

February 23, 2022

VIA U.S. POSTAL SERVICE CERTIFIED MAIL

Missouri Department of Economic Development
Attn: CID Annual Report
301 W. High Street
P.O. Box 118
Jefferson City, Missouri 65102

City of Kansas City, Missouri
Attn: City Clerk
25th Floor, City Hall
414 E. 12th Street
Kansas City, Missouri 64106

**Re: Edgewood Farms Community Improvement District
Annual Report for Fiscal Year Ending April 30, 2021**

Dear Clerk and Department of Economic Development:

On behalf of the Edgewood Farms Community Improvement District (the "District"), enclosed please find the District's Annual Report for the Fiscal Year ending April 30, 2021, as required by R.S.Mo. § 67.1471.4 ("Annual Report").

Should you have any questions, please do not hesitate to contact the undersigned as the District's legal counsel at 816-875-3313.

Best regards,


Spencer R. Thomson, Esq.

cc: Gregory D. Thomson, Chairman (via email only)
Patricia Soli, City of Kansas City, Missouri (via email only)

Annual Report
Edgewood Farms Community Improvement District
Fiscal Year Ended April 30, 2021

Section I: General Information

1. Name of CID ("District"): Edgewood Farms Community Improvement District
2. Date of Submission: February 23, 2022
3. Report Period: May 1, 2020 – April 30, 2021
4. Contact Information:
 - a. District Chairman: Gregory D. Thomson
10010 Freedom Circle
Liberty, Missouri 64068
816.476.7103
gthomson@thomsonaffinity.com
 - b. District Legal Counsel: Thomson , LLC
4700 Belleview Avenue, Suite 404
Kansas City, Missouri 64112
816.875.3313
sthomson@thomsonkc.com
5. Political Subdivision or Not For Profit: Political Subdivision
6. Date of and Ordinance No: January 14, 2016 / Ordinance No. 151076

Section II: Purpose of CID and Services Performed during Fiscal Year 2020-2021

The District is intended to assist the owner or owners of property within the District to finance the development of such property, specifically the installation and construction of any and all public improvements associated therewith (the "Project"). The Project envisioned by the District plan entails the creation, construction, reconstruction, installation of: (a) Public road improvements to Roanridge Road, including but not limited to sidewalks, curbs, gutters, streetscaping, lighting, traffic signs and/or signals and improvements to the public street infrastructure at the intersection of Roanridge Road and Barry Road; (b) Public road improvements to the intersection of Barry Road and Barrybrooke Drive, including but not limited to sidewalks, curbs, gutters, streetscaping, lighting, traffic signs and/or signals; (c) Public road improvements to Barrybrooke Drive to extend the road throughout the proposed development, including but not limited to sidewalks, curbs, gutters, streetscaping, lighting, traffic signs and/or signals; (d) Drainage and water utilities, including water lines, storm sewers, detention basins, and appurtenant improvements thereto; (e) Site improvements including rock

removal, soil grading and reinforcement necessary to construct public improvements; (f) Lawns, trees, landscaping and monument signage to improve aesthetic appearance; (g) Installation of fire hydrants and other public health, safety and welfare improvements or benefits; (h) Any other useful, necessary, or desired improvement to be built and arranged in a manner consistent with neighboring properties and as may be allowed by the Community Improvement District Act under Sections 67.1401 to 67.1571, RSMo, including as desirable or appropriate the acquisition of all types of real estate interests, including but not limited to easements, licenses, leases and fee simple title; (i) Costs associated with undertaking the "Purposes" as set forth in the Five Year Plan attached as Exhibit C to the Petition to Establish the Edgewood Farms Community Improvement District; and (j) Costs associated with undertaking the "Services" as set forth in the Five Year Plan attached as Exhibit C to the Petition to Establish the Edgewood Farms Community Improvement District

The District completed the following improvements and services in Fiscal Year 2020-2021 (as well as in the prior fiscal years): All infrastructure improvements (roads, sidewalks, and stop lights), the detention basin, all utility lines, and a major portion of site work has been completed within the District; additional site work on Lots 3 and 4 remains to be completed.

Section III: Board Members/Directors

As of the date of the most recent meeting of the Board (April 30, 2021), the Officers and Directors of the Board are as follows:

Gregory D. Thomson	Chairman
Clayton M. Thomson	Vice-Chairman
Nicole Bechard	Secretary
Matthew D. Thomson	Treasurer
Steven Warger	Director

Section IV: Revenues and Expenses

Four businesses are open within the District as follows: Main Event Entertainment, Texas Roadhouse Restaurant, Freddy's Custard and Steakburgers and Discount Tire. The revenue generated during the Fiscal Year 2020-2021 totaled \$107,037.43 and was enough to continue reimbursement under the Reimbursement Agreement in the amount of \$60,000.00. The District expended a total of \$79,225.00 in Fiscal Year 2020-2021. The District continued to incur liability for future reimbursement under the Reimbursement Agreement.

