit 2, to be constructed in the Redevelopment Area in accordance with this Plan and the Approved Site Plan, as amended from time to time, for the Redevelopment Area. In addition to or in place of those shown on Exhibit 2, the Redevelopment Project may include other types of users and additional or different buildings that are consistent with shopping center developments, including financial institutions, professional offices, and other commercial uses.

CC. Reimbursable Project Costs: The sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Plan or the Redevelopment Project, as applicable, to the full extent permitted under the TIF Act, but excluding the cost of acquiring the land constituting the Redevelopment Area and the costs of building construction. Reimbursable Project Costs include, but are not limited to, the following:

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

2. Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services (except for reasonable administrative costs of the Commission, such costs shall be allowed only as an initial expense, and are included in the costs set forth in this Plan for the Redevelopment Project);

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 public and private site work and infrastructure, parking lots, landscaping, and lighting;

5. Initial costs for an economic development area (as defined in the TIF Act);

6. Costs 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 the 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 this Plan and such Redevelopment Project, to the extent the City by written agreement accepts and approves such costs;

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

10. Payments in lieu of taxes.

DD. Soft Costs: The total combined line items and associated expenditures listed on Exhibit 3 in the "Soft Costs" categories under "Public Infrastructure/Grading" and "Private Site Improvements," as well as any other similar type expenditures not listed on Exhibit 3 that are reimbursable under the TIF and/or CID Acts.

EE. Special Allocation Fund: The fund that contains two separate segregated accounts, maintained by the City Director of Finance, into which, as required by the TIF Act, all Payments in Lieu of Taxes and Economic Activity Taxes are to be deposited.

FF. Taxing District: Any political subdivision of the State of Missouri located wholly or partially within the Redevelopment Area having the power to levy taxes.

GG. TIF Act: The Real Property Tax Increment Allocation Redevelopment Act, Section 99.800, *et seq.*, Revised Statutes of Missouri, as amended.

HH. TIF Commission: The Tax Increment Financing Commission of Kearney, Missouri.

II. TIF Revenues: Payments in Lieu of Taxes and Economic Activity Taxes.

JJ. Total Initial Equalized Assessed Value: That amount certified by the County Assessor which equals the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within the Redevelopment Area immediately after tax increment financing for the Redevelopment Area has been approved by the Board of Aldermen by an Ordinance.

KK. <u>Total Project Cost</u>: The total cost incurred in furtherance of the Plan and the acquisition, planning, construction and financing of the Redevelopment Project.

III. TAX INCREMENT FINANCING

This Plan is adopted pursuant to the TIF Act. The TIF Act enables municipalities to finance the Reimbursable Project Costs with the revenue generated from Payments in Lieu of Taxes resulting from increased assessed valuation on new development and, subject to annual appropriations, from Economic Activity Taxes resulting from increased economic activities in the Redevelopment Area. While it is presently anticipated that the Reimbursable Project Costs will be financed on a pay-as-you-go basis, the TIF Commission or the City may issue Obligations to finance Reimbursable Project Costs in their sole discretion at any time in lieu of or in conjunction with pay-as-you-go financing.

Immediately after the Board of Aldermen approves the Redevelopment Project and adopts tax increment financing for the Redevelopment Area, the County Assessor shall certify the Total Initial Equalized Assessed Value of the particular Redevelopment Area. Real estate taxes (including penalties and interest thereon) resulting from: (1) all taxes levied on the Total Initial Equalized Assessed Value for the Redevelopment Area; (2) the blind pension fund tax levied under the authority of Article 111, Section 38(b) of the Missouri Constitution, and (3) the merchant's and manufacturer's inventory replacement tax levied under the authority of Article X, Section 6(2) of the Missouri Constitution, will be payable to Taxing Districts as if tax increment financing were not adopted. Payments in Lieu of Taxes (including applicable penalties and interest) collected from owners of property within the Redevelopment Area will be paid by the County Collector to the City Director of Finance and deposited in the PILOT Account within the Special Allocation Fund. In addition, following annual appropriation by the appropriate Taxing Districts, the Economic Activity Taxes generated within the particular

Redevelopment Area shall be paid by the collecting Taxing Districts to the City Director of Finance who shall deposit such funds in the Economic Activity Account within the Special Allocation Fund.

IV. EXISTING CONDITIONS IN THE REDEVELOPMENT AREA – "BUT FOR" TEST ANALYSIS

Blight

A study of the existing conditions in the Redevelopment Area was conducted prior to the adoption of this Plan – the resulting Blight Study is attached as Exhibit 5. The Blight Study and the evidence presented at the public hearing on the Plan support the Board of Aldermen's finding that the Redevelopment Area on the whole is a Blighted Area within the meaning of the TIF Act.

But For

Without Tax Increment Financing, revitalization of the Redevelopment Area will not occur due to its blighted condition and other challenges to redevelopment. The Project Pro Formas, attached as Exhibit 10, detail the Project's economic performance both with and without public incentives and demonstrate the Project's financial infeasibility (i.e., a negative Internal Rate of Return) absent public incentives. Also attached as Exhibit 9 is the Developer's Affidavit attesting to the Project's inability to proceed but for Tax Increment Financing. While the Project's viability depends on Tax Increment Financing, the Developer intends to create a CID to minimize the length of time that Tax Increment Financing will be necessary.

The Total Project Costs are approximately Thirty-Nine Million Dollars ($39,000,000). The Developer will require reimbursement of Reimbursable Project Costs in an amount of Thirteen Million Eight Hundred and Twenty-Eight Thousand Five Hundred and Seventy-Two Dollars ($13,828,572) (not including Financing Costs) via reimbursement on a pay-as-you-go basis, issuance of Obligations, or a combination of both, to bridge the gap between what the Developer is willing to invest in private funds and the total dollars necessary to complete the Redevelopment Project. Reimbursement of Developer in the amount stated above is estimated to provide the Developer with a 14-15% Internal Rate of Return. By contrast, absent any reimbursement of Developer's Reimbursable Project Costs, Developer's Internal Rate of Return would be negative, demonstrating that without Tax Increment Financing the Project is far from financially feasible.

When the Blight Study on Exhibit 5 is read in conjunction with the Project's preliminary site plan on Exhibit 2 and categories and estimates of Reimbursable Project Costs on Exhibit 3, these Exhibits demonstrate that the TIF and Captured CID Revenues (or, in the event Obligations are issued, proceeds from the Obligations) will be critical to the elimination of blight in, and the redevelopment of, the Redevelopment Area.

Given the risks involved in making the substantial investment necessary to remove the Redevelopment Area's blight and to develop and deliver a high quality commercial center to the City, the Developer would not pursue the Redevelopment Project but for the availability of funds from the TIF (See Developer's Affidavit on Exhibit 9). The same factors suggest that no other developer would bring a commercial project of similar quality to the site without substantial public incentives. Without approximately Thirteen Million Eight Hundred and Twenty-Eight Thousand Five Hundred and Seventy-Two Dollars ($13,828,572) (not including Financing Costs) in TIF and Captured CID Revenues, the Redevelopment Project is not economically viable.

V. REDEVELOPMENT PLAN OBJECTIVES

The objectives of this Plan are outlined below.

A. General Plan Objectives. The general objectives of this Plan are:

1. To enhance the tax base of the City and other Taxing Districts by development of the Redevelopment Area to its highest and best use and encouraging private investment in the Redevelopment Area and the surrounding areas.

2. To discourage commerce, industry and manufacturing from moving operations to another state.

3. To increase the housing stock and employment in the City.

4. To eliminate the blighted condition of the Redevelopment Area.

5. To provide for improved public infrastructure in and around the Redevelopment Area.

6. To enhance the aesthetics of the Redevelopment Area.

B. Specific Plan Objectives. Specific objectives of this Plan are:

1. To cause the Redevelopment Area to be redeveloped through the design and construction of approximately One Hundred and Seventy Thousand (170,000) square feet of restaurant, retail, specialty retail, hotel, and other commercial space in the Redevelopment Area, together with parking, landscaping and other amenities. In addition to or in place of those shown on Exhibit 2, the Redevelopment Project may include other types of users and additional or different buildings that are consistent with shopping center developments, including financial institutions, professional offices, and other commercial uses.

2. To construct public infrastructure to serve the Redevelopment Area.

3. To expand the tax base of the City by encouraging private investment in the Redevelopment Area.

4. To increase the employment opportunities for the City's residents.

5. To increase the shopping options for the City's residents and improve retail sales leakage.

VI. DEVELOPER

A. Developer Selection. Following a Request for Proposals ("RFP") submitted to the public under the rules and procedures normally utilized by the City for RFPs, the City has selected the Developer to implement this Plan and the Redevelopment Project discussed herein.

VII. PLAN IMPLEMENTATION

A. Site Acquisition. Developer has the Redevelopment Area under contract.

B. General Land Use. The Redevelopment Area generally consists of vacant land. The general land uses planned in the Redevelopment Area pursuant to this Plan are depicted on Exhibit 2.

The Redevelopment Project shall be subject to the applicable provisions of Ordinances as well as other applicable codes. All requirements for landscaping, storm water detention, parking, lighting and off-site traffic improvements, which are imposed pursuant to the zoning process, shall be enforced by the City in a manner that is consistent with the Plan Objectives in Section V. All public improvements that are to be dedicated to the City or any other governmental authority shall comply with City or other appropriate governmental street and road construction standards. The Developer shall cause to be provided to the City and any other governmental authority or utility provider all temporary construction easements and other utility easements at no charge or cost as may be necessary for the construction of public improvements and/or the relocation and installation of utilities required for the redevelopment of the Redevelopment Area. In the event that the Developer is unable to acquire for fair market value, as determined by an independent appraiser, any property right necessary for access or utility service, including, but not limited to, sanitary sewer, storm water, or other utility services, the City shall utilize its powers of eminent domain to obtain such property right.

C. Conformance with Comprehensive Plan. The City's comprehensive plan shows that the Redevelopment Area is planned for Commercial Development. This Plan is in conformity with the City's Comprehensive Plan.

D. Schedule of Development. The anticipated commencement date for construction of the Redevelopment Project is 2010, with a completion target of five (5) years later.

The exact commencement and completion date of the Redevelopment Project will be dependent on many factors, including market conditions, weather, availability of materials and other events beyond the control of the Developer, and may be earlier or later than anticipated.

E. Private Development. Subject to execution of a Redevelopment Agreement with the City, the Developer will design and construct the Redevelopment Project substantially in accordance with the applicable Approved Site Plan, as amended from time to time. It is anticipated that the Redevelopment Project will consist of approximately 170,000 square feet of retail, specialty retail, restaurant, hotel, and other commercial uses. In addition to or in place of those shown on Exhibit 2, the Redevelopment Project may include other types of users and additional or different buildings that are consistent with shopping center developments, including financial institutions, professional offices, and other commercial uses. This Plan and the Redevelopment Project envision a high quality commercial development that will attract consumers traveling on the adjacent Interstate 35 and Highway 92, as well as residents from around the City.

Prior to the commencement of construction of the Redevelopment Project, the Developer shall obtain approval by the City of an Approved Site Plan for the Redevelopment Area.

F. Traffic. The City shall investigate traffic issues on Regency Drive from 19th Street to 92 Highway and, if necessary, recommend traffic calming measures along and on Regency Drive that will be provided by the Developer.

VIII. FINANCING PLAN

A. Projected Total Project Costs. The Total Project Cost for the Redevelopment Project (exclusive of Financing Costs) is estimated to exceed Thirty-Nine Million Dollars ($39,000,000). The estimated amount of Reimbursable Project Costs (exclusive of Financing Costs) payable from TIF and Captured CID Revenues is Thirteen Million Eight Hundred and Twenty-Eight Thousand Five Hundred and Seventy-Two Dollars ($13,828,572) or about thirty-five percent (35%) of the Total Project Cost. And without the Captured CID Revenue, the TIF Revenues constitute approximately Eleven Million Dollars ($11,000,000) or twenty-eight percent (28%) of the Total Project Cost. Financing for the Total Project Cost is as follows:

B. Source of Funds. It is anticipated that the amounts necessary to pay the Total Project Cost may be derived through TIF Revenues and Captured CID Revenues (or Obligations financed therewith), and a combination of private loans and private equity. Some or all of the Reimbursable Project Costs may be paid by TIF and Captured CID Revenues, proceeds of Obligations, or both. Any of the Reimbursable Project Costs not paid directly from TIF and Captured CID Revenues and/or proceeds of Obligations will be paid by Developer, who shall thereafter be reimbursed by TIF and Captured CID Revenues and/or proceeds of Obligations.

Where Developer pays for Reimbursable Project Costs using funds obtained through Private Loans, Developer shall be entitled to interest on such funds in an amount representing the actual interest costs incurred by Developer. Provided in no event shall the interest costs on Private Loans exceed ten percent (10.0%) per annum. Developer shall best commercially reasonable efforts to obtain annual interest rates on the Private Loans which are less than or equal to the UMB prime rate plus one percent (1.0%). Where Developer uses non-borrowed funds to pay for Reimbursable Project Costs, Developer shall be entitled to interest on such funds calculated using a rate of interest equal to the UMB prime rate of interest plus one percent (1.0%), but in no event shall such rate of interest exceed ten percent (10.0%).

If the City chooses, in its sole discretion, to issue Obligations, the City will pledge the TIF Revenues (less any School District Payments) and Captured CID Revenues as security for the repayment of the Obligations.

C. Repayment Schedule. It is anticipated that TIF and Captured CID Revenues generated by the completed Redevelopment Project will be sufficient to reimburse Thirteen Million Eight Hundred and Twenty-Eight Thousand Five Hundred and Seventy-Two Dollars ($13,828,572) of Reimbursable Project Costs, plus any Financing Costs. The projected pay-as-you-go amortization schedule is attached as Exhibit 6. The amortization schedule projects that the Capped Amount of Reimbursable Project Costs, plus all Financing Costs, will be reimbursed within approximately the nineteenth (19^{th}) year after commencement of the Redevelopment Project.

D. Evidence of Commitments to Finance. Evidence of commitment to finance the Total Project Cost is attached as Exhibit 7.

E. Issuance, Nature, and Term of Obligations. If Obligations are issued in the sole discretion of the City, the Obligations are expected to be payable solely from TIF and Captured CID Revenues derived from the Redevelopment Project. The proceeds of such Obligations may also be used to fund capitalized interest accounts, debt service reserve funds, and Financing Costs, as may be required to issue such Obligations.

In the City's sole discretion, Obligations may be sold in one or more series in order to implement this Plan. Each Obligation issued, pursuant to the TIF Act, must be retired not later than twenty-three (23) years after the adoption of tax increment financing for the Redevelopment Project.

F. Projected TIF Revenues. The total amount of Payments in Lieu of Taxes projected to be generated by the Redevelopment Project is approximately Five Million One Hundred and Thirty-Four Thousand Dollars ($5,134,000) (present value at 7%) over the first twenty-three (23) years of operation. Half of the total Economic Activity Taxes (including the Captured CID Revenue, but excluding revenue attributable to utility taxes) anticipated to be generated by the Redevelopment Project during the first 23 years of operation is estimated to be approximately Ten Million Seven Hundred and Twenty-Two Thousand Dollars ($10,722,000) (present value at 7%). These projections and the specific assumptions used in such projections are set forth in the TIF Revenue Projections attached as Exhibit 4.

H. Payments in Lieu of Taxes. Calculation of anticipated Payments in Lieu of Taxes are based on current and projected future real property assessed valuations and the best available information concerning future property tax levy rates, both of which are subject to change due to many factors, including statewide reassessment, the effects of real property classification for real property tax purposes, and the rollback in tax levies resulting from reassessment or reclassification.

1. Equalized Assessed Valuations. According to records of the County Assessor regarding 2009 assessed valuations, the Total Initial Equalized Assessed Value of the Redevelopment Area for which tax increment financing is to be adopted is approximately One Hundred and Sixty-One Thousand Five Hundred and Seventy-Four Dollars ($161,574). The current ad valorem tax levy rates available for the purposes of computing Payments in Lieu of Taxes are set forth in Exhibit 4.

2. Anticipated Assessed Valuation. In the sixth (6th) year following activation of the Redevelopment Project, which is the first full year following the year in which the Redevelopment Project is anticipated to be completed, the assessed value of the Redevelopment Area is anticipated to be approximately Eight Million Six Hundred and Ten Thousand Dollars ($8,610,000). In that year, it is estimated that the Redevelopment Area will annually yield in excess of Five Hundred and Forty-Seven Thousand Dollars ($547,000) in Payments in Lieu of Taxes.

I. Economic Activity Taxes. Economic Activity Taxes to be generated in the Redevelopment Area consist of sales taxes and utility franchise taxes incidental to construction of the Redevelopment Project and operation of the restaurant, retail, specialty retail, hotel, and other commercial facilities. The current local sales tax rate for the Taxing District is 2.875% (2.0% City and .875% County). There were no sales subject to sales taxes in the Redevelopment Area in 2008, the year prior to the year in which this Plan was adopted. Economic Activity Taxes attributable to utility taxes generated in the Redevelopment Area have not been projected, although such Economic Activity Taxes will be collected under this Plan and used to pay Reimbursable Project Costs.

J. Special Allocation Fund. The City Director of Finance shall establish and maintain the Special Allocation Fund, which shall contain two separate segregated accounts. Payments in Lieu of Taxes shall be deposited into the PILOT Account within the Special Allocation Fund and Economic Activity Taxes shall be deposited into the Economic Activity Account within the Special Allocation Fund. TIF Revenues so deposited and any interest earned on such deposits will be used for and are pledged for the payment of Reimbursable Project Costs and for the distribution to the Taxing Districts, in the manner set forth in Article IX of this Plan.

IX. DISBURSEMENTS FROM SPECIAL ALLOCATION FUND

All disbursements from the Special Allocation Fund will be made by the City Director of Finance out of the two separate segregated accounts maintained within the Special Allocation Fund for Payments in Lieu of Taxes and Economic Activity Taxes in proportion to their respective balances at the time of making a disbursement. On each Distribution Date, after deducting the City Administrative Fees and Costs, it is anticipated that the City Director of Finance will make disbursements from the Special Allocation Fund in the following manner and order of preference:

First, to make any School District Payments required by this Plan;

Second, to pay Debt Service on Obligations;

Third, to prepay Obligations, to the extent permitted by the terms of such Obligations;

Fourth, to pay Debt Service on Private Loans;

Fifth, to prepay Private Loans, to the extent permitted by the terms of such Private Loans;

Sixth, to pay Reimbursable Project Costs that were not financed by Obligations and/or Private Loans;

Seventh, following the completion of the Redevelopment Project and the payment of all Debt Service, all Reimbursable Project Costs, and any Financing Costs, funds remaining in the Special Allocation Fund shall be disbursed by the City Director of Finance to the appropriate Taxing Districts in accordance with the TIF Act.

This list of disbursement priorities may be changed or modified in the TIF Contract or in the agreements executed in connection with the issuance of Obligations, and such changes or modifications shall not be deemed an amendment of this Plan.

X. PROVISIONS FOR AMENDING THE TAX INCREMENT PLAN

This Plan may be amended only pursuant to the provisions of the Act. In addition, no increase of the Capped Amount of Reimbursable Project Costs may be approved by the Board of Alderman without first complying with the procedures provided in Section 99.825 of the Act pertaining to the initial approval of a redevelopment plan.

