

ROCK ISLAND
MAINTENANCE AND MANAGEMENT PROGRAM AGREEMENT

THIS MAINTENANCE AND MANAGEMENT PROGRAM AGREEMENT (the “**Agreement**”) is made as of the 22nd day of February, 2017, (the “**Effective Date**”) by and between Jackson County, Missouri, a political subdivision of the State of Missouri (the “**County**”) and the Kansas City Area Transportation Authority, a bi-state agency created under a compact between the States of Missouri and Kansas, and approved by the United States Congress (the “**KCATA**”).

Recitals

WHEREAS, the KCATA was created by Mo. Rev. Stat. 238.010 as a public agency and political subdivision of the State of Missouri to plan, own, operate, and manage public transportation systems and facilities in the Kansas City Transportation District, which includes the Missouri counties of Cass, Clay, Jackson and Platte;

WHEREAS, the County and the Union Pacific Railroad (“**UP**”) signed an agreement for the acquisition by the County of approximately 17.7 miles of the former Rock Island Railroad Corridor in Jackson County, Missouri (the “**Railroad Corridor**”);

WHEREAS, the County and KCATA entered into the Cooperative Agreement for Right-of-Way Acquisition for Construction of a Trail System and Future Rail Line for Commuter Service and Other Public Transportation Systems in Kansas City and Jackson County, Missouri dated January 5, 2016 (the “**Cooperative Agreement**”);

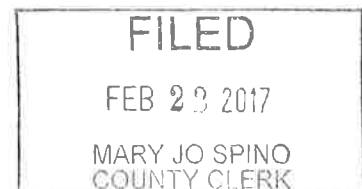
WHEREAS, through the Cooperative Agreement, County and KCATA formed a regional partnership to enhance the condition, viability and use of the Railroad Corridor and promote an historic regional transit opportunity while advancing the County’s vision and KCATA’s transit options;

WHEREAS, the County acquired the Railroad Corridor from UP on May 2, 2016;

WHEREAS, the County is the fee owner of the Railroad Corridor and a “common carrier” under 49 U.S.C. 11101 subject to the jurisdiction of the Surface Transportation Board;

WHEREAS, the County will undertake the removal of debris, brush, hazards and other environmental conditions from the Railroad Corridor and construct a multi-use bicycle and pedestrian shared use path (the “**Shared Use Path Project**”);

WHEREAS, the County has agreed to preserve and maintain the Railroad Corridor in accordance with the hierarchy pyramid attached hereto as Exhibit A and KCATA may develop a future shared commuter rail system, alternative commuter-based transit system and other public transportation systems and uses (the “**Multi-Modal Project**”);



WHEREAS, the planning and design of the Railroad Corridor will focus on preservation of the national rail network corridor's integrity while developing multi-modal transportation options including the Shared Use Path Project and Multi-Modal Project.

WHEREAS, in order to fund the acquisition of the Railroad Corridor and related initial projects, the County issued its special purpose obligation bonds in an aggregate principal amount of \$51,950,000 (the "**County Bonds**");

WHEREAS, the KCATA has agreed to reimburse the County for KCATA's fifty-percent (50%) share of the principal of and interest on the County Bonds paid by the County;

WHEREAS, the County anticipates constructing the Shared Use Path Project through a variety of sources and the KCATA does not have an obligation to fund the Shared Use Path Project;

WHEREAS, the County and KCATA desire to operate both the Shared Use Path Project and Multi-Modal Project in a self-sustaining manner;

WHEREAS, the Cooperative Agreement provides that the KCATA shall have the primary role in undertaking efforts involving the planning and management of future construction and use of the Railroad Corridor for the Multi-Modal Project;

WHEREAS, under Section 6.2 of the Cooperative Agreement, the County and KCATA agreed to cooperate reasonably and in good faith to establish a commuter route connecting the termination point of the Railroad Corridor to Downtown Kansas City, Missouri, which may include a connection to the River Market area of Kansas City;

WHEREAS, under Section 2.3 of the Cooperative Agreement, the County and the KCATA agreed to reasonably cooperate to pursue and develop economic opportunities as part of the Shared Use Path Project and to enhance future transit, rail and other public transportation infrastructure as part of the Multi-Modal Project;

WHEREAS, under Section 3.3 of the Cooperative Agreement, the County and the KCATA agreed to execute this Maintenance and Management Agreement and develop an interim business plan to fund the management, maintenance and operation of the Shared Use Path Project and the Multi-Modal Project;

WHEREAS, the County has created the Rock Island Rail Corridor Authority ("**RIRCA**") as a department of the County to administer the day-to-day servicing, maintenance and management of the Shared Use Path Project and Railroad Corridor;

WHEREAS, RIRCA may be established as a separate and distinct entity after the execution of this Agreement with the mutual agreement of the parties;

WHEREAS, the parties wish to set forth in this Agreement the respective rights and obligations of the County and the KCATA with respect to the management, maintenance and operation of the Shared Use Path Project and the Multi-Modal Project;

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter expressed and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

ARTICLE I

BASIC TERMS

1.1. Incorporation of Recitals

The above recitals are true and correct and are hereby incorporated and made a part of this Agreement as if fully set forth.