INCOME		
a) Interest earned on Bank Acct		\$ 17.27
b) Sales and Use Tax Income		\$107,020.16
TOTAL INCOME		\$107,037.43

EXPENSES¹		
a) Legal Fees	\$ 9,225.00	
b) Reimbursement to Developer	\$60,000.00	
c) Property Management	\$10,000.00	
TOTAL EXPENSES	\$79,225.00	
INCOME LESS EXPENSES		\$27,812.43

Section V: Resolutions Adopted

The below is a list of all Resolutions adopted by the Board during Fiscal Year 2020-2021 (the Resolutions referenced below are also attached to this Annual Report):

1. Resolution 2021-01: Adoption of 2019-2020 Annual Report
2. Resolution 2021-02: Adoption of 2019-2020 Financial Statement
3. Resolution 2021-03: Adoption of 2021-2022 Annual Budget
4. Resolution 2021-04: Approving Property Management Agreement

¹ The expenses detailed indicate those expenses actually paid out of the District's bank account, but do not detail all of those expenses incurred by the Developer for the District under the Reimbursement Agreement since only a portion of those expenses have been paid by the District.

THE EDGEWOOD FARMS COMMUNITY IMPROVEMENT DISTRICT

RESOLUTION OF THE EDGEWOOD FARMS COMMUNITY IMPROVEMENT DISTRICT (THE "DISTRICT") ADOPTING THE ANNUAL REPORT FOR FISCAL YEAR ENDED APRIL 30, 2020

WHEREAS, the fiscal year (the "Fiscal Year") of the District is the same as the City of Kansas City, Missouri, which begins May 1st of the present calendar year and ends April 30th of the following calendar year;

WHEREAS, Section 67.1471.4 of the Revised Statutes of Missouri requires that the District submit to the Missouri Department of Economic Development ("DED") and the Clerk of the City of Kansas City, Missouri ("Clerk"), no later than one hundred twenty (120) days after the end of the Fiscal Year, certain items which together consist of an annual report of the activities of the District;

WHEREAS, the District, through its legal counsel, has prepared such annual report for the Fiscal Year of the District ending on April 30, 2020 (the "Annual Report") and submitted the same to the DED and the Clerk;

WHEREAS, the District desires to approve the Annual Report as the District's Annual Report for the Fiscal Year ending April 30, 2020; and

WHEREAS, the District desires to ratify and confirm the authority of legal counsel in submitting the Annual Report to the DED and Clerk.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District as follows:

1. That the actions taken on behalf of the District in preparing and submitting the Annual Report are accepted and ratified.
2. That the Annual Report for the Fiscal Year ending April 30, 2020, attached hereto as Exhibit A, is hereby accepted and approved as the District's Annual Report for the Fiscal Year ending April 30, 2020.
3. The District's legal counsel is authorized to submit the Annual Report to the DED and Clerk on behalf of the District.
4. This resolution shall take effect immediately.

[Signature Page follows]

Adopted this 30th day of April, 2021.



Gregory D. Thomson, Chairman

ATTEST:



Nicole Bechard, Secretary

EXHIBIT A

ANNUAL REPORT FOR FISCAL YEAR ENDING APRIL 30, 2020

(attached hereto)

Annual Report
Edgewood Farms Community Improvement District
Fiscal Year Ended April 30, 2020

Section I: General Information

1. Name of CID ("District"): Edgewood Farms Community Improvement District
2. Date of Submission: August 28, 2020
3. Report Period: May 1, 2019 – April 30, 2020
4. Contact Information:
 - a. District Chairman: Gregory D. Thomson
10010 Freedom Circle
Liberty, Missouri 64068
816.476.7103
gthomson@thomsonaffinity.com
 - b. District Legal Counsel: Thomson , LLC
4700 Belleview Avenue, Suite 404
Kansas City, Missouri 64112
816.875.3313
sthomson@thomsonkc.com
5. Political Subdivision or Not For Profit: Political Subdivision
6. Date of and Ordinance No: January 14, 2016 / Ordinance No. 151076

Section II: Purpose of CID and Services Performed during Fiscal Year 2019-2020

The District is intended to assist the owner or owners of property within the District to finance the development of such property, specifically the installation and construction of any and all public improvements associated therewith (the "Project"). The Project envisioned by the District plan entails the creation, construction, reconstruction, installation of: (a) Public road improvements to Roanridge Road, including but not limited to sidewalks, curbs, gutters, streetscaping, lighting, traffic signs and/or signals and improvements to the public street infrastructure at the intersection of Roanridge Road and Barry Road; (b) Public road improvements to the intersection of Barry Road and Barrybrooke Drive, including but not limited to sidewalks, curbs, gutters, streetscaping, lighting, traffic signs and/or signals; (c) Public road improvements to Barrybrooke Drive to extend the road throughout the proposed development, including but not limited to sidewalks, curbs, gutters, streetscaping, lighting, traffic signs and/or signals; (d) Drainage and water utilities, including water lines, storm sewers, detention basins, and appurtenant improvements thereto; (e) Site improvements including rock