XI. TERMINATION OF TAX INCREMENT FINANCING

Tax increment financing for the Redevelopment Area shall remain in effect until all Reimbursable Project Costs have been reimbursed and any Obligations have been retired (or sooner by agreement), except that tax increment financing shall be terminated no later than twenty-three (23) years after the adoption of tax increment financing for the Redevelopment Area by Ordinance. At that time, tax increment financing shall be terminated by the adoption of an Ordinance of the Board of Aldermen that terminates the designation of the Redevelopment Area under the Act or by any other method authorized by the Act. It is anticipated that the

Capped Amount of Reimbursable Project Costs, and any Obligations issued by the City in its sole discretion, will be repaid and that a City Ordinance will terminate the designation of the Redevelopment Areas. The CID shall not be affected by termination of tax increment financing and the CID Sales Tax Revenues may continue to be utilized as set forth in the CID documents.

XII. REQUIRED STATUTORY FINDINGS

With the approval of this Plan, the TIF Commission and the Board of Aldermen have, as required by the Act, made the findings set forth below, based upon the record of the public hearing on the Plan, including but not limited to the Blight Study attached as Exhibit 5, the affidavit of the Developer attached as Exhibit 9, and the Project Pro Formas attached as Exhibit 10.

A. Blighted Area. The Redevelopment Area on the whole is a Blighted Area.

B. Expectations for Development -- "But For Test". The Redevelopment Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing due to the substantial cost to ameliorate the blighted condition of the Redevelopment Area.

C. Conforms to Comprehensive Plan of City. The City's comprehensive plan indicates that the Redevelopment Area is planned for Commercial Development. This Plan is in conformity with the City's Comprehensive Plan.

D. Date to Adopt Redevelopment Project. The Ordinance approving the only Redevelopment Project to be approved will not be adopted later than ten years from the adoption of this Plan.

E. Date to Complete Redevelopment. The estimated date to complete the Redevelopment Project has been stated and such date is not more than twenty-three (23) years from the adoption of the Ordinance approving the Redevelopment Project.

F. Date to Retire Obligations. In the event the City determines in its sole discretion to issue Obligations to finance the Reimbursable Project Costs, it is anticipated that such Obligations will be retired in less than Twenty-Three (23) years from the adoption of the Ordinance approving the Redevelopment Project.

G. Relocation Assistance. A Relocation Plan meeting the requirements of Section 523.205, RSMo is attached to this Plan as Exhibit 8, and is being adopted contemporaneously with the approval of this Plan.

H. Gambling Establishment. This Plan does not include the initial development or redevelopment of any gambling establishment as defined in the Act.

I. Reporting Requirements. The Commission shall report to the Director of the Department of Economic Development for the State of Missouri by the last day of February of each year the name, address, phone number and primary line of business of any business which relocates to the Redevelopment Area. Pursuant to the Act, the Director for the Department of Economic Development is required to compile and report the same to the governor, the speaker of the house and the president pro tempore of the Senate on the last day of April of each year.

J. Redevelopment Area. The Redevelopment Area selected for the Redevelopment Project includes only those parcels of real property and improvements directly and substantially benefited by the proposed Redevelopment Project. Construction activity may take place and improvements may be constructed on land adjacent to, but not included within, the

Redevelopment Area which benefits the Redevelopment Area, and the costs associated therewith will be Reimbursable Project Costs if otherwise reimbursable hereunder.

XIII. REPORTING ECONOMIC ACTIVITY TAXES

Any person or entity which generates economic activity taxes within the Redevelopment Area may be asked to submit to the City, no less frequently than quarterly and no more frequently than monthly, evidence of payment of Economic Activity Taxes. Each such person or entity which generates sales taxes within the Redevelopment Area may be asked to provide an authorization allowing the Missouri Department of Revenue to release to the City the aggregate sales tax figures for all of such persons' or entities' businesses within the Redevelopment Area.

EXHIBIT 1

LEGAL DESCRIPTION OF REDEVELOPMENT AREA

A tract of land in the Northwest Quarter and the Northeast Quarter, both in Section 34, Township 53 North, Range 31 West of the 5th Principal Meridian, in Kearney, Clay County, Missouri, being bounded and described as follows: Commencing at the Northwest corner of the Northeast Quarter of said Section 34; thence South 00°15'49" East, along the West line of said Northeast Quarter, 74.98 feet to a point on the Southerly right-of-way line of Missouri Highway 92, as now established, said point being the Point of Beginning of the tract of land to be herein described; thence North 89°29'34" East, along said right-of-way line, 426.12 feet; thence South 00°30'26" East, continuing along said right-of-way line, 15.00 feet; thence North 89°29'34" East, continuing along said right-of-way line, 47.21 feet to a point on the Westerly line of Somerset Plaza, a subdivision of land in said Clay County; thence South 26°54'48" East, along said Westerly line, 59.75 feet; thence South 27°03'20" East, continuing along said Westerly line, 38.61 feet; thence South 01°50'44" East, continuing along said Westerly line, 142.10 feet; thence South 06°53'12" West, continuing along said Westerly line, 69.66 feet to the Northwest corner of Lot 1, Shadowbrook – First Plat, a subdivision in said Clay County; thence South 01°59'38" West, along the Westerly line of said Shadowbrook – First Plat, 198.43 feet; thence South 16°08'28" East, continuing along said Westerly line, 340.00 feet; thence South 05°08'28" East, continuing along said Westerly line, 138.00 feet; thence South 00°08'28" East, 300.00 feet; thence South 89°51'32" West, continuing along said Westerly line and its Westerly pronlongation, 1,636.37 feet to a point on the Easterly right-of-way line of Interstate 35, as now established; thence North 22°34'34" East, along said right-of-way line, 614.06 feet; thence North 34°49'31" East, continuing along said right-of-way line, 777.70 feet; thence North 64°58'55" East, continuing along said right-of-way line, 162.91 feet to a point on the Southerly right-of way line of said Missouri Highway 92, thence North 89°29'34" East, along said right-of-way line, 193.88 feet to the Point of Beginning. Containing 1,598,887 square feet or 36.71 acres, more or less.

Prepared by: Lutjen (No. 08182)
Date: April 15, 2009

EXHIBIT 2

PRELIMINARY SITE PLAN

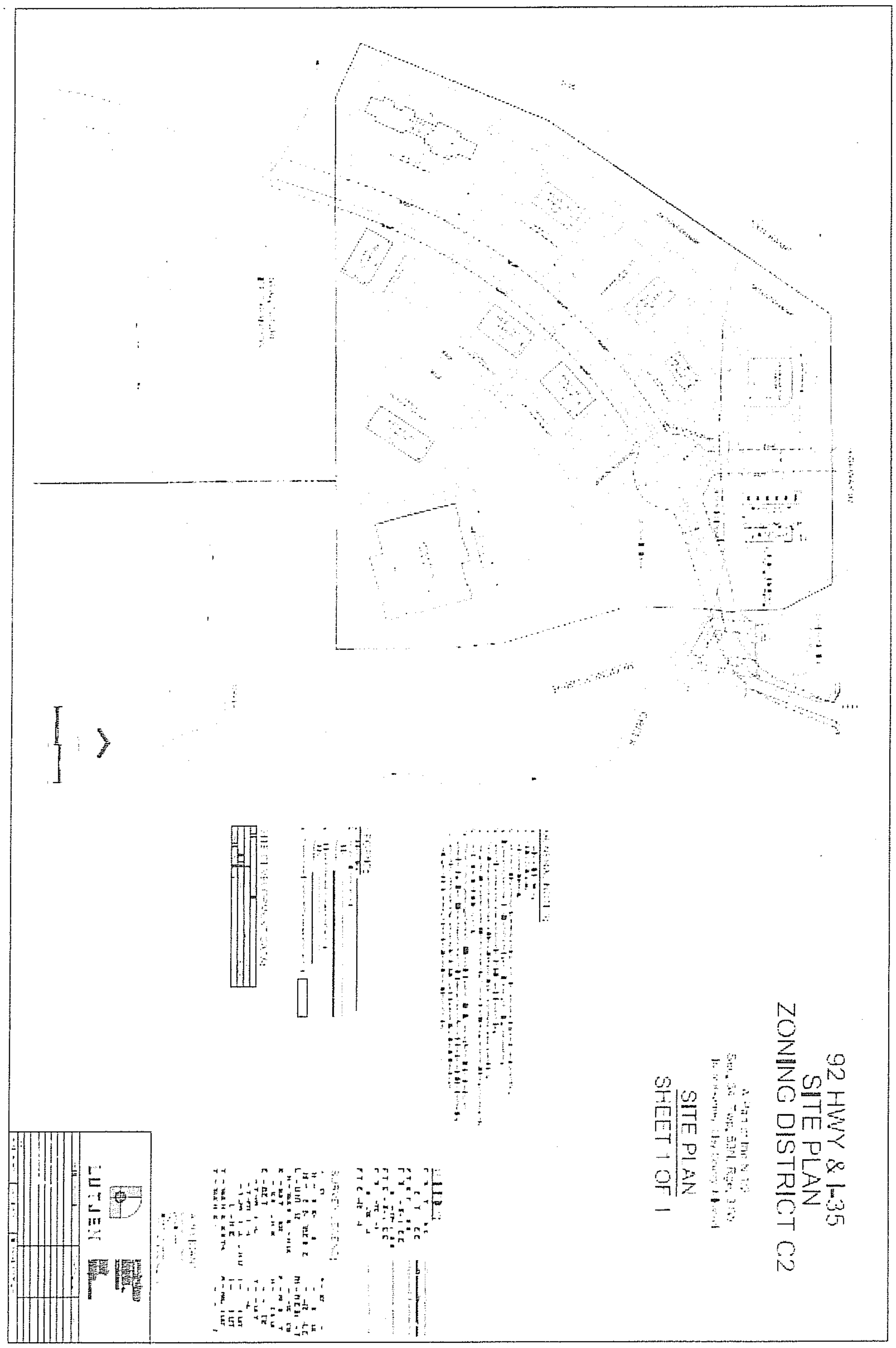


EXHIBIT 3

CATEGORIES AND ESTIMATED AMOUNTS
OF REIMBURSABLE PROJECT COSTS

See Attached.

Kearney - SE Corner I-35 and 92 Highway
Preliminary Engineers Construction Cost Estimate
TIF/CID Cost Projections

Lutjen, Inc.
Civil Engineers--Land Surveyors
Landscape Architects

Project Name:
Kearney Commercial Proposal
SE Cor I-35 and 92 Highway

Date:		September 8, 2008	
Rev:		September 11, 2009	
Available Bld Area (SF):	169,025		
Available Site Area (Ac):	36.71		
Available Site Area (SF):	1,599,088		

** Engineer's estimate includes only public and private infrastructure and soft costs (except leasing/marketing).*
Building construction costs as estimated by Clay County Assessor's Office using Marshall & Swift data.
All other costs estimated by Developer.

PROPERTY ACQUISITION

ITEM	TOTAL COST	TIF Reimbursable	CID Reimbursable
Shanks Property	$ 3,900,000.00	$ -	$ -
TOTAL - Property Acquisition	**$ 3,900,000**	**$ -**	**$ -**

PUBLIC INFRASTRUCTURE/GRADING

ITEM	TOTAL COST	TIF Reimbursable	CID Reimbursable
Roadway/Highway Improvements			
Mo Route 92 Hwy/I-35 Off Ramp (Acel/Decel and Turn Lanes)	$ 505,500	$ 505,500	$ -
Platte-Clay Way/Regency Drive (92 Hwy to South PL)	$ 2,226,650	$ 2,226,650	$ 2,226,650
Public Road - Rin/Rout from 92 Hwy (92 Hwy to Traffic Circle)	$ 183,100	$ 183,100	$ 183,100
TOTAL	**$ 2,915,250**	**$ 2,915,250**	**$ 2,409,750**
Mass Grading Operations			
Mass Grading (Public)	$ 453,700	$ 453,700	$ 453,700
Mass Grading (Private)	$ 745,300	$ 745,300	$ -
Building and Parking Demo	$ 250,000	$ 250,000	$ 250,000
TOTAL	**$ 1,449,000**	**$ 1,449,000**	**$ 703,700**
Utility Relocations			
Utility Relocations	$ 302,000	$ 302,000	$ 302,000
TOTAL	**$ 302,000**	**$ 302,000**	**$ 302,000**
Sanitary Sewer			
Sanitary Sewer - Off site relocations/upgrades	$ 69,500	$ 69,500	$ -
Sanitary Sewer Main Extension	$ 295,000	$ 295,000	$ 295,000
TOTAL	**$ 364,500**	**$ 364,500**	**$ 295,000**
Water			
Water Main Upgrades - Tower Feed Relocation	$ 67,500	$ 67,500	$ 67,500
Water Main Extension - Looped Connection	$ 220,500	$ 220,500	$ 220,500
TOTAL	**$ 288,000**	**$ 288,000**	**$ 288,000**
Storm Sewer			
Concrete Box Culvert Extension	$ 1,012,500	$ 1,012,500	$ 1,012,500
Storm Sewer Extension - Onsite (Bi-Swale/Treatment)	$ 150,000	$ 150,000	$ 150,000
TOTAL	**$ 1,162,500**	**$ 1,162,500**	**$ 1,162,500**
Detention Allowance			
Detention Basin - Onsite	$ 384,750	$ 384,750	$ 384,750
Channel Remediation - Offsite	$ 195,000	$ 195,000	$ -
TOTAL	**$ 579,750**	**$ 579,750**	**$ 384,750**
Landsape/Hardscape/Signage			
Landsape/Hardscape	$ 330,000	$ 330,000	$ 330,000
Signage	$ 300,000	$ 300,000	$ 300,000
TOTAL	**$ 630,000**	**$ 630,000**	**$ 630,000**
Contingency			
Public Improvement Hard Cost - Subtotal	$ 7,691,000	$ 7,691,000	$ 6,175,700
Public Improvement Hard Cost - Contingency	$ 769,100	$ 769,100	$ 617,570
TOTAL	**$ 769,100**	**$ 769,100**	**$ 617,570**
Soft Costs			
Legal/Zoning/Entitlments	$ 423,005	$ 423,005	NE
Engineering/Survey	$ 592,207	$ 592,207	NE
Misc Professional Services (Env/Geo/Appr/Etc)	$ 423,005	$ 423,005	NE
R/W/Easement Acquisitions	$ 169,202	$ 169,202	NE
Soft Cost Contingency	$ 423,005	$ -	NE
TOTAL	**$ 2,030,424**	**$ 1,607,419**	**NE**
TOTAL - Public Infrastructure/Grading	**$ 10,490,524**	**$ 10,067,519**	**$ 6,175,700**

***NE = Not Estimated (some amount may be reimburseable under the CID Act, but no estimate is provided)**

PRIVATE SITE IMPROVEMENTS			
ITEM	TOTAL COST	TIF Reimbursable	CID Reimbursable
Hard Costs			
Building Pad Stabilization	$ 254,550	$ 254,550	$ -
Fine Grade	$ 595,000	$ 595,000	$ -
Asphalt Paving	$ 2,185,000	$ 2,185,000	$ -
Concrete Paving	$ 75,000	$ 75,000	$ -
Curb and Gutter	$ 467,500	$ 467,500	$ -
Site Lighting	$ 305,000	$ 305,000	$ -
Private Utilities-Main Lines (Storm/Water/San)	$ 465,000	$ 465,000	$ -
Private Service Line (Water/San/Elec/Gas/Comm)	$ 147,500	$ 147,500	$ -
Landscaping	$ 220,000	$ 220,000	$ -
Bonds and Permits	$ 377,164	$ 377,164	$ -
TOTAL	$ 5,091,714	$ 5,091,714	
Contingency			
Private Improvement Hard Cost - Contingency	$ 509,171	$ 509,171	
TOTAL	$ 509,171	$ 509,171	
Soft Costs			
Legal/Leasing/Marketing	$ 970,440	$ 970,440	
Engineering/Architecture	$ 509,171	$ 509,171	
Soft Costs Contingency	$ 254,586	$ -	
TOTAL	$ 1,734,197	$ 1,479,611	
TOTAL - Private Site Improvements	**$ 7,335,083**	**$ 7,080,497**	**$ -**

BUILDING CONSTRUCTION			
ITEM	TOTAL COST**	TIF Reimbursable	CID Reimbursable
Building A (Pharmacy)	$ 962,000	$ -	$ -
Building B (Gas Station)	$ 701,250	$ -	$ -
Building C (Restaurant)	$ 617,500	$ -	$ -
Building D (Retail)	$ 700,000	$ -	$ -
Building E (Restaurant)	$ 875,000	$ -	$ -
Building G (Restaurant)	$ 1,080,000	$ -	$ -
Building F (Hotel)	$ 5,400,000	$ -	$ -
Building J (Retail)	$ 833,000	$ -	$ -
Building H (Restaurant)	$ 1,080,000	$ -	$ -
Building L (Retail)	$ 756,000	$ -	$ -
Building K (Grocery)	$ 4,810,000	$ -	$ -
TOTAL - Building Construction	**$ 17,814,750**	**$ -**	**$ -**

TOTAL PROJECT COSTS & AMOUNTS ELIGIBLE FOR REIMBURSEMENT	**$39,540,357**	**$17,148,016**	**$6,175,700**

AS LIMITED BY CAPPED AMOUNT OF REIMBURSABLE PROJECT COSTS OF $13,828,572
(excluding Financing Costs)

*This Plan does not allow for reimbursement of the cost of acquiring the land constituting the Redevelopment Area, or for the cost of building construction. However, this Plan authorizes reimbursement of any other project costs to the full extent permitted under the TIF Act (defined in the Plan as "Reimbursable Project Costs"), except as limited below.

As explained in the Plan, the reimbursable amounts listed in this budget do not represent caps on any individual expenditure or category of expenditures, as reimbursable amounts may be moved from one reimbursable line item or category to another, and between the TIF reimbursable and CID reimbursable columns, to the full extent permitted by law, to reflect actual expenditures, subject to the Capped Amount of Reimbursable Project Costs of $13,828,572, which does not include Financing Costs. Provided, however, that the total reimbursement of Soft Costs may not exceed one hundred and ten percent (110%) of the total amount of budgeted Soft Costs set forth above without written consent of the City. Any reimbursable amounts associated with Soft Costs in the budget set forth above can be moved to non-Soft Cost line items and categories for purposes of reimbursement without obtaining the City's consent.

^For new development, the County Assessor's Office uses cost data from Marshall & Swift (www.marshallswift.com) to estimate building costs and private site improvement costs, and then estimates the market value of building and private site improvements at 100% of such costs. Because the proposed buildings are not designed yet, the Developer has adopted the same methodology as the County Assessor's Office to estimate building costs.

ASSUMING PAY-AS-YOU-GO FINANCING

		(Approximate Values Only)
Total TIF Reimbursement (without captured CID)	$	10,700,000
Total Captured CID Reimbursement (1/2 of CID 1% Sales Tax)	$	3,100,000
Total TIF/CID Reimbursement*	$	13,800,000

* TIF/CID revenues estimated to be used for reimbursement are net of Non-Captured CID Revenues, which are dedicated to community center, and certain annual payments to school district using PILOTs.

Total Project Cost	$	39,540,357
TIF (w/out captured CID) as % of Total Project Cost		27.1%
TIF/CID as % of Total Project Cost		34.9%

EXHIBIT 4

PROJECTED TIF AND CID SALES TAX REVENUE

See Attached.