removal, soil grading and reinforcement necessary to construct public improvements; (f) Lawns, trees, landscaping and monument signage to improve aesthetic appearance; (g) Installation of fire hydrants and other public health, safety and welfare improvements or benefits; (h) Any other useful, necessary, or desired improvement to be built and arranged in a manner consistent with neighboring properties and as may be allowed by the Community Improvement District Act under Sections 67.1401 to 67.1571, RSMo, including as desirable or appropriate the acquisition of all types of real estate interests, including but not limited to easements, licenses, leases and fee simple title; (i) Costs associated with undertaking the "Purposes" as set forth in the Five Year Plan attached as Exhibit C to the Petition to Establish the Edgewood Farms Community Improvement District; and (j) Costs associated with undertaking the "Services" as set forth in the Five Year Plan attached as Exhibit C to the Petition to Establish the Edgewood Farms Community Improvement District

The District completed the following improvements and services in Fiscal Year 2019-2020 (as well as in the prior fiscal years): All infrastructure improvements (roads, sidewalks, and stop lights), the detention basin, all utility lines, and a major portion of site work has been completed within the District; additional site work on Lots 3 and 4 remains to be completed.

Section III: Board Members/Directors

As of the date of the most recent meeting of the Board (March 31, 2020), the Officers and Directors of the Board are as follows:

Gregory D. Thomson	Chairman
Clayton M. Thomson	Vice-Chairman
Nicole Bechard	Secretary
Matthew D. Thomson	Treasurer
Steven Warger	Director

Section IV: Revenues and Expenses

Four businesses are now open within the District including Main Event Entertainment, Texas Roadhouse Restaurant, Freddy's Custard and Steakburgers and Discount Tire. The revenue generated during the Fiscal Year 2019-2020 totaled \$97,986.03 and was enough to continue reimbursement under the Reimbursement Agreement in the amount of \$82,500.00 (as approved and more thoroughly discussed in Resolution 2016-10 and subsequently under Resolution 2018-05). The District expended a total of \$99,300.00 in Fiscal Year 2019-2020 which included some monies carried forward from the prior fiscal year. The District continued to incur liability for future reimbursement under the Reimbursement Agreement.

INCOME		
a) Interest earned on Bank Acct		\$ 24.11
b) Sales and Use Tax Income		\$97,961.92
TOTAL INCOME		\$97,986.03

EXPENSES¹		
a) Legal Fees	\$16,800.00	
b) Insurance	\$ 0.00	
c) Reimbursement to Developer	\$82,500.00	
TOTAL EXPENSES	\$99,300.00	
INCOME LESS EXPENSES		(\$1,313.97)

Section V: Resolutions Adopted

The below is a list of all Resolutions adopted by the Board during Fiscal Year 2019-2020 (the Resolutions referenced below are also attached to this Annual Report):

1. Resolution 2020-01: Adoption of 2018-19 Annual Report
2. Resolution 2020-02: Adoption of 2018-19 Financial Statement
3. Resolution 2020-03: Adoption of 2020-2021 Annual Budget

¹ The expenses detailed indicate those expenses actually paid out of the District's bank account, but do not detail all of those expenses incurred by the Developer for the District under the Reimbursement Agreement since only a portion of those expenses have been paid by the District.

THE EDGEWOOD FARMS COMMUNITY IMPROVEMENT DISTRICT

RESOLUTION OF THE EDGEWOOD FARMS COMMUNITY IMPROVEMENT DISTRICT (THE "DISTRICT") ADOPTING THE ANNUAL FINANCIAL STATEMENT FOR FISCAL YEAR ENDED APRIL 30, 2020

WHEREAS, the fiscal year (the "Fiscal Year") of the District is the same as the City of Kansas City, Missouri, which begins May 1st of the present calendar year and ends April 30th of the following calendar year;

WHEREAS, Section 105.145 of the Revised Statutes of Missouri and 15 CSR 40-3.030 requires that the District submit to the Missouri State Auditor's Office ("Auditor"), no later than six (6) months after the end of the Fiscal Year, an annual financial report containing certain items contained in the regulations;

WHEREAS, the District, through its legal counsel, has prepared such financial report for the Fiscal Year of the District ending on April 30, 2020 (the "Financial Report") and submitted the same to the Auditor;

WHEREAS, the District desires to approve the Financial Report as the District's Financial Report for the Fiscal Year ending April 30, 2020; and

WHEREAS, the District desires to ratify and confirm the authority of legal counsel in submitting the Financial Report to the Auditor.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District as follows:

1. That the actions taken on behalf of the District in preparing and submitting the Financial Report are accepted and ratified.
2. That the Financial Report for the Fiscal Year ending April 30, 2020, attached hereto as Exhibit A, is hereby accepted and approved as the District's Financial Report for the Fiscal Year ending April 30, 2020.
3. The District's legal counsel is authorized to submit the Financial Report to the Auditor on behalf of the District.
4. This resolution shall take effect immediately.