Shoppes at Kearney
Tax Increment Financing Plan

TIF/CID Projections

2008 Ad Valorem Levy Rates Subject to TIF	
Taxing District	**Rate**
Kearney City Tax	0.006300
County Services	0.002899
Handicap Tax	0.001191
Health Tax	0.000996
Kearney Fire District #2*	0.003983
Kearney School District	0.045105
Library Tax	0.003214
Mental Health Tax	0.000963
Total Tax	0.064651

*Reflects only half of the Fire District levy
**Does not include Blind Pension or M&M which is not captured by TIF

PILOT ASSUMPTIONS		
Market Value	$	28,375,359
Assessed Value @ 32%	$	8,440,115
Biannual Growth		2%
Base Assessed Value (2009)	$	161,574

EATs and CID ASSUMPTIONS		
Total Project Annual EATs	$	851,030
Base Sales (only applies to Grocery Store)	$	18,000,000
TIF Sales Tax Rate For Sales		1.4375%
CID Rate		1.000%
Annual Growth		2%
First Year Sales when Building Online		25%

ANNUAL GROWTH		
TIF Year	Assessed Value	Sales
1	161,574	9,625,025
2	3,520,953	40,428,227
3	4,301,234	45,830,654
4	5,140,848	52,324,017
5	6,521,585	61,207,191
6	8,609,950	64,278,408
7	8,654,108	65,563,977
8	8,782,149	66,875,256
9	8,827,190	68,212,761
10	8,957,792	69,577,016
11	9,003,734	70,968,557
12	9,136,948	72,387,928
13	9,183,809	73,835,686
14	9,319,667	75,312,400
15	9,367,485	76,818,648
16	9,506,080	78,355,021
17	9,554,834	79,922,123
18	9,696,202	81,520,564
19	9,745,931	83,150,975
20	9,890,126	84,813,995
21	9,940,850	86,510,275
22	10,087,928	88,240,480
23	10,139,667	90,005,290

	TOTAL PROJECTED REVENUE								
Year	TIF REVENUE			CID REVENUE (FULL 1.0%)*	TOTAL REVENUE	EATs (with 1/2 CID)	NON-CAPTURED CID (PAID TO CITY)	PAYMENT TO SCHOOL DISTRICT	TOTAL REV (LESS AMT SHARED)
	PILOTs	EATs (NO CID)	TOTAL						
1	0	73,672	73,672	96,250	169,922	121,797	$ 48,125	$ 9,400	$ 112,397
2	217,186	322,406	539,591	404,282	943,874	524,547	$ 202,141	$ 10,980	$ 730,752
3	267,631	400,066	667,697	458,307	1,126,003	629,219	$ 229,153	$ 12,550	$ 884,300
4	321,913	493,408	815,320	523,240	1,338,560	755,028	$ 261,620	$ 15,690	$ 1,061,250
5	411,178	621,103	1,032,281	612,072	1,644,353	927,139	$ 306,036	$ 18,830	$ 1,319,487
6	546,192	665,252	1,211,444	642,784	1,854,228	986,644	$ 321,392	$ 18,830	$ 1,514,006
7	549,047	683,732	1,232,779	655,640	1,888,416	1,011,552	$ 327,820	$ 18,830	$ 1,541,769
8	557,324	702,582	1,259,906	668,753	1,928,659	1,036,958	$ 334,376	$ 18,830	$ 1,575,453
9	560,238	721,808	1,282,045	682,128	1,964,172	1,062,872	$ 341,064	$ 18,830	$ 1,604,279
10	568,680	741,420	1,310,099	695,770	2,005,870	1,089,305	$ 347,865	$ 18,830	$ 1,639,155
11	571,650	761,423	1,333,073	709,686	2,042,759	1,116,266	$ 354,843	$ 18,830	$ 1,669,086
12	580,262	781,826	1,362,089	723,879	2,085,968	1,143,766	$ 361,940	$ 18,830	$ 1,705,198
13	583,292	802,638	1,385,930	738,357	2,124,287	1,171,816	$ 369,178	$ 18,830	$ 1,736,278
14	592,077	823,866	1,415,942	753,124	2,169,066	1,200,428	$ 376,562	$ 18,830	$ 1,773,674
15	595,167	845,518	1,440,685	768,186	2,208,871	1,229,611	$ 384,003	$ 18,830	$ 1,805,948
16	604,127	867,603	1,471,730	783,550	2,255,281	1,259,379	$ 391,775	$ 18,830	$ 1,844,676
17	607,279	890,130	1,497,409	799,221	2,296,631	1,289,741	$ 399,611	$ 18,830	$ 1,878,190
18	616,418	913,108	1,529,527	815,206	2,344,732	1,320,711	$ 407,603	$ 18,830	$ 1,918,299
19	619,633	936,545	1,556,179	831,510	2,387,688	1,352,300	$ 415,755	$ 18,830	$ 1,953,104
20	628,956	960,451	1,589,407	848,140	2,437,547	1,384,521	$ 424,070		$ 2,013,477
21	632,235	984,835	1,617,070	865,103	2,482,173	1,417,387	$ 432,551		$ 2,040,622
22	641,744	1,009,707	1,651,451	882,405	2,533,855	1,450,909	$ 441,202		$ 2,092,653
23	645,089	1,035,076	1,680,165	900,053	2,580,218	1,485,102	$ 450,026		$ 2,130,191
TOTAL	$ 11,917,315	$ 17,038,177	$ 28,955,492	$ 15,857,645	$ 44,813,137	$ 24,966,999	$ 7,928,822	$ 331,070	$ 38,553,244

NPV	7.0%	$5,134,334	$7,248,803	$12,383,138	$6,945,471	$19,328,609	$10,721,539	$3,472,736	$171,428	$15,684,445

USE	Square Footage/Rooms	Sales Per S.F./REVPAR	Value Per S.F.	Market Value	Total Sales	Phasing (TIF Year)	Base Assessed Value
Building A (Pharmacy)	14,800	$ 250	$ 116	$ 1,711,357	$ 3,700,000	1	14,148
Building B (Gas Station)	4,675	$ 492	$ 201	$ 937,956	$ 2,300,100	1	4,469
Building C (Restaurant)	4,750	$ 350	$ 181	$ 858,003	$ 1,662,500	2	4,541
Building D (Retail)	8,750	$ 250	$ 131	$ 1,143,032	$ 2,187,500	3	8,364
Building E (Restaurant)	8,750	$ 230	$ 151	$ 1,318,032	$ 2,012,500	3	8,364
Building - N/A	0	$ -	$ -	$ -	$ -	0	0
Building G (Restaurant)	10,800	$ 350	$ 151	$ 1,628,828	$ 3,780,000	4	10,324
Building F (Hotel)	135	$ 17,885	$ 46,751	$ 6,311,380	$ 2,414,475	5	17,207
Building N/A	0	$ -	$ -	$ -	$ -	0	0
Building J (Retail)	11,900	$ 250	$ 121	$ 1,435,523	$ 2,975,000	4	11,375
Building H (Restaurant)	10,800	$ 275	$ 151	$ 1,626,828	$ 2,970,000	2	10,324
Building L (Retail)	10,800	$ 250	$ 121	$ 1,302,828	$ 2,700,000	4	10,324
Building K (Grocery)	65,000	$ 500	$ 125	$ 8,101,094	$ 32,500,000	1	62,135
Detention				$ 2,500			
Total*	169,025	-	-	$ 28,375,359	$ 59,202,075		161,574

* Assumes 18,000 sq. ft. for hotel footprint

EXHIBIT 5

BLIGHT STUDY

See Attached.

SHANER APPRAISALS, INC.

real value

October 14, 2009

Mr. John Davis
Star Acquisitions, LLC
c/o Mr. Curt Peterson
Polsinelli Shughart, PC
700 W. 47th Street, Suite 1000
Kansas City, MO 64112

VIA EMAIL

Re: Review of the blight study prepared on the property located in the SEQ of I-35 and Highway 92 in Kearney, Missouri

Gentlemen:

Thank you for your inquiry (through Mr. Curt Peterson) on behalf of Star Development, LLC regarding the review of the blight study prepared by Polsinelli Shughart, PC dated August 2009 on the above referenced property.

The nature of the proposed assignment includes a blight study review to determine whether the document meets the criteria for the Missouri statutes and definitions regarding blight. It is our understanding that the study will be used in conjunction with a request for tax increment financing (TIF) designation for the subject. Our work meets all requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) as well as the Code of Ethics of the Appraisal Institute.

This letter will serve as our review of the above identified blight study. In order to complete our review, we have inspected the subject site, read through the original blight study, and examined online documents regarding the site.

In order to meet the definition of "blight" Missouri Statute Section 99.805 (1), a series of tests are performed on the subject area under study. The tests include:

- Defective or inadequate street layout
- Unsanitary or unsafe conditions
- Deterioration of site improvements
- Improper subdivision or obsolete platting
- Existence of conditions that endanger life or property by fire and other causes
- Economic or social liability

Defective or inadequate street layout: The Study Area is plagued by an inadequate network of roads allowing access to the interior portion of the Study Area. The area also lacks existing curb cuts to gain access to the undeveloped area in the southern, eastern, and western portions. There is presently only one point of access from Highway 92 to the subject, which given its large size, is not adequate to allow large scale development of the subject area. The original blight study adequately addresses this test, and the conclusion is found to be correct.

Unsanitary or unsafe conditions: At the time of the most recent inspection (October, 2009), there were parts of the Study Area that were littered with debris, mostly along the creek bed and the parking lot fronting Highway 92. The Study Area is relatively flat, which can cause drainage issues and environmental concerns as adequately addressed in the original blight study. Overall, the original blight study adequately addresses this test, and the conclusion is found to be correct.

Deterioration of site improvements: The northern portion of the Study Area along Highway 92 is improved with a partially paved parking lot, which shows signs of deterioration and does not adequately blend in with the surrounding developments. Furthermore, the parking lot lacks curbs, gutters, and lights. The original blight study adequately addresses this test, and the conclusion is found to be correct.

Improper subdivision or obsolete platting: The Study Area consists of 36.71 acres of a larger 86+/- acre parcel. The large nature of this parcel could be a hindrance to development for a single developer due to the required financial outlay to develop a tract of land of this size. If the Study Area were platted into smaller sized parcels, this would entice individual developers and possibly businesses to purchase a parcel that would accommodate their need. Therefore, improper subdivision or obsolete platting is considered to be an indication of blight. The original blight study adequately addresses this test, and the conclusion is found to be correct.

Existence of conditions that endanger life or property by fire and other causes: The Study Area only has one access point that is not signaled and is in close proximity to the Interstate 35 interchange. If additional development were to take place, the lack of a turning lane or signaled intersection could be a condition that endangers life or property. Furthermore, the northern portion of the Study Area is overgrown with brush, trees, and debris, which could be a fire hazard to nearby homes and business. Therefore, conditions that endanger life or property by fire and other causes is considered to be an indication of blight. The original blight study adequately addresses this test, and the conclusion is found to be correct.

Economic or social liability: We have not had the opportunity to review the redevelopment plan for the Study Area, nor the have we reviewed the cost-benefit analysis or tax increment financing (TIF) revenue study. The subject area is clearly under improved land that is mostly being used for agriculture purposes. The current assessed value of the Study Area is undoubtedly lower than it would be if new commercial improvements where developed to the maximum allowable density. The original blight study adequately addresses this test, and the conclusion is found to be correct.

Based on the review and analysis completed, it is our opinion that the original blight study prepared by Polsinelli Shughart, PC adequately addresses the conditions that create a "blighted area" as defined by the Section 99.805(1) of the Missouri Revised Statutes. Further, it is concluded that the subject redevelopment area is blighted, based on the statutory definition, and thus the conclusion presented in the original blight study is reasonable and supportable.

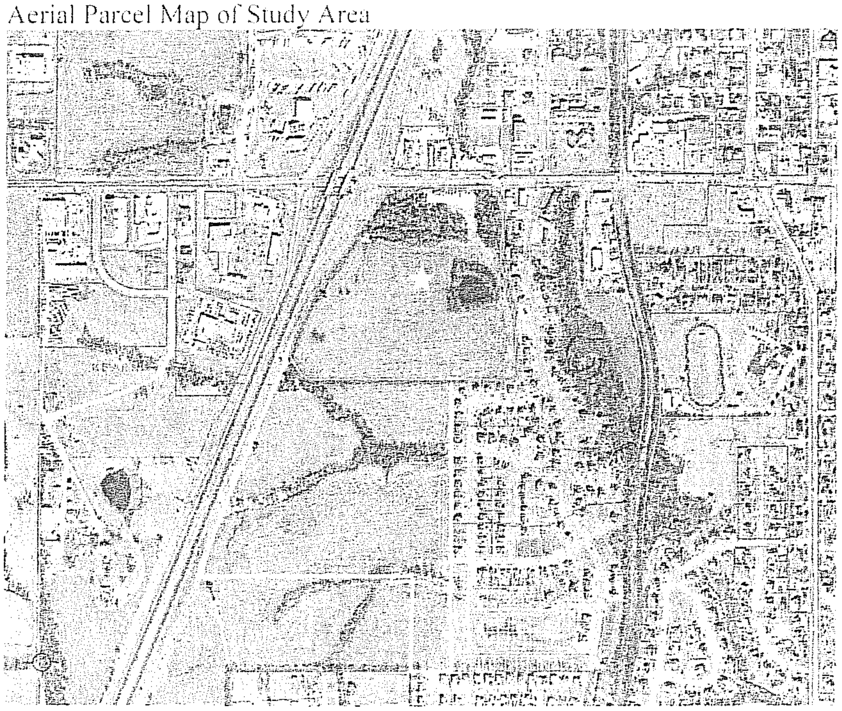
Thank you for this assignment. Please feel free to call our office with any questions.

Sincerely,

Laird Goldsborough, MAI
President
KS Cert. Gen Real Property Appraiser #G-834
MO Cert. Gen. Real Estate Appraiser #RA002834

Daniel Kann
Real Estate Analyst

Aerial Parcel Map of Study Area



Multiple Listing Service

Quick

Result 1 of 1. Checked 0. Check all 1
[1]· Bottom

Tax ID # 07-804-00-01-13.00 Full Report

Clay County 06/08/2007

Address:	501 92 Highway				
City:	Kearney	Zip:			
Class.	MULTI-USAGE (XCAR)			Land Use:	COMM
Sub Div:	BEG SE COR INTERS I35/92 HWY,				

Name:	SHANKS, GARY W
Mailing Add:	PO BOX 499
City,St, Zip:	KEARNEY, MO 64060

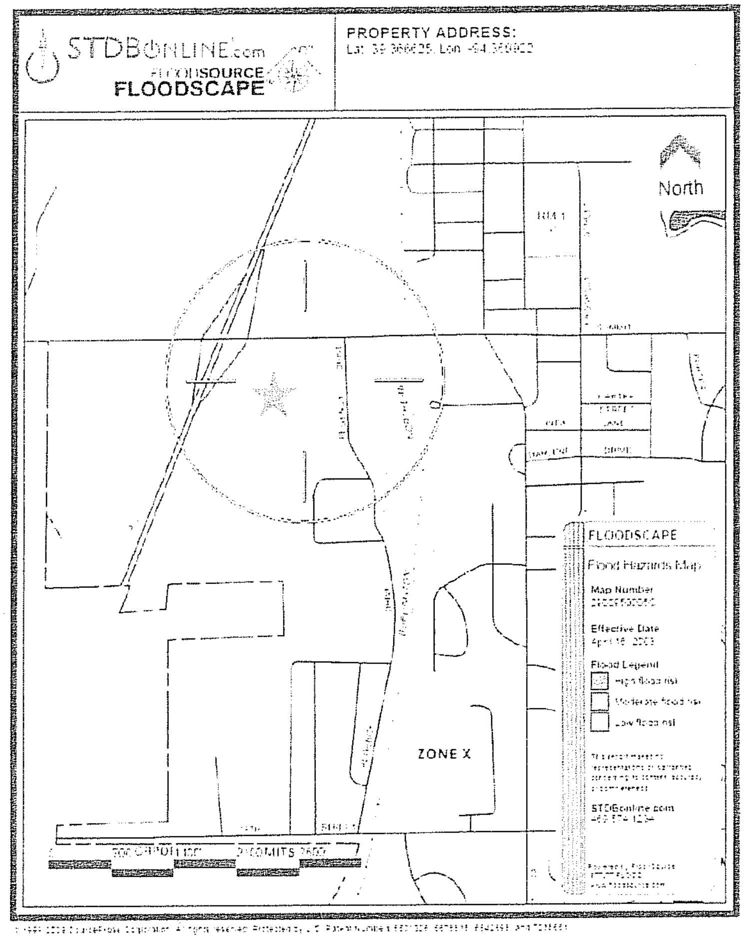
School:	Kearney & Holt	Road:	County Common	Hospital:
Water:		City:	Kearney	
Fire:	Kearney	Ambulance:		

	Total Value	Residential	Commercial	Agriculture
Appraised:	$958,400	$	$937,600	$20,800
Assessed:	$302,530	$	$300,030	$2,500

BEG SE COR INTERS I35/92 HWY, E ALNG ROW TO WL SMRST PLZ, S ALNG WL SMRST PLZ & SHDWBRK 1ST TO NW COR LT13 SHDWBRK 1ST

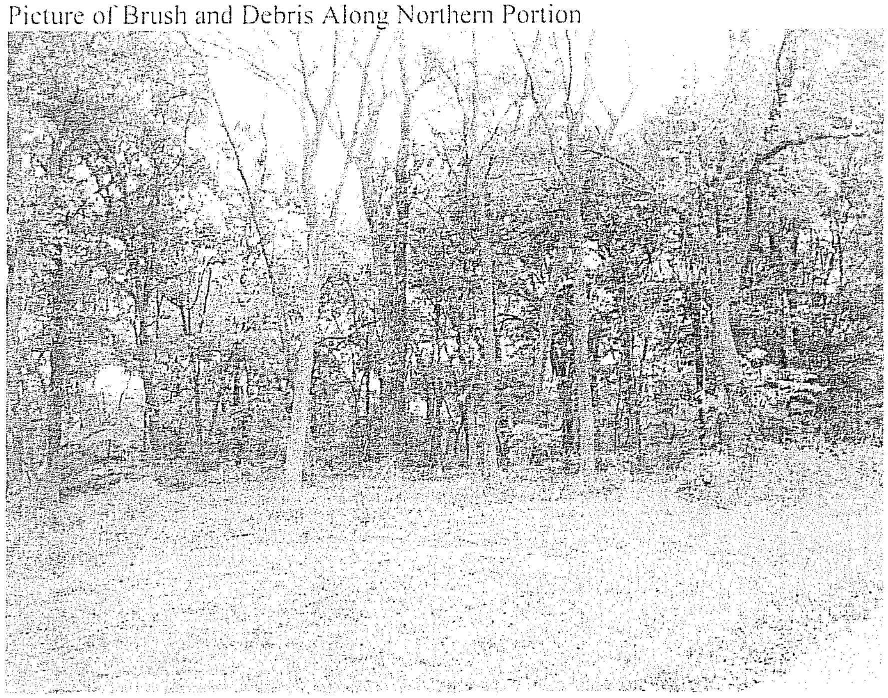
Tax Year:	Taxes:	Taxes Paid:

Flood Map

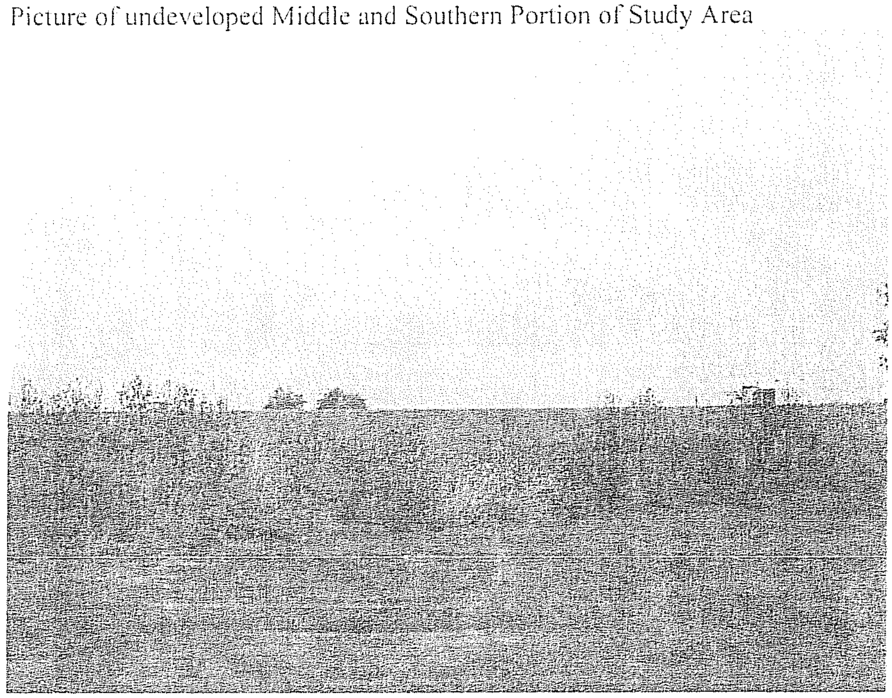


Picture of Deteriorating Site Improvements

Picture of Brush and Debris Along Northern Portion



Picture of undeveloped Middle and Southern Portion of Study Area



Blight Analysis

for the

Shoppes at Kearney Redevelopment Area

City of Kearney, MO

DRAFT REPORT

August 2009

Prepared by:

Polsinelli Shughart PC,
Development Analysis Department

Polsinelli Shughart

I. Introduction

A. Purpose

The purpose of this analysis is to determine if the proposed Shoppes at Kearney Redevelopment Area (the "Study Area") evidences blight according to Missouri's Tax Increment Allocation Redevelopment Act.

B. Location

The Study Area consists of the northern 36.71 ± acres of a 84.5 ± acre parcel located at the southeast quadrant of Interstate 35 and State Highway 92 in the City of Kearney, Clay County, Missouri.

Figure 1: Aerial Map of Study Area

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C. Blight Defined

Section 99.805(1) of the Missouri Revised Statutes defines a "Blighted Area" as "an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use."

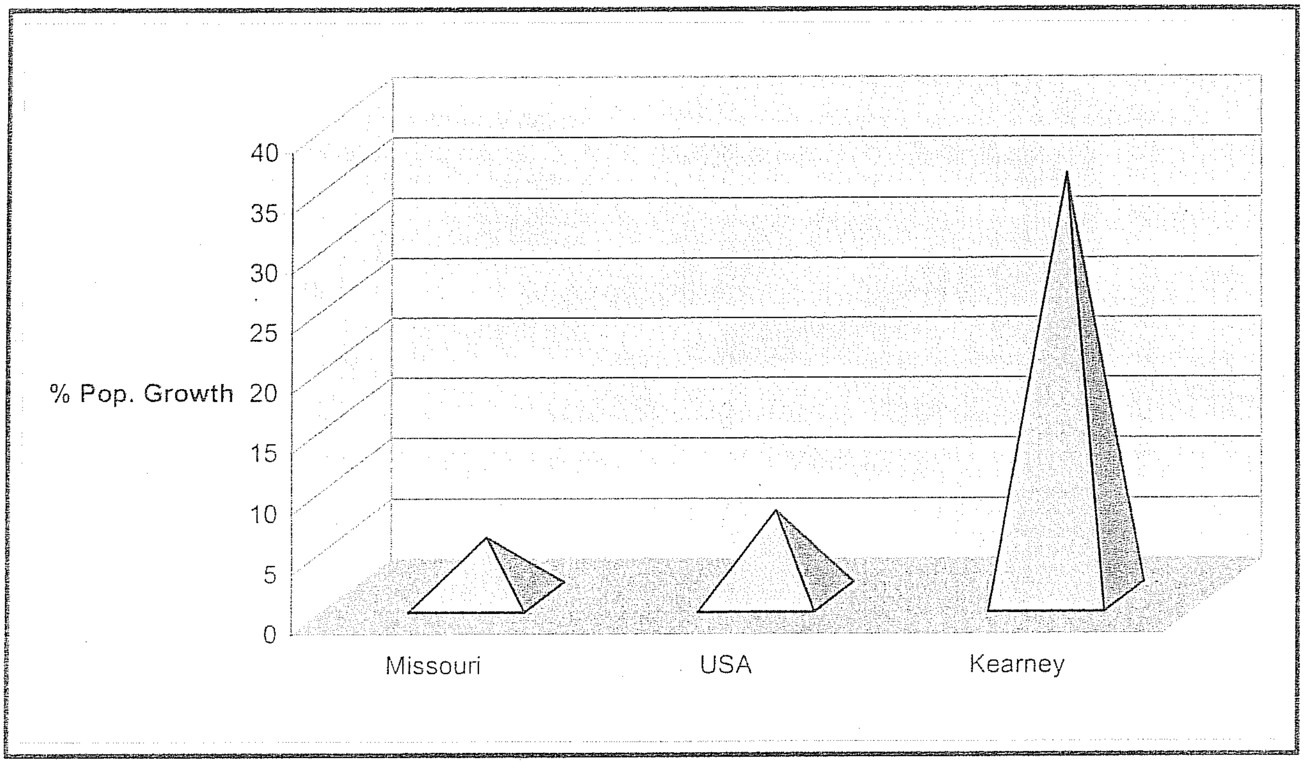
II. Regional Growth Factors

Kearney is part of the Kansas City Metropolitan Statistical Area (MSA), which is growing faster than both Missouri and the Nation as a whole.

A. Population

According to the 2005 census estimate, the City of Kearney's population was 7,399, an increase of 1,927 people (about 35.2%) from the 2000 census. In comparison, between 2000 and 2007, the State of Missouri and the United States grew by only 5.0% and 7.2%, respectively. (Source: U.S. Census). Since 1960, Kearney's population has averaged 14.0% population growth per year. (Source: Kearney Area Development Council).

Figure 2: Population Growth Since the Year 2000



Source: U.S. Census.

B. Income

As of 2005, Kearney's median income of $63,744 placed it in the top 20.0% of all cities in the Kansas City MSA, leading all Clay County cities with more than 200 residents. (Source: Kearney Area Development Council). According to Census data, Kearney's average household income grew by more than 5.0% annually between 1990 and 2000.

C. Housing

Along with Kearney's strong population growth and household income data, the City's housing values have topped average values regionally and nationally. In 2005, the median value of an owner-occupied home in Kearney was $139,338, the second highest in Clay County and within the top 30.0% of all cities in the MSA. (Source: Kearney Area Development Council). By comparison, median owner-occupied home values in 2007 were: Missouri ($89,000); Clay County ($104,900); and USA ($119,600). (U.S. Census).

A Q

Table 1: Median Owner-Occupied Home Values (2007)*

United States	$119,600
Missouri	$89,000
Clay County	$104,900
Kearney	**$139,338**

*Kearney data is from 2005.

Source: U.S. Census; Kearney Area Development Council.

D. Education

In 2000, approximately 92% of people over the age of 25 in the City of Kearney had attained a high school degree (or the equivalent). Over half of the City's residents had attended at least some college classes and 24.2% had a bachelor's degree or higher. These statistics demonstrate the high level of education of Kearney's residents as compared to regional and national statistics.

Table 2: Percentage of Population with High School and Post-Secondary Degrees (2007)*

	% w/ H.S. Degree	% w/ Bachelor's or Higher
United States	80.4%	24.4%
Missouri	81.3%	21.6%
Clay County	88.7%	24.9%
Kearney	91.4%	**24.2%**

*Kearney data is from 2000.

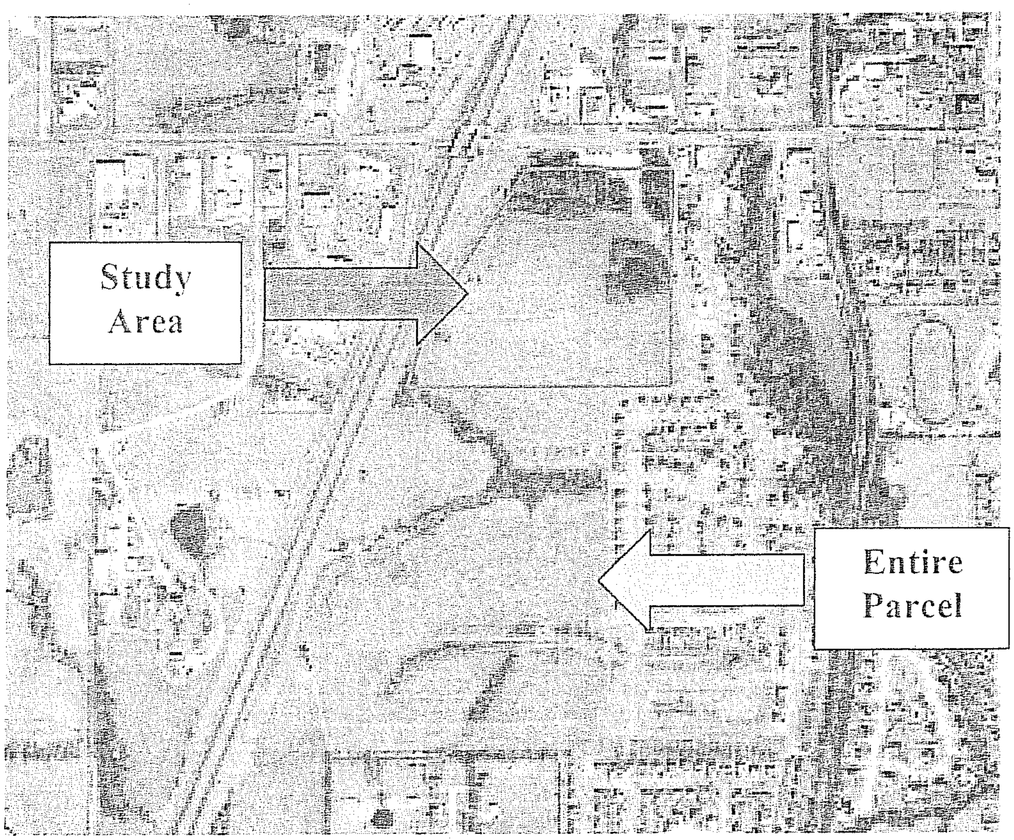
Source: U.S. Census data.

III. Property Data

A. Land Area

According to the Clay County Assessor's Office and the project's site plan prepared by Lutjen, the Study area is comprised of the northern 36.71 ± acres of an 84.5 ± acre parcel.

Figure 3: Study Area and Entire Parcel



B. Legal Description

A tract of land in the Northwest Quarter and the Northeast Quarter, both in Section 34, Township 53 North, Range 31 West of the 5th Principal Meridian, in Kearney, Clay County, Missouri, being bounded and described as follows: Commencing at the Northwest corner of the Northeast Quarter of said Section 34; thence South 00°15'49" East, along the West line of said Northeast Quarter, 74.98 feet to a point on the Southerly right-of-way line of Missouri Highway 92, as now established, said point being the Point of Beginning of the tract of land to be herein described; thence North 89°29'34" East, along said right-of-way line, 426.12 feet; thence South 00°30'26" East, continuing along said right-of-way line, 15.00 feet; thence North 89°29'34" East, continuing along said right-of-way line, 47.21 feet to a point on the Westerly line of Somerset Plaza, a subdivision of land in said Clay County; thence South 26°54'48" East, along said Westerly line, 59.75 feet; thence South 27°03'20" East, continuing along said Westerly line, 38.61 feet; thence South 01°50'44" East, continuing along said Westerly line, 142.10 feet; thence

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South 06°53'12" West, continuing along said Westerly line, 69.66 feet to the Northwest corner of Lot 1, Shadowbrook – First Plat, a subdivision in said Clay County; thence South 01°59'38" West, along the Westerly line of said Shadowbrook – First Plat, 198.43 feet; thence South 16°08'28" East, continuing along said Westerly line, 340.00 feet; thence South 05°08'28" East, continuing along said Westerly line, 138.00 feet; thence South 00°08'28" East, 300.00 feet; thence South 89°51'32" West, continuing along said Westerly line and its Westerly pronlongation, 1,636.37 feet to a point on the Easterly right-of-way line of Interstate 35, as now established; thence North 22°34'34" East, along said right-of-way line, 614.06 feet; thence North 34°49'31" East, continuing along said right-of-way line, 777.70 feet; thence North 64°58'55" East, continuing along said right-of-way line, 162.91 feet to a point on the Southerly right-of way line of said Missouri Highway 92, thence North 89°29'34" East, along said right-of-way line, 193.88 feet to the Point of Beginning. Containing 1,598,887 square feet or 36.71 acres, more or less.

C. Ownership

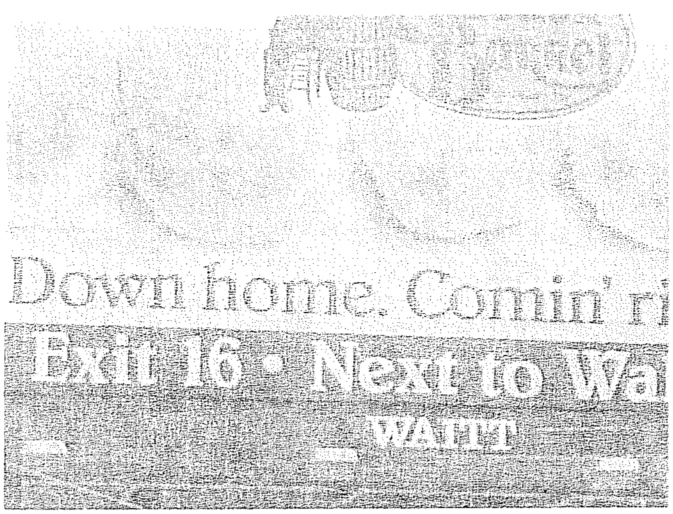
According to the records at the Clay County Assessor's Office, the land comprising the Study Area is owned by:

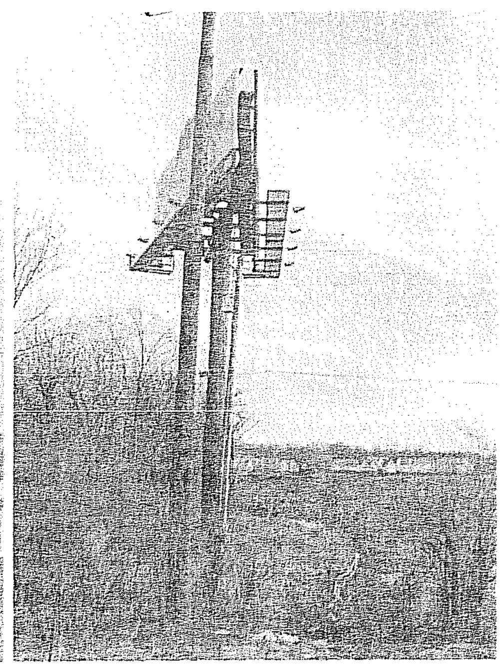
Table 3: Parcel Ownership

Tax ID #	
07-804-00-01-013.00	Gary W. Shanks

Additionally, there are two large billboards along the western boundary of the Study Area adjacent to Interstate 35 that are subject to long-term leases to a third party. (See Figure 4 below)

Figure 4: Photos of Billboards in Study Area

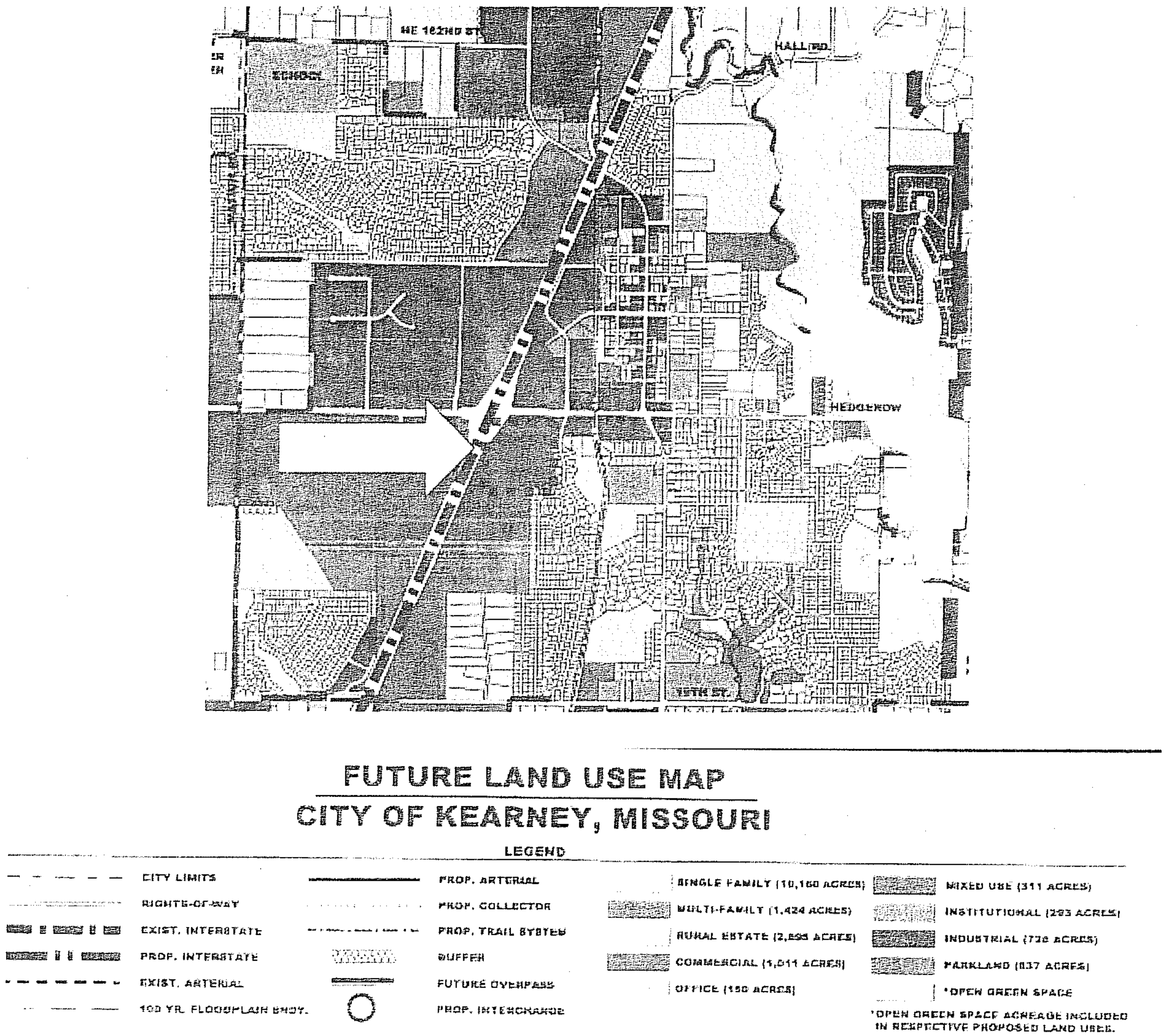




D. Zoning and Master Plan

The Study Area is currently zoned commercial and is identified on the Future Land Use Map of the City as commercial, as shown below.