[Signature Page follows]

Adopted this 30th day of April, 2021.



Gregory D. Thomson, Chairman

ATTEST:



Nicole Bechard, Secretary

EXHIBIT A
FINANCIAL REPORT FOR FISCAL YEAR ENDING APRIL 30, 2020

(attached hereto)

**Annual Financial Report of Edgewood Farms Community Improvement
District**

Fiscal Year Ended April 30, 2020

BEGINNING BALANCE (AS OF MAY 1, 2019)		\$8,651.08
INCOME		
a) Interest earned on Citizens Acct		\$ 24.11
b) Sales and Use Tax Income		\$97,961.92
TOTAL INCOME		\$97,986.03
EXPENSES¹		
a) Legal Fees	\$16,800.00	
b) Insurance	\$ 0.00	
c) Reimbursement to Developer	\$82,500.00	
TOTAL EXPENSES	\$99,300.00	
INCOME LESS EXPENSES		(\$1,313.97)
ENDING CASH BALANCE (AS OF APRIL 30, 2020)		\$ 7,337.11

Notes:

- 1) No bonded indebtedness has been issued by the political subdivision
- 2) No property tax has been levied by this political subdivision

¹ The expenses detailed indicate those expenses actually paid out of the District's bank account, but do not detail those expenses incurred by the Developer for the District under the Reimbursement Agreement since those have not been paid by the District.

THE EDGEWOOD FARMS COMMUNITY IMPROVEMENT DISTRICT

RESOLUTION OF THE EDGEWOOD FARMS COMMUNITY IMPROVEMENT DISTRICT (THE "DISTRICT") ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2021-2022.

WHEREAS, the fiscal year (the "Fiscal Year") of the District is the same as the City of Kansas City, Missouri, which begins May 1st of the present calendar year and ends April 30th of the following calendar year;

WHEREAS, Section 67.1471.2 of the Community Improvement District Act, Sections 67.1401 through 67.1571 of the Revised Statutes of Missouri, as amended (the "CID Act"), requires the District to submit to the governing body of the City of Kansas City, Missouri (the "City"), a "proposed annual budget, setting forth expected expenditures, revenues, and rates of assessments and taxes, if any, for such Fiscal Year";

WHEREAS, the District has prepared a proposed budget for Fiscal Year 2021-2022 (the "Proposed Budget");

WHEREAS, the Board (through its legal counsel) has submitted the Proposed Budget to the City; and

WHEREAS, the District desires to approve the Proposed Budget as the District's Budget for the Fiscal Year 2021-2022.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District as follows:

1. That the actions taken on behalf of the District in preparing the Proposed Budget are hereby ratified, acknowledged and accepted.
2. That the Proposed Budget for the Fiscal Year beginning May 1, 2021, and ending April 30, 2022, attached hereto as Exhibit A, is hereby accepted and approved as the District's Fiscal Year 2021-2022 Budget, subject to any comments received from the City.
3. This resolution shall take effect immediately.

[Signature Page follows]

Adopted this 30th day of April, 2021.



Gregory D. Thomson, Chairman

ATTEST:



Nicole Bechard, Secretary

EXHIBIT A
FISCAL YEAR 2020-2021 BUDGET
(attached hereto)

EDGEWOOD FARMS COMMUNITY IMPROVEMENT DISTRICT

**BUDGET – FISCAL YEAR 2021-22
(May 1, 2021-April 30, 2022)**

ESTIMATED BEGINNING BALANCE		\$ 43,953.64
ESTIMATED REVENUES:		
1% Sales & Use Tax	\$110,000.00	
TOTAL FUNDS		\$153,953.64
ESTIMATED EXPENDITURES:¹		
Ring Road- including construction and sanitary extension for Lot 4 (postponed from last two years)	\$400,000.00	
Professional Fees	\$15,000.00	
Insurance	\$10,000.00	
Construction Interest	\$100,000.00	
Taxes on CID-owned/managed property	\$25,000.00	
Ongoing Maintenance of Constructed Improvements	\$10,000.00	
TOTAL EXPENDITURES	\$560,000.00	

¹ The Edgewood Farms Community Improvement District has entered into a Reimbursement Agreement with the Developer named in the CID Petition, whereunder the Developer will finance the actual expenditures of the CID and the CID will reimburse the Developer for such expenditures as the CID receives revenue. The CID began reimbursing the Developer starting in 2018.