Figure 5: Portion of Kearney Future Land Use Map



E. Access

The Study Area currently has only one access point, which provides access from Highway 92 near the middle of the Study Area's northern property line. The access point connects to a deteriorating parking lot, half of which is paved and half of which is gravel, rented to persons selling vehicles and other equipment, such as RVs, lawn mowers, boats, motorcycles, and cars. The rest of the property is cut off from the sole access point, as no paved roads exist on the rest of the Study Area.

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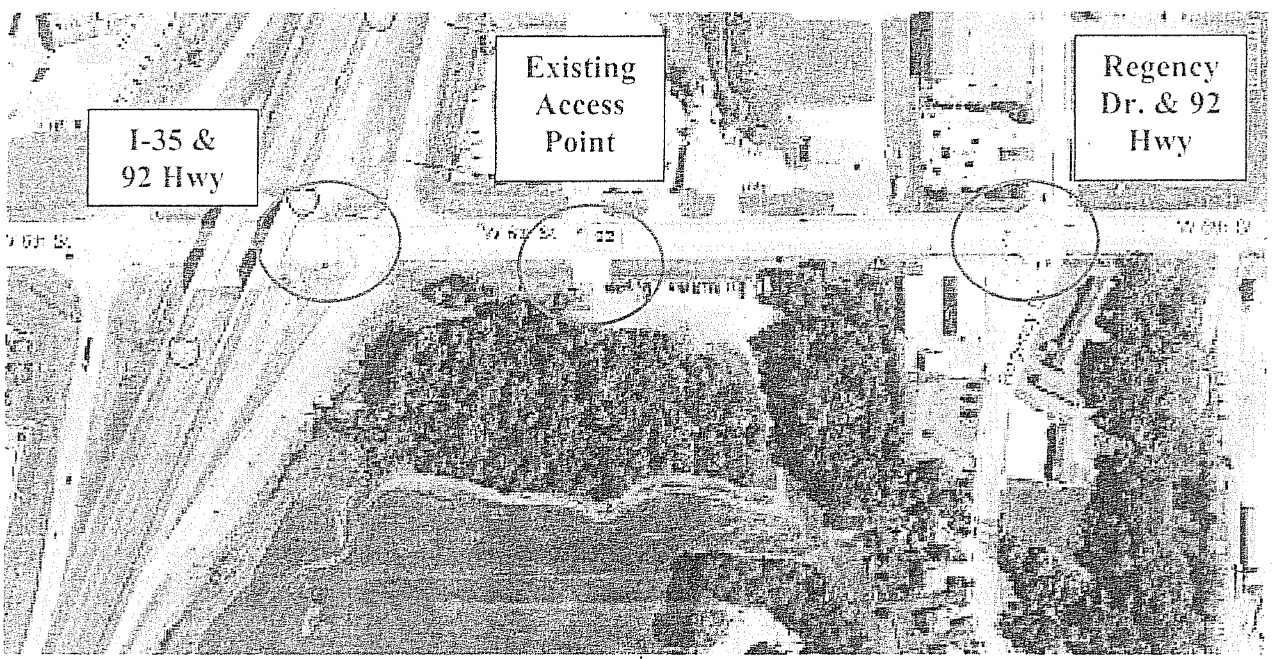
Any future development of the Study Area would require design and construction of internal roads and sufficient access to the Study Area. Because of the relatively close proximity of the current access point to the Interstate 35 / Highway 92 interchange, the current access point would not likely be a candidate for signalization, and would likely be limited to right / right out access. Thus, a development of any significant size would most likely require an additional access point sufficient to accommodate the development's visitors.

Because Regency Drive intersects Highway 92 just to the east of the northeast corner of the Study Area and is controlled by a traffic signal, it would likely be the only other potential controlled access point for a major development within the Study Area. However, Regency Drive can not be connected to the Study Area without removing one or more commercial buildings or homes adjacent to the Study Area's eastern boundary. This could pose an expensive and formidable obstacle for commercial development of the Study Area. Moreover, increased traffic volumes generated by development of the Study Area may necessitate widening of Regency Drive just south of Highway 92, requiring additional potentially costly right-of-way acquisition from the gas station and/or car wash on either side of Regency Drive.

Figure 6: Study Area Access Point & Adjacent Intersection



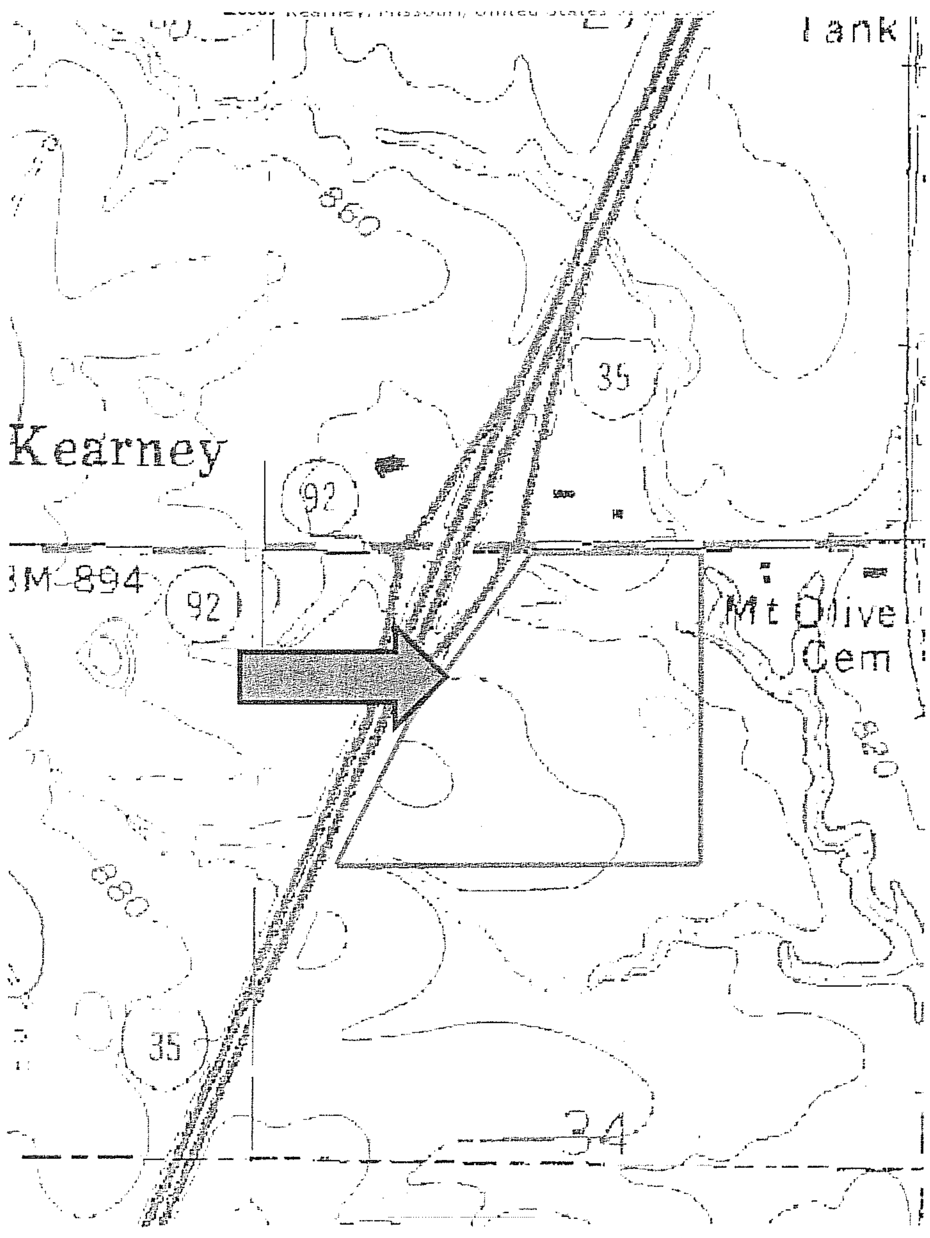
F. Soils

A professional soil analysis has not been conducted for the Study Area. Thus, while it does not appear that there is a preponderance of rock on the site, this cannot be known with certainty at this time.

G. Topography

The Study Area is relatively flat with a gradual slope toward the creek that runs across the northern part of the Study Area and through the adjacent residential development. Any development will have to consider and address runoff created by the constructed impervious surfaces and its effect on erosion in the stream where the waterway turns south in the adjacent residential development. Any development may also have to comply with any U.S. Army Corps of Engineers' requirements, incur related development expenses, and face associated restrictions relating to the creek and any other jurisdictional waters of the United States.

Figure 7: Topographical Map of Study Area



Source: U.S. Geological Survey (available at www.terraserver-usa.com)

H. Infrastructure

The Study Area does not have any utilities at the present time. However, sanitary sewer, water, and electrical services are available for extension. The combined cost of addressing stormwater management issues and extending all necessary utilities could impose a formidable financial hurdle for any potential developer of the Study Area. For example, the Redevelopment Plan for the Study Area estimates that all such costs could exceed $2,500,000, as shown below.

Table 4: Estimated Cost of Utility Work in Study Area

Utility relocations (92 Highway & I-35)	$302,000.00
Sanitary Sewers	$250,000.00
Water	$274,500.00
Storm Sewer	$1,170,500.00
Detention Allowance	$629,750.00
TOTAL:	**$2,626,750.00**

I. Real Estate Taxes

The values and the real estate taxes generated by the Study Area in 2008 are summarized below:

Table 5: 2008 Real Estate Taxes for Study Area

Tax ID #	2008 Assessed Value*	2009 Assessed Value**	2008 Real Estate Taxes*
07-804-00-01-013.00 (partial)	$300,942	$161,574	$25,515

*The Study Area comprises the northern 36.71 acres of the 84.5 tax parcel. The 2008 assessed value and taxes are estimated based on the Study Area's proportionate share of the assessed value and taxes for the tax parcel. Specifically, it is assumed that the Study Area's portion of the tax parcel's assessed value for 2008 ($302,530) includes all of the commercial assessment (5.9 acres/$300,032) plus 36.46% (30.81 acres / 78.6 acres) of the agricultural assessment ($2,496) or $910.

**The Study Area's estimated 2009 assessed value is calculated in the same way as the 2008 assessed value using the tax parcel's 2009 assessed value ($164,370, consisting of $159,970 for commercial land and $4,400 for agricultural land).

It is reasonable to assume that, if the Study Area were developed to its highest and best use, significantly higher tax revenues would be generated.

J. Adjacent Development

Table 6: Development Adjacent to Study Area

South	Vacant.
West	Interstate 35.
North	Highway 92. (On the other side of the highway is a commercial development including a gas station and McDonald's.)
Northeast	Commercial development, including a gas station and convenience store, car wash, and office building.
East	Single-family residential development.

See Figures 8 and 9 below.

Figure 8: Commercial Development North of Study Area

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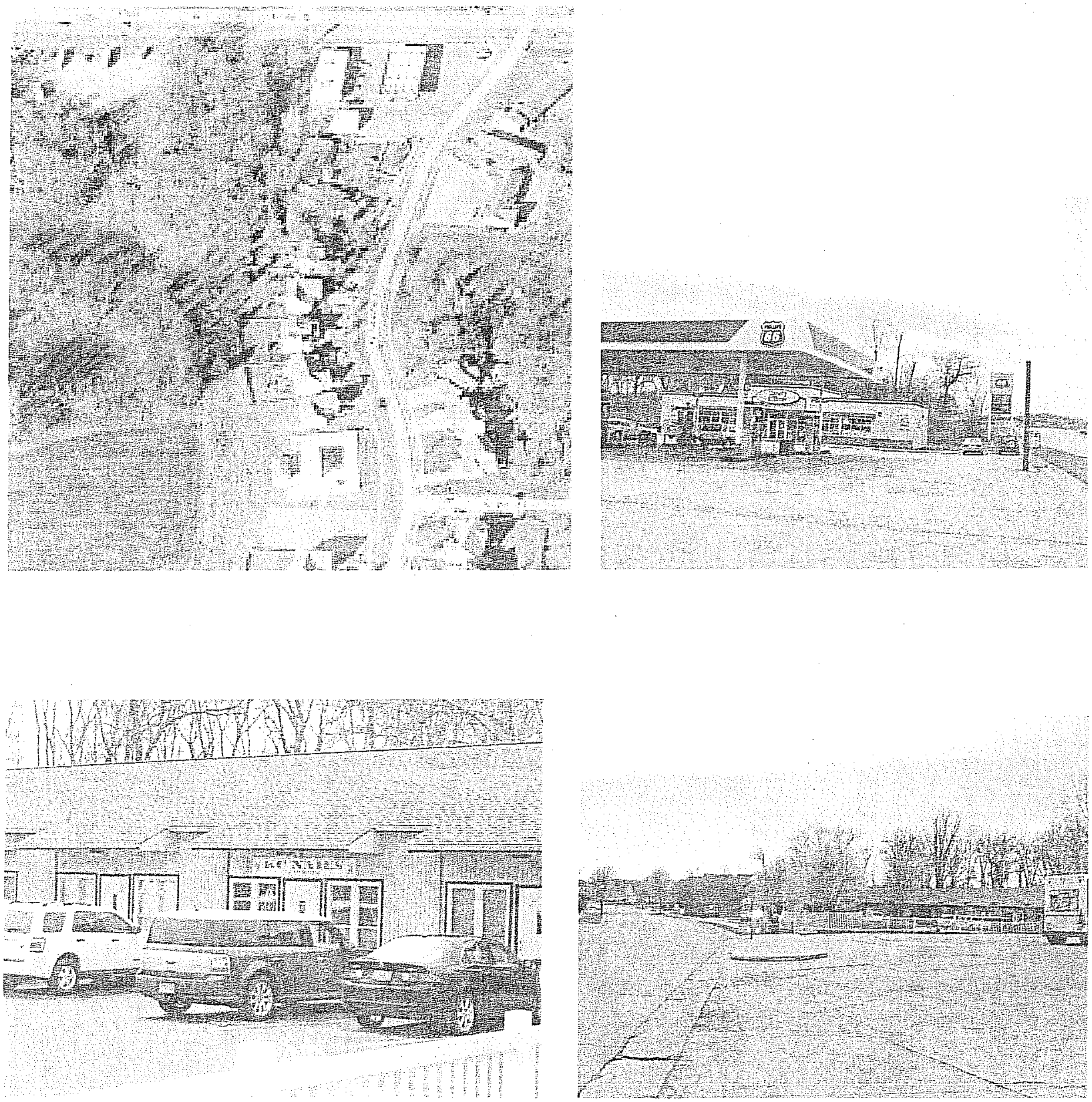
Figure 9: Commercial Development Northeast of Study Area and Residential Development East of Study Area



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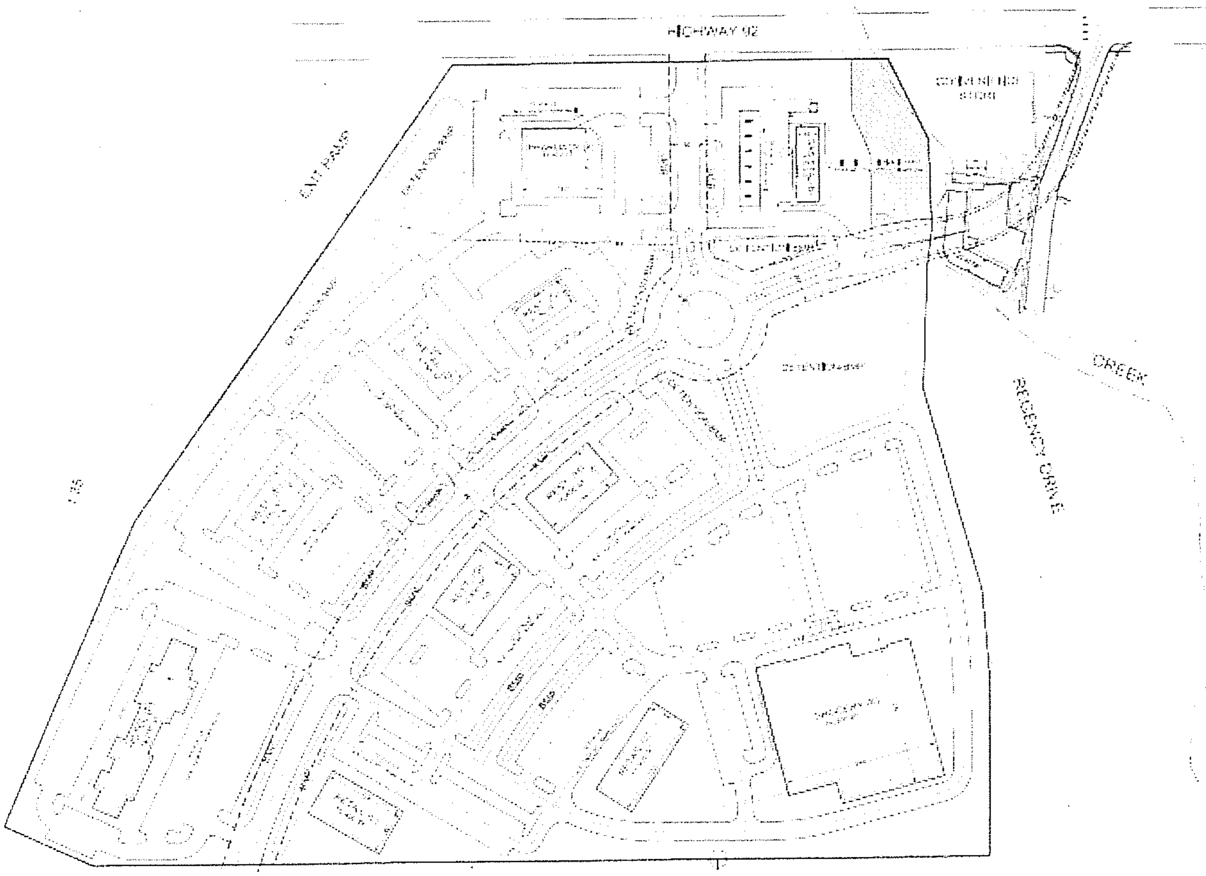
K. Site Plan for Proposed Development

The site plan included with the Redevelopment Plan filed with the City for the Study Area includes a total of eleven commercial buildings, including a grocery store, pharmacy, gas station, and multiple restaurants and retail establishments, as shown below.

Figure 10: Site Plan Submitted with Redevelopment Plan



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IV. Blight Analysis

Section 99.805(1) of the Missouri Revised Statutes defines a "Blighted Area" as "an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use."

Component A: Defective or Inadequate Street Layout

The Study Area suffers from an inadequate street layout, both in terms of providing access to the Study Area and movement within the site.