THE EDGEWOOD FARMS COMMUNITY IMPROVEMENT DISTRICT

RESOLUTION OF THE EDGEWOOD FARMS COMMUNITY IMPROVEMENT DISTRICT (THE "DISTRICT") APPROVING A PROPERTY MANAGEMENT AGREEMENT WITH TURN KEY REALTY, LLC, AUTHORIZING THE SIGNING OF SAME AND RATIFYING ALL PAST ACTIONS TAKEN BY THE BOARD, BOARD MEMBERS AND DISTRICT LEGAL COUNSEL IN CONNECTION WITH THE PROPERTY MANAGEMENT AND SAID PROPERTY MANAGEMENT AGREEMENT.

WHEREAS, the District has received and accepted title to certain real property commonly known as the Edgewood Farms development common area including certain roadways, green space and storm water detention areas all as was conveyed by the developer, Edgewood Farm Partners, LLC, in August of 2020;

WHEREAS, the developer, Edgewood Farm Partners, LLC, was previously managing the common areas on behalf of the various property owners and tenants at Edgewood Farms and the District but desired to transition the property management functions to a third-party property management company;

WHEREAS, the District's legal counsel in consultation with Edgewood Farm Partners, LLC sent out a request for proposals for property management services and received interest only from Turn Key Realty, LLC;

WHEREAS, the Board (through its legal counsel and individual Board members) has negotiated a Property Management Agreement with Turn Key Realty, LLC a copy of which is attached hereto and incorporated herein and has advanced certain necessary funds to the property manager in order for the property manager to fulfill its obligations and duties under the Property Management Agreement; and

WHEREAS, the District desires to ratify all past actions of the Board, Board members and the District's legal counsel in connection with the property management and matters related thereto, to approve the Property Management Agreement attached hereto and to authorize the Board Chairman and Treasurer to execute same.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District as follows:

1. That the actions taken on behalf of the District by the Board, any Board member and the District's legal counsel in negotiating and preparing the Property Management Agreement attached hereto, including, but not limited to, the advancement of funds to the property manager to cover proper expenses associated with such management, are hereby ratified, acknowledged and accepted.

2. That the Property Management Agreement attached hereto as Exhibit A, is hereby accepted and approved by the Board and the Board's Chairman and Treasurer are hereby authorized and directed to execute same on behalf of the District.
3. This resolution shall take effect immediately.

Adopted this 30th day of April, 2021.



Gregory D. Thomson, Chairman

ATTEST:



Nicole Bechard, Secretary

EXHIBIT A
PROPERTY MANAGEMENT AGREEMENT
(attached hereto)

PROPERTY MANAGEMENT AGREEMENT

THIS AGREEMENT is made as of this 30th day of April, 2021 but agree by parties to be effective as of January 1, 2021 (the "Effective Date") between Edgewood Farm Community Improvement District, a political subdivision of the State of Missouri, (hereinafter referred to as the "CID"), and Turn Key Realty, LLC., a Missouri Limited Liability Company, (hereinafter referred to as the "Manager").

WHEREAS, The CID owns certain common areas within the development located at 8000 NW Roanridge Road, Kansas City, Missouri (including green space along the city streets, a private road and water retention basin, the "Property");

WHEREAS, Manager, a Missouri LLC, is engaged in the delivery of property management services for properties such as the Property in the State in which the Property is located; and

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, CID and Manager agree as follows:

- 1) **Employment of Manager.** CID hereby contracts with Manager and Manager contracts with the CID to serve as the manager of the Property subject to the terms and conditions of this Agreement.
- 2) **Term.** The term of this Agreement (the "Term") shall commence upon the Effective Date, and shall continue for a period of one (1) year. The Term shall be automatically renewed thereafter on an annual basis, subject to termination by either party in accordance with Section 9. Upon termination, the CID shall remain bound by the obligations of all contracts for services, supplies and alterations that Manager has entered into in connection with the performance of its obligations hereunder, provided such contracts were executed in accordance with the terms hereof.
- 3) **Manager's Duties.** From the Effective Date of this Agreement until the date of its termination, Manager shall assist CID in operating the Property and its facilities. Manager shall conform to CID's determination as to amounts to be expended, and shall negotiate and make contracts and purchases at the best prices available to Manager in Manager's judgment, considering the reputation and quality of the work of the servicing party. Purchases may be either in the name of Manager or in the name of CID, but in the event of any purchase in the name of Manager, the title of such purchase shall immediately be transferred to CID, whereupon CID shall pay the actual net contract or purchase price. CID acknowledges that the Other Property Owners within the development maintain their own buildings, parking areas and landscaping. Manager shall only be required to perform maintenance and repair on the Property to the extent it is CID's obligation.
- 4) **Duties During Operating Period.** The period commencing with the Effective Date of this Agreement and continuing until the termination of this Agreement is hereinafter referred to as the "Operating Period." During the Operating Period, Manager shall use its commercially reasonable efforts to assist CID in the professional operation of the Property. In connection therewith, the basic objectives of Manager are to use commercially reasonable efforts to: (i) preserve and safeguard the capital asset and (ii) enhance the value of the Property through management consistent with industry standards in the locale where the Property is located. Specific duties and responsibilities of Manager in connection with the management of the Property are as follows:

- A. Maintenance of Common Areas. Manager shall use commercially reasonable efforts to:
- (1) Maintain and manage the common area irrigation system;
 - (2) Maintain sod and plantings in the common areas;
 - (3) Mow and trim the grass along the NW Roanridge Road;
 - (4) Mow the grass in the median and edge of NW Barrybrooke Drive that abuts the CID's property;
 - (5) Mow and trim the grass along the private road running between NW Roanridge Road and NW Barrybrooke Drive;
 - (6) Remove snow in excess of two inches from the private road and treat the road with ice melt/sand as needed.
 - (7) Provide trash removal along the frontage roads and the private road as needed;
 - (8) Brush hog the undeveloped lots as needed (up to 2 times per year)
 - (9) Maintain lighting along the private road.
 - (10) Pay Property real estate taxes due on common area property.
 - (11) Reimburse Edgewood Farms Partnership, LLC for pro-rata share of insurance coverage for the common area.

B. Vendor Management.

With the prior written consent of the Company, Manager shall have authority to hire (at CID's expense), supervise and terminate on behalf of CID, such persons, firms or corporations as it shall deem advisable to provide such services for the operation and management of the Property (which services are not otherwise required, by this Agreement, to be performed by Manager) as are reasonably required for Manager to satisfactorily perform its obligations hereunder. CID acknowledges that those persons, firms or corporations supplying such services may be employees in which Manager has a financial interest. Any amounts paid to such persons, firms or corporations supplying such services shall not exceed the ordinary and customary charges for such services in the metropolitan area in which the Property is located and shall be of at least as good of quality as most persons, firms, or corporations supplying such services in the metropolitan area in which the Property is located. Any company's proposal shall indicate the hourly rate charged for its maintenance personnel. Manager shall provide CID with periodic status updates on work performed by Manager at the Property and shall assist CID in reviewing and approving invoices and/or contracts for such work

B. Financial Activities.

- (1) Manager shall pay vendors for services provided in maintenance of the common areas including water for irrigation and electricity for lighting along the private road.
- (2) Manager shall bill the Other Property Owners their pro-rata-share of the common area expenses including liability insurance and real estate taxes on a quarterly basis.
- (3) Manager shall maintain an operating account to collect the quarterly billings and pay the vendor's monthly fees.
- (4) Manager shall prepare and follow a budget for the services provided.
- (5) Manager shall provide a year-end summary of income and expenses to the CID and supporting documents to Other Property Owners documenting the common area expenses for the previous year.
- (6) Create an annual budget projecting costs for the year within thirty days of the fiscal year end (12/31).

- C. Legal Assistance. Manager is prohibited from engaging legal services on behalf of CID without the prior written consent of CID. Manager shall assist CID in such matters as enforcing the collection of common area maintenance charges. Such action shall be coordinated through counsel recommended by Manager and approved by CID. The expenses for such counsel shall be borne by CID.
- D. Records. Manager shall maintain accurate records in connection with its management of the Property, and such records shall be open for inspection by CID at all reasonable times.
- E. Reporting. Manager shall prepare a quarterly narrative report detailing the activities at the Property by the 10th day of each calendar quarter in a format as determined by the CID, which format shall be subject to Manager's reasonable approval.

5) Compensation of Manager. Manager shall be paid \$750.00 per month for services provided.

6) Project Management Services. When requested in writing by CID, Manager also shall coordinate and supervise all project activity including, without limitation, non-routine/non-recurring maintenance and repairs on the Property that are capital in nature or as otherwise required by the CID. Such project management services shall generally consist of coordinating, overseeing, and expediting the completion of capital construction or non-routine/non-recurring repairs relating to the Property.

7) **Insurance.** Manager shall, at all times during the term of this Agreement, carry and maintain the following insurance coverage issued by qualified companies having an A.M. Best's Insurance Guide rating of A-:VIII or higher, and shall deliver to CID certificates of insurance in a form satisfactory to CID upon request and shall deliver to CID certificates of insurance or renewals thereof upon request. The cost of such insurance will be at Manager's sole cost and expense.

- (i) **Workers' Compensation Insurance.** Workers' compensation insurance, in full compliance with all applicable state and federal laws and regulations, covering all employees of Manager at the Property, if any;
- (ii) **Commercial General Liability Insurance** against bodily injuries, personal injury and death, Automobile liability and property damage with a combined single limit of not less than \$2,000,000 per occurrence and \$4,000,000 general aggregate, including, contractual liability insurance specifically insuring the indemnifying portions of this Agreement, naming CID and such other parties as may be required by the provisions of any mortgage, as their respective interests may appear.