As discussed above, the entire 36.71-acre Study Area is devoid of a single paved road. Moreover, the only access point is located off Highway 92 too close to the Interstate 35 interchange for a traffic signal. For that reason, any development of the Study Area would likely necessitate limiting the existing access to right in / right out to avoid congestion and dangerous traffic patterns on Highway 92.

Commercial development of the Study Area would therefore require an additional access point that could safely and efficiently accommodate higher numbers of visitors to the site. Because Highway 92 and Regency Drive already form a signalized intersection just to the east of the northeastern corner of the Study Area, an additional access point would most likely have to utilize Regency Drive. With commercial and residential buildings currently lining the eastern boundary of the Study Area, an additional access point to the Study Area would require the removal of one or more of the current commercial buildings or single-family homes. This could add significant development costs, both in terms of additional property acquisition and the cost of constructing a roadway from the Study Area to Regency Drive. Property acquisition could be especially costly and time consuming if eminent domain is required.

Moreover, increased traffic volumes generated by development of the Study Area may necessitate widening of Regency Drive just south of Highway 92, requiring additional potentially costly right of way acquisition from the gas station and/or car wash on either side of Regency Drive. Safe entry at the existing access point to the Study Area will also likely require construction of acceleration and deceleration lanes on Highway 92 to ensure safe and efficient entry and exit to the Study Area.

Overall, due to the lack of on-site road infrastructure, the necessity of a costly second access point, and the need to improve Highway 92 to make the Study Area's current access point safe, the Study Area demonstrates a defective and inadequate street layout and supports a finding of blight.

Component B: Unsanitary or Unsafe Conditions

The Study Area is plagued with drainage and environmental challenges, trash and debris, and dangerous access issues that together create unsanitary and unsafe conditions. Because of the relatively flat topography of the site, as discussed above, the Study Area suffers from drainage problems in certain areas that leave pools of standing water. This could lead to safety concerns for the neighboring residential development, as described by the U.S. Environmental Protection Agency in the attached Appendix.

Any development of the Study Area could generate increased runoff into the creek crossing the northern portion of the Study Area, leading to bank erosion as the creek turns south in the residential neighborhood adjacent to the Study Area's eastern boundary. Such conditions could create unsafe conditions for humans and property in the residential development. Moreover, the development plan for the Study Area must address these water management concerns for the creek and any other "waters of the United States" to the satisfaction of any U.S. Army Corps of Engineers requirements.

Trash and debris litter the creek bed and banks, the parking lot area, and other parts of the Study Area.

As for the existing access to the Study Area from Highway 92, any development of the Study Area would require the addition of deceleration and acceleration lanes to avoid time consuming congestion and dangerous traffic patterns.

Together, the Study Area's drainage problems, the storm water management issues that any development plan would have to tackle – including costly bank protection and Corps requirements for jurisdictional waters – and the dangerous nature of the site's current access under increased user demand pose unsanitary and unsafe conditions and support a finding of blight.

See Figures 11 – 14 below.

Figure 11: Pools of Standing Water

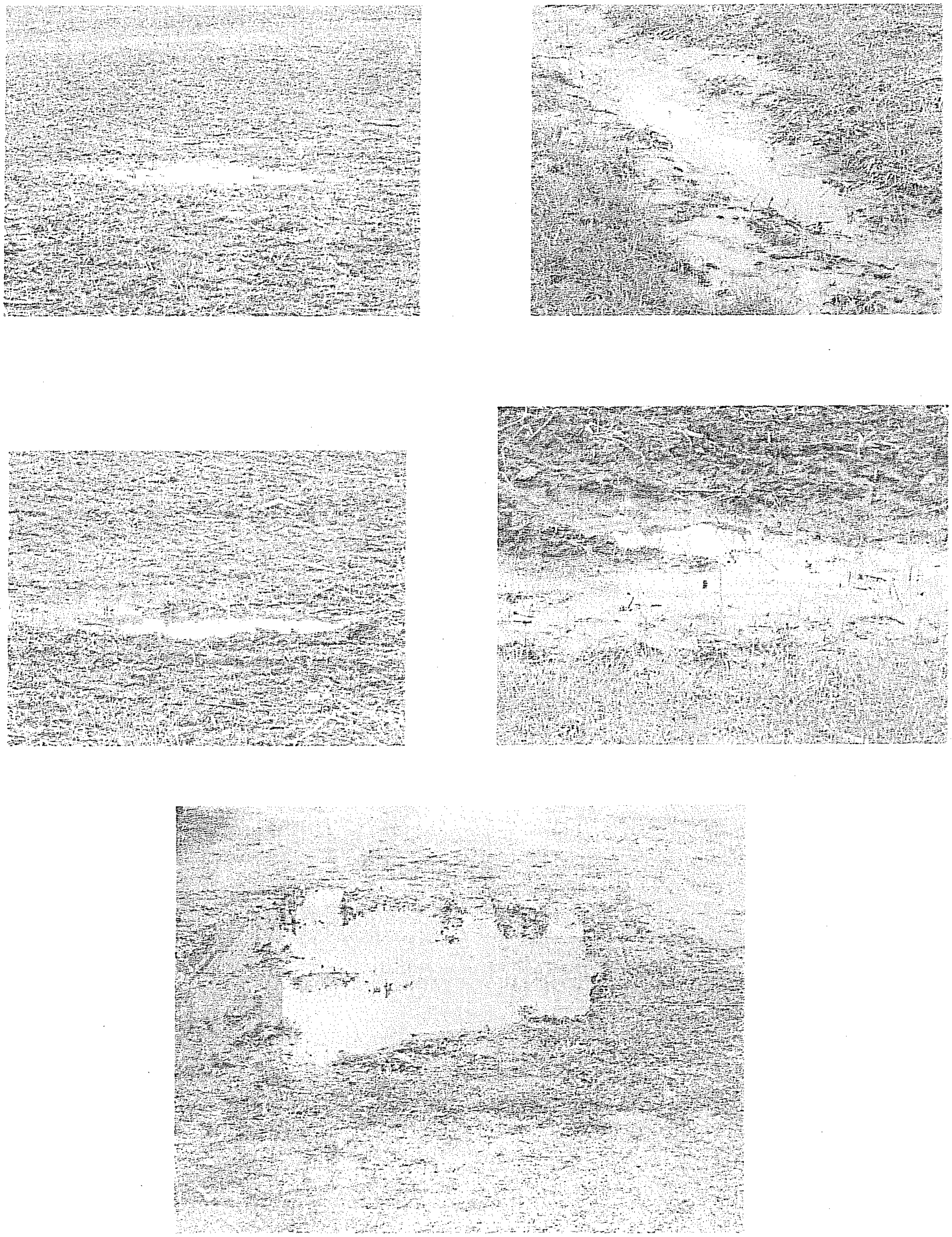

Figure 12: Trash and Debris Littering the Study Area

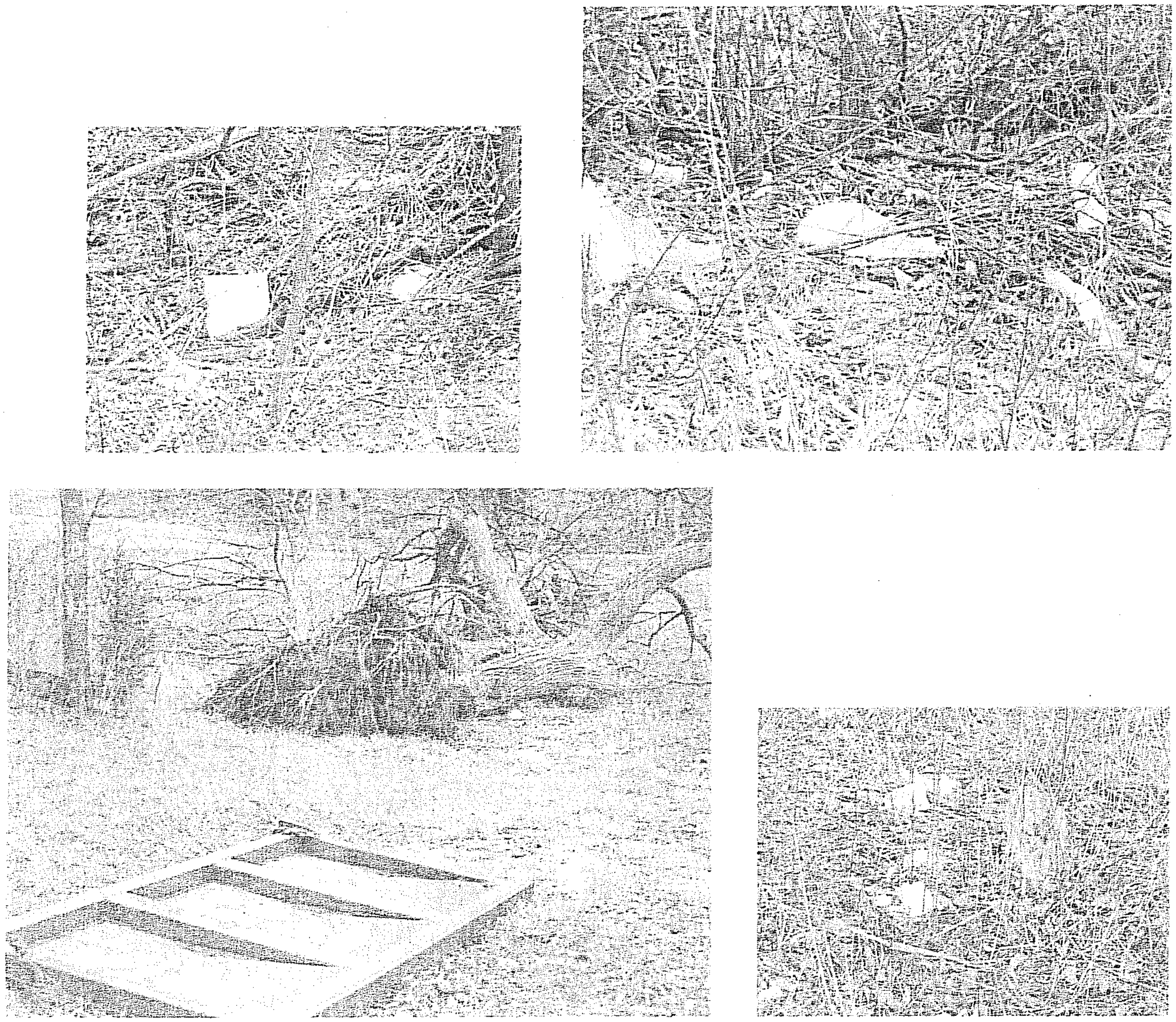

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Figure 13: Creek Running Across Study Area & Along Adjacent Residential Development

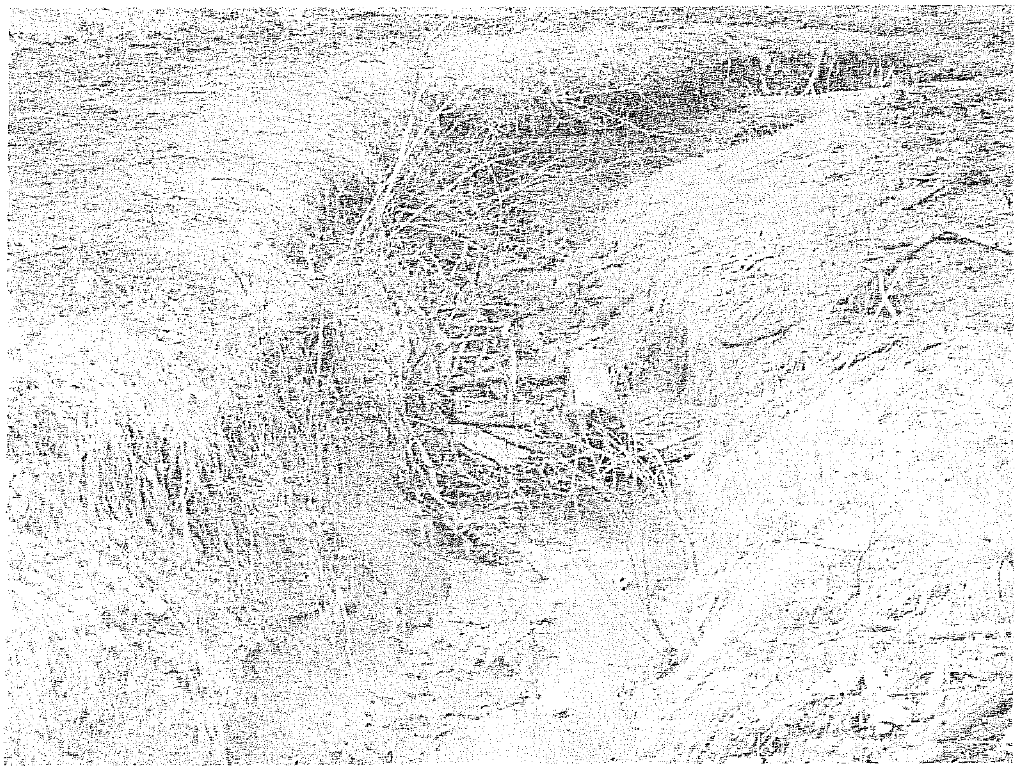
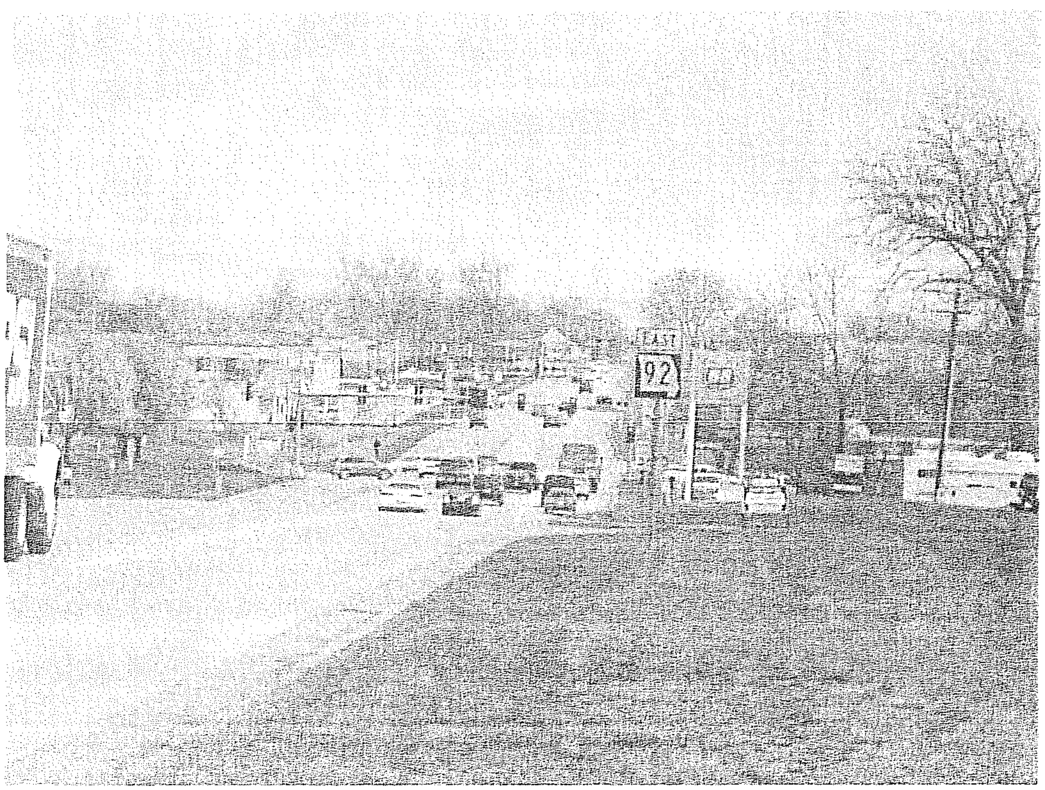


Figure 14: Study Area Access from Highway 92 – No Acceleration / Deceleration Lane



Component C: Deterioration of Site Improvements

The Study Area exhibits deterioration of site improvements.

As vehicles exit Interstate 35 and pass by the Study Area on Highway 92, or when vehicles pass by the Study Area on Highway 92 from the east, the only vantage point of the Study Area is a deteriorated and irregularly shaped partly paved, partly gravel parking lot. The parking lot lacks curbs and gutters and the gravel portion has irregular boundaries defined by mud and patches of grass and weeds. Space in the lot is rented to persons wishing to sell vehicles and other equipment, including RVs, boats, lawn mowers, motorcycles, trucks, and other vehicles. At some points, the parked vehicles are as close as twenty feet from Highway 92 traffic.

As one of the Study Area's only improvements (in addition to the billboards along the western property line and the single family home used for commercial purposes located near the current access point), this deteriorated and disorderly lot does not act as an attractive gateway to the City of Kearney.

Due to the minimal site improvements and the deteriorated nature of the most visible improved portion of the Study Area, the Study Area suffers from deterioration of site improvements and supports a finding of blight.

Figure 15: View of Study Area Improvement at Highway 92 Access Point

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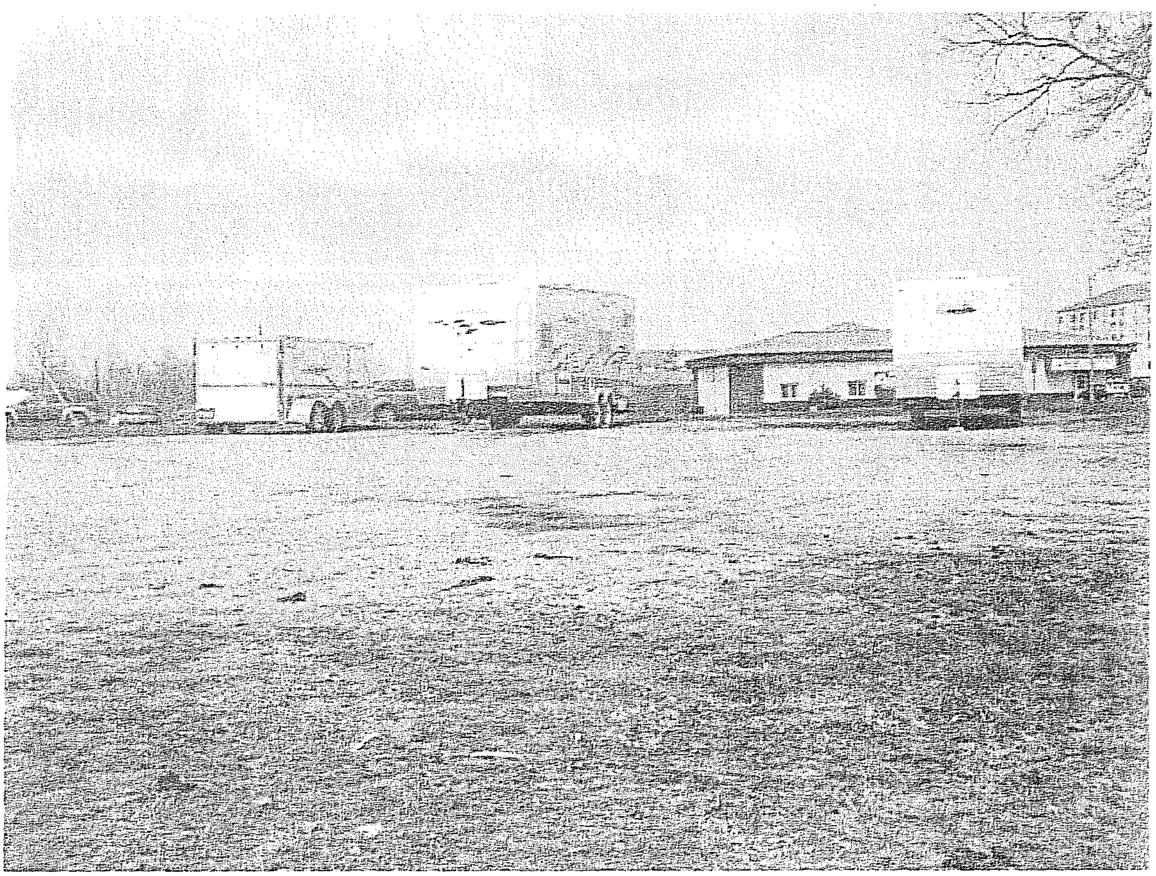

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Component D: Improper Subdivision or Obsolete Platting

The Study Area is burdened by improper subdivision.