CID and Manager shall each give prompt notice to the other of any claims made against either of them or CID in connection with the Property, and shall cooperate fully with each other and with any insurance carrier to the end that all such claims will be properly investigated and defended. Manager shall not hire any attorneys to defend any such claim against CID without CID's consent. CID shall have the right to defend all claims against CID with counsel chosen by CID and Manager shall cooperate therewith.

With respect to all claims arising from the ownership, management, operation and maintenance of the Property, the insurance policies carried by CID insuring the Property shall be primary to the policies of insurance carried by Manager. Manager and CID each, for itself and its insurers, waives, releases and discharges the other, but only to the extent of collectible insurance proceeds, from all claims or demands which each may have or acquire against the other, or against each other's subsidiaries, affiliates, managers, members, directors, officers, agents, employees, independent contractors or partners ("Related Parties"), with respect to any claims, losses, damages, liabilities or expenses (including attorneys' fees) incurred or sustained by either of them on account of injury to persons or damage to property or business arising out of the ownership, management, operation and maintenance of the Property, regardless whether any such claim or demand may arise because of the fault or negligence of the other party or its respective Related Parties.

8) **Early Termination.** Notwithstanding the provisions of Section 2 hereof, this Agreement may be terminated, and the obligations of the parties hereunder shall thereupon cease, except as to liabilities or claims or expenses and payments due up to the date of termination which shall have accrued or arisen under this Agreement prior to such termination, upon the occurrence of any of the following circumstances:

- (a) In the event of a bona fide sale or disposition of all of the Property, CID may terminate this Agreement upon not less than 30 days' notice to the Manager.
- (b) If a petition in bankruptcy or for a reorganization, or for the appointment of a receiver or trustee, is filed by either party, or if either party shall make an assignment or arrangement for the benefit of creditors or take advantage of any insolvency act, the other party may terminate this Agreement upon not less than 10 days' written notice to the other party and the obligations of the parties hereunder shall cease; provided, that such a termination shall not act to prejudice any rights hereunder or waive any obligations or liabilities that accrued prior to or survive the termination of this Agreement.
- (c) The loss by CID of the Property, or of the right of possession or the right to collect the income from the Property due to CID's default on any mortgage or other obligation, or by operation of law.
- (d) By the non-defaulting party, upon the occurrence of a material default hereunder by CID or Manager, if written notice of same is given to the defaulting party and such default is not cured within a reasonable time thereafter, not to exceed 30 days.

Notwithstanding anything in this Agreement or this Section to the contrary, Manager shall have the unilateral right, to be exercised in its sole discretion, to terminate this Agreement at any time during the Term without cause upon thirty (30) days' written notice to the CID.

9) **Indemnification.**

Manager agrees to indemnify and hold CID and its members and their respective affiliates harmless from and against any and all liabilities, claims, obligations, expenses, losses, damages, judgments or other injuries (including, but not limited to, reasonable attorneys' fees, costs and expenses of litigation and appeals) (collectively, "Damages") that CID and any such other parties may incur or suffer in connection with (i) Manager's gross negligence, fraud or willful misconduct, (ii) Manager's material breach or failure to act in accordance with the terms of this Agreement, and (iii) Manager's actions taken outside the scope of Manager's authority hereunder; provided, however, in no event shall Manager be liable to CID for any punitive, speculative, or consequential damages.

10) **Prohibition of Assignment.** Manager shall not assign this Agreement or any of its rights hereunder, nor shall this Agreement or any of Manager's rights or obligations hereunder be transferable on Manager's part by operation of law or otherwise without the written consent of CID, except by merger or consolidation with another entity if the operating personnel of the surviving entity at the time of such merger or consolidation shall be substantially the same as the operating personnel of Manager.

11) **Notices.** All notices required or permitted to be given or delivered hereunder shall be in writing and shall be deemed to have been properly given or served when (i) delivered personally, (ii) when deposited with a reputable overnight delivery service, addressed to the following addresses, or (iii) given by electronic mail, with a copy to follow by overnight delivery service:

TO MANAGER	TO CID
Turn Key Realty, LLC 105 S. Jefferson St. Suite B4 Kearney, Mo 64060 Attention: Cindy Stockton Telephone: 816-590-6688 Email Address: cindy@tkrkc.com	Board of Directors Edgewood Farm CID c/o Spencer R. Thomson, Esq. Thomson, LLC 4700 Belleview Ave. Suite 404 Kansas City, MO 64112

All such notices shall be deemed effectively given (i) upon receipt, if delivered personally or by electronic mail, or (ii) the third business day following the day of deposit of such notice with the United States Postal Service if deposited in the United States mail, or (iii) the next Business Day if deposited with a reputable overnight delivery service. Manager and CID shall each have the right to change the address to which notices shall be given by notice in accordance with the provisions of this Section. Rejection or other refusal to accept notice, or the inability to deliver because of changed addresses of which no notice was given, shall be deemed to be receipt of the notice sent.