Because commercial development of the Study Area would require an access point from Regency Drive, as discussed above, the current commercial and residential development along the entire eastern boundary of the Study Area poses a significant barrier to development. Any commercial development of the Study Area would likely be forced to acquire and remove one or more residential or commercial buildings between Regency Drive and the Study Area in order to provide the Study Area with necessary access. The additional cost to any developer, let alone the additional time and resources needed if eminent domain was required, could be formidable and even prohibitive.

The lack of open land between the Study Area and Regency Drive represents improper subdivision of property interests and supports a finding of blight.

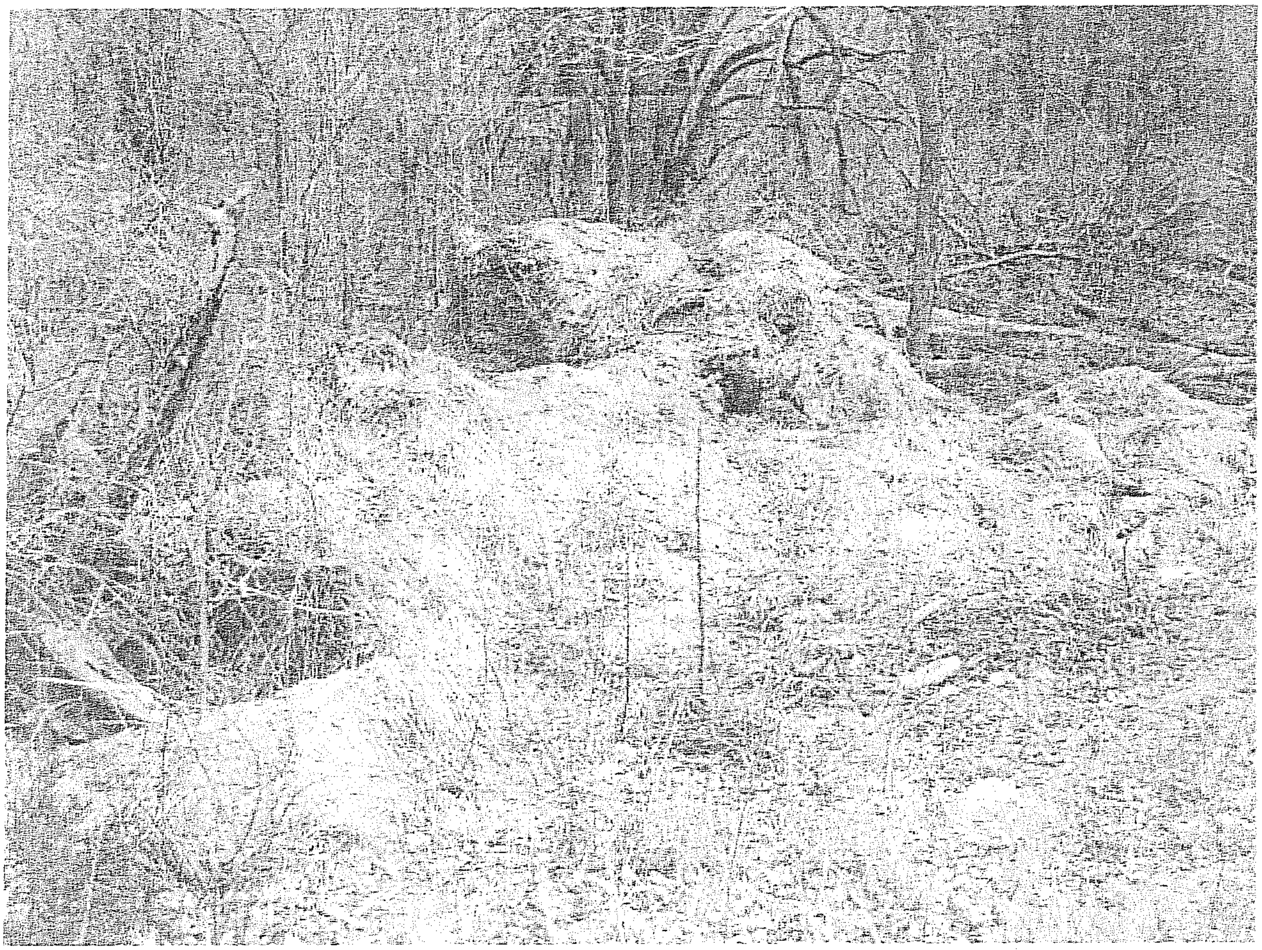
Component E: Existence of Conditions which Endanger Life or Property by Fire and Other Causes

The Study Area suffers from conditions that endanger life and property.

As discussed above, the potential creek bank erosion caused by development of the Study Area, in the absence of improvements to the creek, could endanger adjacent property over time. In addition, significant amounts of hay have been strewn across parts of the Study Area, as shown below. Hay covering areas with trees and fallen limbs and leaves could pose significant fire hazards to the Study Area and the adjacent businesses and homes. Finally, the inadequacy of the existing access point on Highway 92, including its lack of acceleration and deceleration lanes, could pose life endangerment risks in the event of a higher visitor count following development of the Study Area. Together, these factors evidence the existence of conditions that endanger life and property and support a finding of blight.

See Figure 16 below.

Figure 16: Fire Hazard – Bales of Hay Strewn Amidst Fallen Limbs, Brush, and Trees



Conclusion

The above analysis indicates that all five of the defined conditions of blight – a clear predominance – are present in the Study Area. These components include:

- Defective or inadequate street layout
- Unsanitary or unsafe conditions
- Deterioration of site improvements
- Improper subdivision or obsolete platting
- Existence of conditions which endanger life or property by fire or other causes

As a result of a preponderance of the factors above, the Study Area constitutes an economic and social liability and a menace to the public health, safety, morals, or welfare in its present condition and use.

"The concept of urban redevelopment has gone far beyond 'slum clearance' and the concept of economic underutilization is a valid one." *Tierney v. Planned Industrial Expansion Authority of*

Kansas City, 742 S.W.2d 146, 151 (Mo. banc 1987). If vacant land "no longer meets the economic and social needs of modern city life and progress," the land can be considered blighted. *State ex. Rel Atkinson v. Planned Industrial Expansion Authority*, 517 S.W.2d 36 at 46 (Mo. banc 1975). Blight may also be found if the redevelopment of an area "could promote a higher level of economic activity, increased employment, and greater services to the public." *Tierney*, 742 S.W.2d at 151.

Currently, the Study Area only pays around $25,000 in real estate taxes. If the Redevelopment Plan submitted to the City was fully implemented, real estate taxes in the year following completion of the project could exceed an estimated $546,000. In addition, the Study Area could produce local sales tax revenues of more than $1,300,000 per year.

The disparity between the current taxes and the estimated future taxes clearly exhibits the underutilization of the Study Area. Because one-half of economic activity taxes in Missouri are collected by the taxing jurisdictions, those jurisdictions will receive an immediate benefit. It is evident from these figures that the Study Area "could promote a higher level of economic activity, increased employment, and greater services to the public" and thus would fall under the definition of a blighted area.

To achieve the Study Area's highest, best, and most productive use, and to transform the Study Area into an attractive and appealing gateway to the City, significant financial investment by a developer to remove the Study Area's blight will be required.

Due to the factors detailed in this report, as of April 2009, the Study Area is a "blighted area" according to the definition provided in Section 99.805(1) of the Missouri Revised Statutes.

Appendix

See Attached.

EPA 833-F-05-003
Office of Water
August 2005

United States
Environmental Protection
Agency

Stormwater Structures & Mosquitoes

What's the Issue?

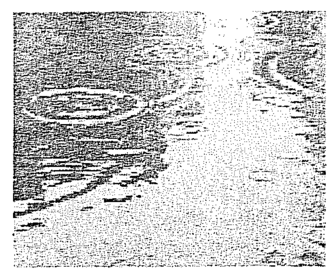
Stormwater structures that temporarily or permanently retain runoff are receiving increasing attention as potential mosquito breeding areas. Mosquito-borne diseases such as West Nile virus, St. Louis encephalitis, and eastern and western equine encephalitis are human health concerns. Measures that lower mosquito production in stormwater structures are needed to protect public health.

What is Stormwater?

Stormwater is the rain or snowmelt that does not initially infiltrate into the ground and runs off of surfaces and is transported into nearby waterways.

If designed properly, stormwater structures should not promote mosquito breeding. Ensuring that these structures are properly designed and maintained is the key to limiting mosquito production.

How is Stormwater Managed?



Historically, stormwater controls were designed to quickly collect, store, and transport runoff away from developed areas into nearby streams to prevent flooding. However, it is now recognized that these systems alone are often not the ideal solution because they impact streams by increasing the volume and velocity of water and amount of pollutants.

Today stormwater management promotes a variety of practices and controls that help to infiltrate runoff and minimize contact of runoff with pollutants. For example, infiltration practices (which can be cheaper and easier to maintain than traditional stormwater practices) involve using vegetated areas like swales and rain gardens (a.k.a. bioretention cells) to slow the velocity of water and allow for percolation into the ground. When properly designed and maintained, stormwater management practices are not conducive as habitat for mosquito breeding.

Facts About Mosquitoes

- There are over 2500 mosquito species worldwide, about 200 of which are found in the United States.
- Only female mosquitoes transmit diseases since they need the protein from blood to breed.
- The primary breeding habitat for mosquitoes is stagnant or shallow pools of water (generally less than 3 feet in depth) that exist for at least 7 days and/or aquatic sites with dense floating vegetation regardless of the water depth.
- Depending upon species, the adult mosquitoes may live from 1 week up to 3 months maximum.
- Mosquito predators include birds, fish, dragonflies, spiders, and a wide variety of aquatic insects.

What Should Local Authorities Do?

Stormwater managers should incorporate design, construction, management, and maintenance features into stormwater structures to minimize mosquito production (and therefore decrease or eliminate the need for insecticides) without compromising water quality functions.

Local authorities should properly inspect and maintain stormwater structures to ensure their continued effectiveness, reduce the need for costly pesticide applications, and prevent large outbreaks of mosquitoes.

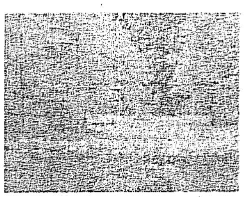
However, it might still be necessary for state, county, or local governments to apply a limited amount of insecticides to control mosquitoes. Mosquito control officials use EPA-registered products that do not pose unreasonable risks to human health, wildlife, or the environment. Monitoring efforts that involve field inspections by mosquito control personnel determine when and where insecticide applications are needed. However, as with all pesticide use, the use of insecticides in stormwater structures should be minimized. Stormwater managers should work closely with mosquito control officials to help achieve this goal.

Basins

There are two main types of basins used to manage stormwater – dry detention and wet retention basins. Dry detention basins are designed to hold water during storm events and then release the water within 3 days. Because these systems are designed to hold water for only short periods of time, they are not suitable habitat for mosquitoes. The aquatic stages of many mosquito species require 7-10 days in calm, standing water.

Wet retention basins are designed to hold permanent pools of water. These systems are usually between 3 and 8 feet in depth. Most mosquitoes only breed in shallow standing water (i.e. less than 3 feet, or deeply vegetated waters) so mosquito breeding should not occur.

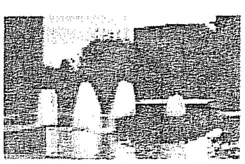
There are several maintenance considerations associated with basins to make these sites unsuitable as mosquito habitats. Debris and sediment must be removed from inlets, outlets and the bottom of the pond; eroded areas must be repaired, bare ground must be seeded to prevent soil loss, and plants must be harvested as needed.



Created Wetlands

Wetlands are vegetated areas designed to contain shallow, slow moving water. While these two characteristics are typically preferred by mosquitoes, healthy wetlands can actually prevent mosquito outbreaks. Mosquito breeding can be minimized through site design and management considerations that include mosquito predators such as fish and several types of aquatic insects.

Wetlands must be inspected for invasive plants, which must be removed, signs of erosion should be recognized and repaired, and inlets and outlets should be checked and accumulated debris or sediment should be removed.



Fountains

Fountains typically found near large buildings retain and slowly release stormwater. These structures range in depth. Aerators can be added to these fountains to agitate the water thereby deterring mosquitoes since they prefer standing water. Aerators should be checked regularly to ensure that they are working properly.

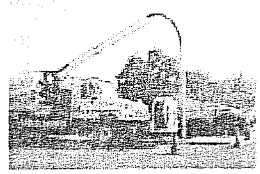
Contacts/Resources

Stormwater

EPA's NPDES Stormwater Program http://www.epa.gov/npdes/stormwater
Stormwater Manager's Resource Center http://www.stormwatercenter.net

Mosquitoes/Pesticides/Mosquito-borne Diseases

EPA's Website on Pesticides http://www.epa.gov/pesticides/
The American Mosquito Control Association http://www.mosquito.org
Centers for Disease Control and Prevention http://www.cdc.gov



Storm Sewer Systems

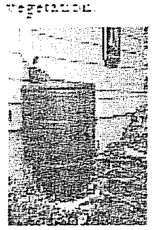
Storm sewer systems include structures like catch basins. By design, catch basins, which are sumps located directly under storm drains, hold standing water. These structures require maintenance to ensure that debris does not accumulate in the storm drain grate or the storage area allowing mosquito breeding. Sometimes the only practical means of mosquito control involves the use of insecticides to kill the larvae.

Catch basins must be cleaned throughout the year to remove accumulated sediment. Screens and other devices used to remove debris must be checked regularly to ensure that they are working properly.

Rain Gardens

Rain gardens, also known as bioretention cells, are vegetated areas designed to retain and infiltrate stormwater. These areas are designed to not have standing water for more than a day or so except during very large storm events. Therefore when properly designed and maintained, rain gardens should not sustain mosquito populations.

These areas have some maintenance requirements to ensure their continued effectiveness. Accumulated litter and debris must be removed regularly; areas must be remulched as necessary, grassed areas must be mowed; areas showing signs of soil erosion must be repaired, and dead and diseased vegetation must be removed and replaced with healthy vegetation.



Rain Barrels/Cisterns

Rain barrels and cisterns allow homeowners to disconnect downspouts and direct runoff into a storage tank. These barrels decrease the volume of runoff and allow the owner to reuse the water for irrigation. Several precautions should be followed to prevent mosquito breeding, such as keeping barrels tightly closed, using debris screens to filter the water entering the barrel, and using the collected water within several days.

Commonly Overlooked Breeding Areas: Residential Backyards

Homeowners should check their property to eliminate mosquito breeding. Water can collect in unused flower pots, buckets, cups, old tires, etc. and may provide the perfect habitat for mosquitoes. What can homeowners do to deter mosquito breeding?

- Pick up trash, such as paper cups, which may have collected in the yard.
- Clear clogged rain gutters.
- Cover containers, tires, wading pools, and all other items which can hold standing water for extended periods of time.
- Change the water in bird baths and pet dishes regularly.

EXHIBIT 6

DEBT SERVICE SCHEDULE / PAY-AS-YOU-GO AMORTIZATION TABLE

See Attached.

Shoppes at Kearney
Tax Increment Financing Plan

Pay-As-You-Go Amortization Schedule

ASSUMING PROJECTED REVENUE AT 100%					
YEAR	DEVELOPER REIMBURSABLE COST INCURRED	BALANCE BEFORE PAYMENT	PAYMENT FROM TIF and CID REVENUE*	YEAR END BALANCE	SURPLUS
1	$ 13,003,186	$ 13,913,409	112,397	$ 13,801,011	$ -
2	$ 825,387	15,592,469	730,752	14,861,716	-
3		15,902,036	884,300	15,017,736	-
4		16,068,978	1,061,250	15,007,727	-
5		16,058,268	1,319,487	14,738,781	-
6		15,770,496	1,514,006	14,256,490	-
7		15,254,444	1,541,769	13,712,676	-
8		14,672,563	1,575,453	13,097,110	-
9		14,013,908	1,604,279	12,409,629	-
10		13,278,303	1,639,155	11,639,149	-
11		12,453,889	1,669,086	10,784,803	-
12		11,539,740	1,705,198	9,834,541	-
13		10,522,959	1,736,278	8,786,681	-
14		9,401,748	1,773,674	7,628,074	-
15		8,162,039	1,805,948	6,356,091	-
16		6,801,018	1,844,676	4,956,342	-
17		5,303,286	1,878,190	3,425,096	-
18		3,664,853	1,918,299	1,746,553	-
19		1,868,812	1,953,104	(84,292)	84,292
20		-	2,013,477	(2,013,477)	2,013,477
21		-	2,049,622	(2,049,622)	2,049,622
22		-	2,092,653	(2,092,653)	2,092,653
23		-	2,130,191	(2,130,191)	2,130,191
TOTAL:	$ 13,828,572				

INTEREST RATE	7.0%

*ASSUMES DEDICATION OF FOLLOWING % OF NON-CAPTURED CID TO COMMUNITY CENTER 100.0%
*ASSUMES ANNUAL PAYMENTS TO SCHOOL DISTRICT SPECIFIED IN TIF PLAN

EXHIBIT 7

EVIDENCE OF COMMITMENT TO FINANCE

See attached.

BANKLIBERTY
THE POWER OF FREEDOM
Main Office • 16 West Franklin • Liberty, Missouri 64068 • 816.781.4822 • banklibertykc.com

15 October 2009

Mr. Curtis J Petersen
Polsinelli Shughart PC
700 West 47th Street, Suite 1000
Kansas City, Missouri 64112

Dear Mr. Petersen:

Star Development Corporation has a longstanding relationship with BankLiberty and this Loan Officer, which has included financing for numerous substantial projects spanning roughly the past ten years.

We are familiar with Tax Increment Financing and Community Improvement District financing, and have provided loans to projects relying on such financing before. We are also familiar with the general site plan and budget requirements for the project to be located at the SE corner of Interstate 35 and Missouri State Highway 92.

The Bank would be willing to finance this project, subject to the usual caveats, underwriting, Loan Committee and Board approval. Should there be any questions or need for additional information, please do not hesitate to contact me at 816-447-3471.

Respectfully,

Robert Parks

Robert Parks
Market President

<u>EXHIBIT 8</u>

RELOCATION PLAN

The City Council of the City of Kearney, Missouri adopts this Relocation Plan as an incident to the Shoppes at Kearney Tax Increment Financing Plan (the "Plan") as required under Section 523.205 of the Revised Statutes of Missouri. Capitalized terms not otherwise defined in this Relocation Plan shall have the meaning set forth in the Plan.

I. **Definitions.**

The following terms shall have the meanings set forth below for purposes of this Relocation Plan.

A. **Business.** Any lawful activity that is conducted: (a) primarily for the purchase, sale or use of personal or real property or for the manufacture, processing or marketing of products or commodities; or (b) primarily for the sale of services to the public.

B. **City.** The City of Kearney, Missouri.

C. **Decent, Safe and Sanitary Dwelling.** A dwelling which meets applicable housing and occupancy codes. The dwelling shall:

1. Be structurally sound, weathertight and in good repair;
2. Contain a safe electrical wiring system;
3. Contain an adequate heating system;
4. Be adequate in size with respect to the number of rooms needed to accommodate the Displaced Person; and
5. For a Handicapped Displaced Person, be free of any barriers which would preclude reasonable ingress, egress or use of the dwelling.

D. **Displaced Person.** Any Person that moves from real property which is within the Redevelopment Area or moves such Person's personal property from real property which is within the Redevelopment Area permanently and voluntarily as a direct result of 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.

E. **Eligible Displaced Person.** Any Displaced Person who occupied the real property to be acquired for not less than ninety (90) days prior to the Initiation of Negotiations and who is required to vacate such real property.

F. **Handicapped Displaced Person.** Any Displaced Person who is deaf, legally blind or orthopedically disabled to the extent that acquisition of another residence presents a greater burden than other persons would encounter or to the extent that modifications to the replacement residence would be necessary.

G. **Initiation of Negotiations.** The delivery of the initial written offer of just compensation by the acquiring entity, to the owner of the real property, to purchase such real property for a Redevelopment Project, or the notice to the Person that he will be displaced by rehabilitation or demolition.

H. **Person.** Any individual, family, partnership, corporation or association.

I. **Referral Site Notice.** The written notice of referral sites to be provided to Displaced Persons by the Developer pursuant to Section 4 of this Relocation Plan.

J. **Relocation Payment.** The payment to be made by the Developer to an Eligible Displaced Person pursuant to Section 5 of this Relocation Plan.

II. **Eligibility.**

Any Displaced Person shall have the right to receive relocation assistance in accordance with the terms of this Relocation Plan. In no event shall relocation assistance be provided to any Person who purposely resides or locates such Person's Business in the Redevelopment Area solely for the purpose of obtaining relocation benefits.

III. **Notice.**

The Developer shall give to every Displaced Person a ninety (90) day written notice to vacate, prior to the date such Displaced Person is required to vacate its premises.

IV. **Referrals.**

The Developer shall provide residential Displaced Persons with three (3) Decent, Safe and Sanitary Dwelling referrals and shall provide each displaced Business with three (3) suitable referral sites. The Developer shall provide to each Handicapped Displaced Person ninety (90) days prior written notice of referral sites and shall provide to each other Displaced Person sixty (60) days prior written notice of referral sites, determined with reference to the date such Displaced Person is required to vacate its respective premises. The Developer shall make arrangements for transportation to inspect referral sites for Displaced Persons upon a written request for transportation made to the Developer in care of Polsinelli Shughart PC, 700 W. 47th St. Suite 1000, Kansas City, Missouri 64113, Attn: Curt Petersen, Esq. Contemporaneous with the provision of a Referral Site Notice, the Developer shall notify such Displaced Person in writing of the availability of Relocation Payments and assistance under this Relocation Plan.

V. **Relocation Payments.**

Each Eligible Displaced Person shall be entitled to the following Relocation Payment from the Developer:

A. **Residential Displaced Persons.** Each residential Eligible Displaced Person shall be provided with, at the option of such Eligible Displaced Person, either: (a) a Five Hundred Dollar ($500) fixed payment; or (b) actual reasonable costs of relocation, including actual moving costs, utility deposits, key deposits, storage of personal property up to one (1) month, utility transfer and connection fees and other initial rehousing deposits, including first and last month's rent and security deposit.

B. **Displaced Businesses.** Each Eligible Displaced Person operating a Business located in the Redevelopment Area shall be provided with, at the option of the Eligible Displaced Person, either: (a) a One Thousand Five Hundred Dollar ($1,500) fixed payment; or (b) actual costs of moving, including costs for packing, crating, disconnection, dismantling, reassembling and installing all personal equipment and costs for relettering similar signs and similar replacement stationery.

VI. **Special Needs.**

Any Displaced Person who believes that such Displaced Person has any special needs as the result of such Displaced Person's income, age, size of family, nature of business, availability of suitable replacement facilities and vacancy rates of affordable facilities may advise the Developer of such needs and such needs shall be given specific consideration with respect to the relocation benefits offered to such Displaced Person. To notify the Developer of such special needs, the Displaced Person having such needs must deliver written notice to the Developer in care of Polsinelli Shughart PC at 700 West 47th Street, Suite 1000, Kansas City, Missouri 64112, Attention: Curt Petersen. Such notice shall identify the special needs and the basis of the special need. The Developer reserves the right to require from any Displaced Person claiming special needs, reasonable evidence of the alleged facts upon which a claim for special needs is based (by way of example, copies of income tax returns if income is an issue).

VII. **Deadline for Claims and Payments.**

All claims for Relocation Payments shall be filed with the Developer within six (6) months after: (a) for tenants, the date of displacement; or (b) for owners, the date of displacement or the final payment for the acquisition of the real property, whichever is later. Payment for a satisfactory claim for Relocation Payments shall be made by the Developer within thirty (30) days following the Developer's receipt of sufficient documentation to support the claim.

VIII. **Advance Payment.**

If an Eligible Displaced Person demonstrates the need for an advance payment of the Relocation Payment in order to avoid or reduce a hardship, the Developer shall issue the Relocation Payment subject to such safeguards as the Developer may reasonably establish and are appropriate to ensure that the objective of the Relocation Payment is accomplished.

IX. **Waiver of Payment.**

An Eligible Displaced Person, who is also the owner of the applicable premises, may waive Relocation Payments as part of the negotiations for acquisition of the interest held by such Eligible Displaced Person. Such waiver shall be in writing, shall disclose the Eligible Displaced Person's knowledge of the provisions of this Relocation Plan and Section 523.205 of the Revised Statutes of Missouri and knowledge of entitlement to Relocation Payments under this Relocation Plan, and shall be filed with the City.

X. **Amendment.**

In the event that a court of competent jurisdiction determines that this Relocation Plan does not satisfy the minimum requirements of Section 523.205 of the Revised Statutes of Missouri, then this Relocation Plan shall be automatically and retroactively amended to the minimum extent necessary to bring this Relocation Plan in conformity with the minimum requirements of Section 523.205 of the Revised Statutes of Missouri.

EXHIBIT 9

DEVELOPER AFFIDAVIT

See Attached.

AFFIDAVIT

STATE OF Missouri)

) SS

COUNTY OF Clay)

COMES NOW, Tim Harris, and being first duly sworn, on his oath states:

1. I am over the age of eighteen (18) and competent to testify to the following matters of my own knowledge and belief and am duly authorized to testify on behalf of Star Acquisitions, LLC, a Missouri limited liability company.

2. I am an agent for, and a Manager of, Star Acquisitions, LLC, and am providing this Affidavit on behalf of Star Acquisitions, LLC.

3. Star Acquisitions, LLC is the proposed developer for the redevelopment project described in the Shoppes at Kearney Tax Increment Financing Plan ("TIF Plan") relating to the development of approximately ± 37.15 acres at the southeast corner of Interstate 35 and Highway 92 in Kearney, Missouri. The conditions, which evidence the Redevelopment Area (as legally described in the TIF Plan) as a blighted area, are detailed in the TIF Plan.

4. In my opinion, the Redevelopment Area on a whole is a "blighted area" as that term is defined in the TIF Plan, and has not been subject to growth and development through investment by private enterprise in a way that allows the Redevelopment Area to achieve its highest and best use.

5. The Redevelopment Area would not reasonably be anticipated to be sufficiently redeveloped without the adoption of tax increment financing due to the substantial cost to ameliorate the conditions that make the Redevelopment Area a blighted area.

6. Star Acquisitions, LLC will not and could not reasonably be expected to develop the Redevelopment Area without the adoption of the proposed TIF Plan.

7. To my knowledge the TIF Plan meets the requirements of Section 99.810 of the Real Property Tax Increment Allocation Redevelopment Act, Revised Statutes of Missouri.

No further text on this page

STAR ACQUISITIONS, LLC

By: ______________________
Name: Tim Harris
Title: Manager

Subscribed and sworn to before me, a Notary Public, in and for said County and State this 26th day of August 2009.

My Commission Expires: October 16, 2011

SEAL

BONNIE DEAN
Notary Public - Notary Seal
State of Missouri
Commissioned for Clay County
My Commission Expires: October 16, 2011
Commission Number: 07312611

Printed Name: Bonnie Dean

Signature Page
Developer's Affidavit

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EXHIBIT 10

PROJECT PRO FORMAS (WITH & WITHOUT PUBLIC INCENTIVES)

See Attached.

Shoppes at Kearney - Tax Increment Financing Plan

Pro Forma -- TIF/CID (Pay-As-You-Go)

TIF YEAR	0	1	2	3	4	5	6	7	8	9	10
PROJECT COSTS											
Gross Project Costs											
Project 1	$	(17,813,186) $	(24,188,172) $	(26,698,722) $	(30,500,912) $	(30,500,912) $	(30,500,912) $	(30,500,912) $	(30,500,912) $	(30,500,912) $	(30,500,912)
Total	$	(17,813,186) $	(24,188,172) $	(26,698,722) $	(30,500,912) $	(30,500,912) $	(30,500,912) $	(30,500,912) $	(30,500,912) $	(30,500,912) $	(30,500,912)
TIF/CID revenues (reducing cost)											
TIF/CID	$	112,397 $	843,150 $	1,727,450 $	2,788,700 $	4,108,187 $	5,622,193 $	7,163,962 $	8,739,414 $	10,343,693 $	11,982,848
Total	$	112,397 $	843,150 $	1,727,450 $	2,788,700 $	4,108,187 $	5,622,193 $	7,163,962 $	8,739,414 $	10,343,693 $	11,982,848
Less Land Sales	$	2,300,000 $	2,300,000 $	2,300,000 $	2,300,000 $	3,300,000 $	3,300,000 $	3,300,000 $	3,300,000 $	3,300,000 $	3,300,000
Net Costs	$	(15,400,788) $	(21,045,023) $	(22,671,273) $	(25,412,212) $	(23,092,725) $	(21,578,719) $	(20,036,951) $	(18,461,498) $	(16,857,219) $	(15,218,065)
Debt to be Financed	$	(12,320,631) $	(16,641,222) $	(17,679,116) $	(19,592,352) $	(17,426,997) $	(15,940,262) $	(14,454,824) $	(12,965,923) $	(11,477,503) $	(9,984,714)
REVENUE											
Project 1	$	146,250 $	662,750 $	974,750 $	1,355,800 $	1,790,200 $	1,848,700 $	1,879,800 $	1,932,900 $	1,969,220 $	1,969,220
Total	$	146,250 $	662,750 $	974,750 $	1,355,800 $	1,790,200 $	1,848,700 $	1,879,800 $	1,932,900 $	1,969,220 $	1,969,220
Less Vacancy	$	(7,313) $	(33,138) $	(48,738) $	(67,790) $	(89,510) $	(92,435) $	(93,990) $	(96,645) $	(98,461) $	(98,461)
Less Bokerage	$	(351,000) $	(186,600) $	(189,000) $	(347,520) $	- $	- $	- $	- $	- $	-
Less Operating Expenses	$	(7,313) $	(33,138) $	(48,738) $	(67,790) $	(89,510) $	(92,435) $	(93,990) $	(96,645) $	(98,461) $	(98,461)
Net Operating Cash Flow	$	(219,375) $	409,875 $	688,275 $	872,700 $	1,611,180 $	1,663,830 $	1,691,820 $	1,739,610 $	1,772,298 $	1,772,298
Total Debt Service	$	(1,057,240) $	(1,427,992) $	(1,517,054) $	(1,681,230) $	(1,495,420) $	(1,367,842) $	(1,240,370) $	(1,112,613) $	(984,890) $	(856,793)
CASH FLOW											
Equity	$	(3,080,158) $	(1,128,847) $	(325,250) $	(548,188) $	463,897 $	302,801 $	308,354 $	315,091 $	320,856 $	327,831
Net Cash Flow After Debt Service	$	(1,276,615) $	(1,018,117) $	(828,779) $	(808,530) $	115,760 $	295,988 $	451,444 $	626,997 $	787,408 $	915,505
Hypothetical Sale	$	- $	- $	- $	- $	- $	- $	- $	- $	- $	28,416,011
Loan Payoff	$	- $	- $	- $	- $	- $	- $	- $	- $	- $	(9,984,714)
Total (Cash Flow to Developer)	$	(4,356,772) $	(2,146,964) $	(1,154,029) $	(1,356,718) $	579,658 $	598,789 $	759,798 $	942,088 $	1,108,263 $	19,674,633
IRR with Incentives		13.57%									
RETURN ON EQUITY											
Equity Contribution	$	3,080,158 $	5,485,619 $	6,828,986 $	8,205,953 $	8,550,586 $	8,247,784 $	7,939,431 $	7,624,340 $	7,303,484 $	6,975,653
Net Cash Flow After Debt Service	$	(1,276,615) $	(1,018,117) $	(828,779) $	(808,530) $	115,760 $	295,988 $	451,444 $	626,997 $	787,408 $	915,505
Return on Equity After Debt Service		-41.45%	-18.56%	-12.14%	-9.85%	1.35%	3.59%	5.69%	8.22%	10.78%	13.12%

ASSUMPTIONS		
% NON-CAPTURED CID DEDICATED TO COMM. CTR		100.0%
RISK DISCOUNT FOR POST YR 10 INCENTIVES		35.0%
RENT ESCALATOR EVERY 5 YRS.		10%
VACANCY		5%
OPERATING EXPENSES		5%
FIRST YEAR REVENUE		25%
EQUITY FUNDED COSTS		20%
DEBT FUNDED COSTS		80%
PRESENT VALUE DISCOUNT RATE		7%
CAP RATE		8.5%
LOAN INTEREST RATE		7%
LOAN TERM (YEARS)		25
BROKERAGE FEE	10 YEARS	6% FEE

NOTE

1) Project phasing assumes 60% public site work in Year 1, and 40% in Year 2
2) Land acquisition costs in Year 1.
3) Assumed that Developer will take some land sale proceeds as income (shown as positive equity values in a given year), rather than using all land sale proceeds to pay down debt.
4) Negative Net Cash Flow after Debt Service reflects out-of-pocket cash payments by Developer, effectively representing additional equity. For Return on Equity calculations, such payments are added to the cumulative Equity Contribution beginning the followin
5) Debt payments include principal and interest. Annual debt to be financed reflects principal payments in prior years, and loan payoff in Year 10 reflects principal payments made over 10 year period
6) Lease payments assumed to begin in TIF Year in which building is constructed, but lease payment is discounted at same rate as first year sales.
7) Series 1 Bonds are underwritten with Project 1 revenues; Series 2 Bonds are underwritten with Projects 2-5 revenues.
8) TIF/CID revenues are reduced by % of non-captured CID revenues dedicated to community center and by amount PILOTs paid to school district each year.

Shoppes at Kearney Tax Increment Financing Plan

Pro Forma Without TIF/CID

TIF YEAR	0	1	2	3	4	5	6	7	8	9	10
PROJECT COSTS											
Gross Project Costs											
Project 1		(17,813,186)	(24,188,172)	(26,698,722)	(30,500,912)	(30,500,912)	(30,500,912)	(30,500,912)	(30,500,912)	(30,500,912)	(30,500,912)
Total		(17,813,186)	(24,188,172)	(26,698,722)	(30,500,912)	(30,500,912)	(30,500,912)	(30,500,912)	(30,500,912)	(30,500,912)	(30,500,912)
TIF/CID Bonds (reducing cost)											
Series 1											
Series 2											
Total		-	-	-	-	-	-	-	-	-	-
Less Land Sales		2,300,000	2,300,000	2,300,000	2,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
Net Costs		(15,513,186)	(21,888,172)	(24,398,722)	(28,200,912)	(27,200,912)	(27,200,912)	(27,200,912)	(27,200,912)	(27,200,912)	(27,200,912)
Debt to be Financed		(12,410,549)	(17,314,321)	(19,049,012)	(21,789,590)	(20,645,085)	(20,318,676)	(19,997,427)	(19,681,257)	(19,370,086)	(19,063,835)
REVENUE											
Project 1		146,250	662,750	974,750	1,355,800	1,790,200	1,848,700	1,879,800	1,932,900	1,969,220	1,969,220
Total		146,250	662,750	974,750	1,355,800	1,790,200	1,848,700	1,879,800	1,932,900	1,969,220	1,969,220
Less Vacancy		(7,313)	(33,138)	(48,738)	(67,790)	(89,510)	(92,435)	(93,990)	(96,645)	(98,461)	(98,461)
Less Bokerage		(351,000)	(186,600)	(189,000)	(347,520)	-	-	-	-	-	-
Less Operating Expenses		(7,313)	(33,138)	(48,738)	(67,790)	(89,510)	(92,435)	(93,990)	(96,645)	(98,461)	(98,461)
Net Operating Cash Flow		(219,375)	409,875	688,275	872,700	1,611,180	1,663,830	1,691,820	1,739,610	1,772,298	1,772,298
Total Debt Service		(1,064,956)	(1,485,751)	(1,634,606)	(1,869,776)	(1,771,565)	(1,743,556)	(1,715,990)	(1,688,859)	(1,662,157)	(1,635,878)
CASH FLOW											
Equity		(3,102,637)	(1,274,997)	(502,110)	(760,438)	200,000	-	-	-	-	-
Net Cash Flow After Debt Service		(1,284,331)	(1,075,876)	(946,331)	(997,076)	(160,385)	(79,726)	(24,170)	50,751	110,141	136,420
Hypothetical Sale		-	-	-	-	-	-	-	-	-	20,850,565
Loan Payoff		-	-	-	-	-	-	-	-	-	(19,063,835)
Total (Cash Flow to Developer)		(4,386,968)	(2,350,873)	(1,448,441)	(1,757,514)	39,615	(79,726)	(24,170)	50,751	110,141	1,923,150
IRR without Incentives	#NUM!										
RETURN ON EQUITY											
Equity Contribution		3,102,637	5,661,965	7,239,951	8,946,719	9,743,795	9,904,181	9,983,907	10,008,076	10,008,076	10,008,076
Net Cash Flow After Debt Service		(1,284,331)	(1,075,876)	(946,331)	(997,076)	(160,385)	(79,726)	(24,170)	50,751	110,141	136,420
Return on Equity After Debt Service		-41.39%	-19.00%	-13.07%	-11.14%	-1.65%	-0.80%	-0.24%	0.51%	1.10%	1.36%

ASSUMPTIONS		
RENT ESCALATOR EVERY 5 YRS.		10%
VACANCY		5%
OPERATING EXPENSES		5%
FIRST YEAR REVENUE		25%
EQUITY FUNDED COSTS		20%
DEBT FUNDED COSTS		80%
PRESENT VALUE DISCOUNT RATE		7%
CAP RATE		8.5%
LOAN INTEREST RATE		7%
LOAN TERM (YEARS)		25
BROKERAGE FEE	10 YEARS	6% FEE

NOTE
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