12) **CID's Cooperation.** CID agrees that it will act diligently and in good faith and will cooperate fully with Manager in all matters related to the Property. CID will act as expeditiously as possible on all requests by Manager for approvals required hereunder. In exercising its right of approval, CID agrees to act reasonably and in good faith.

13) **Authorized Representatives.** Any consent, approval, authorization or other action required or permitted to be given or taken under this Agreement by CID and Manager, as the case may be, shall be given or taken by one or more of the authorized representatives of each. For the purposes of this Agreement, the authorized representatives of the CID shall be any one or more of the following:

Spencer R. Thomson, Esq., District Legal Counsel
 Greg Thomson, Chairman
 Clayton Thomson, Vice Chairman
 Matt Thomson, Treasurer

And the authorized representatives of the Manager shall be any one or more of the following:

Cindy Stockton
 Bill O'Connor

Any party hereto may from time to time designate other or replacement authorized representatives by written notice from one of its authorized representatives to the other party hereto. The written statements and representations of any authorized representative of the CID or Manager shall be binding upon the party for whom such person is the authorized representative, and the other party hereto shall have no obligation or duty whatsoever to inquire into the authority of any such representative to take any action which he proposes to take.

14) **Agreement Not An Interest In Real Property.** This Agreement shall not be deemed at any time to be an interest in real estate or a lien of any nature against the Property or the land upon which it is erected. The rights of Manager shall at all times be subject and subordinate to all mortgages which may now or hereafter be outstanding, and to all renewals, modifications, consolidations, replacements and extensions thereof. This clause shall be self-operative and no further instrument of subordination shall be required.

15) **Miscellaneous.**

(a) Any consent required of CID shall be ineffective unless it is in writing and signed by a duly authorized officer of CID.

(b) CID made no representation of any nature in connection with the design or facilities of the Property, and CID shall have the right to construct, equip, and furnish the Property in any manner it desires.

(c) This Agreement cannot be changed or modified except by another agreement in writing signed by the parties sought to be charged therewith.

(d) Each party hereby represents and warrants that the party signing this Agreement on behalf of such party is duly authorized to sign and execute this Agreement.

(e) Each provision of this Agreement is intended to be severable. If any term or provision hereof shall be determined by a court of competent jurisdiction to be illegal or unenforceable for any reason, such term or provision shall be severed from this Agreement and shall not affect the validity of the remainder of this Agreement.

(f) If CID or Manager shall institute any action or proceeding against the other relating to this Agreement, the unsuccessful party shall reimburse the successful party for its reasonable attorneys' fees, as fixed by the court.

(g) No consent or waiver, express or implied, by either party to or of any breach or default by the other party in the performance of its obligations hereunder, shall be valid unless in writing. No such consent or waiver shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of any other obligations of such party hereunder. The failure of any party to declare the other party in default shall not constitute a waiver by such party of its rights hereunder, irrespective of how long such failure continues. The granting of any consent or approval in any one instance by or on behalf of CID shall not be construed to waive or limit the need for such consent in any other or subsequent instance.

(h) The obligations of CID and of Manager under this Agreement (except the obligation of CID to provide funds to Manager for the timely payment of expenses of Manager and expenses of the Property to be paid by Manager on behalf of CID pursuant to this Agreement) shall be excused for that period of time that CID or Manager, as applicable, cannot fulfill such obligations by reason of delays beyond its control, including without limitation acts of God, inclement weather, war, insurrection, terrorists acts, labor strikes, inability to obtain necessary materials or supplies, inability to obtain necessary permits, licenses or approvals, or any other event commonly included within the definition of force majeure.

(i) This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, understandings, or arrangements with respect to such subject matter.

(j) This Agreement and the obligations of CID and Manager shall be governed by, and construed and enforced in accordance with, the laws of the State where the Property is located. This Agreement is the product of joint drafting by the parties and shall not be construed against either party as the drafter hereof.

16) **Conflict**. In the event Manager (or an affiliate of, or related party to, Manager) is requested by the tenant to represent the tenant as tenant's property manager or to perform work on the Property, Manager shall notify CID and shall not agree to represent tenant or undertake any additional work without CID's prior written approval, which may be reasonably withheld if CID believes (in good faith) that a conflict exists and the CID and Manager cannot otherwise reach mutual agreement to satisfy any conflict concerns.

[INTENTIONALLY LEFT BLANK – SIGNATURE PAGE NEXT FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

MANAGER:

TURN KEY REALTY, LLC.,
an Missouri limited liability company

By: _____

Name: Cynthia M. Stockton

Title: Manager

CID:

**EDGEWOOD FARMS COMMUNITY
IMPROVEMENT DISTRICT, a political
subdivision of the State of Missouri**

By: _____

Name/Title: Greg Thomson, Chairman

By: _____

Name/Title: Matt Thomson, Treasurer