1.2 Purpose

The purpose of this Agreement is to provide for: (i) the operation, servicing, management and maintenance of the Shared Use Path Project and Railroad Corridor by the County; and (ii) the management, maintenance and operation of the Multi-Modal Project by KCATA. A hierarchy pyramid showing the priority and implementation of (i) freight; (ii) transit; and (iii) the Shared Use Path is attached hereto as Exhibit A. An outline showing the responsibilities of each of the parties is attached hereto as Exhibit B.

1.3. Railroad Corridor Management

The County and KCATA hereby agree that the County will be the manager for the servicing, management, operation and maintenance of the Shared Use Path Project and Railroad Corridor, and that the County shall preserve and maintain the Railroad Corridor in accordance with the hierarchy pyramid attached hereto as Exhibit A. The parties hereby appoint KCATA as the manager for the planning, design, development, operation, management and maintenance of the Multi-Modal Project. The Shared Use Path Project and the Multi-Modal Project are collectively referred to as the “**Projects**”. The County and KCATA shall be such managers as of the Commencement Date, as hereinafter defined, for the Term of this Agreement. The County hereby authorizes the KCATA to exercise such powers and take such actions with respect to the Multi-Modal Project and the Railroad Corridor as may be necessary for the performance of its obligations under this Agreement. KCATA hereby accepts its appointment on the terms and conditions hereinafter set forth.

The parties hereby acknowledge and agree that the County shall be responsible for the costs of management, security and maintenance of the Railroad Corridor for the five (5) years following the Commencement Date of this Agreement (the “**Initial Period**”). Upon the start of

construction of the Multi-Modal Project or any phase thereof, KCATA will be responsible for the management, security and maintenance of that length of the Railroad Corridor used by the Multi-Modal Project or applicable phase. The County will remain responsible for the management, maintenance and security of freight railroad activities that are independent of the Multi-Modal Project and the management, maintenance and security of the Shared Use Path, including portions of the Shared Use Path within the area of the Railroad Corridor used by the Multi-Modal Project. Similarly, if KCATA implements a transit oriented development project using portions of the Railroad Corridor, KCATA will be responsible for the management, maintenance and security of those portions of the Railroad Corridor that are impacted by the transit oriented development project.

In furtherance of the ultimate vision and intent of the parties that the Railroad Corridor be operated in a self-sustaining manner, during such Initial Period the parties shall: (i) review and analyze the costs and expenses associated with the ongoing management, security and maintenance of the Railroad Corridor; (ii) develop and pursue revenue generation through leases, licenses, easements and other agreements related to the property located over, on, across or adjacent to the Railroad Corridor, as further described in Section 4.3 herein; (iii) pursue and solicit potential cost-sharing, in-kind contributions and other involvement from local jurisdictions around the Railroad Corridor; (iv) develop and pursue revenue generation through transit oriented development projects, as will be further agreed to by the parties pursuant to Section 1.8; and (v) pursue value capture mechanisms as described in Section 3.4.

Three (3) years after the Commencement Date of this Agreement, the parties agree to meet in order to review the costs and expenses associated with the management, security and maintenance of the Railroad Corridor. At the end of the Initial Period, if funding from items (i)-(v) above does not generate sufficient funds to cover the costs of management, security and maintenance of the Railroad Corridor, the parties agree to set forth in an amendment to this Agreement or a separate agreement to be reasonably and in good faith negotiated and executed, an alternative funding plan and the method and manner by which the costs and expenses associated with the management, security and maintenance of the Railroad Corridor will be divided between the parties.

1.4 Term

The term of this Agreement shall commence on January 1, 2017 (the “**Commencement Date**”) and, unless earlier terminated as provided in Section 8.3 herein, shall continue for the longer of (i) the term of the County Bonds; or (ii) twenty-five (25) years (the “**Term**”).

1.5 Party Liaison; Joint Rock Island Committee

Each of the County and KCATA shall appoint a representative to be the party’s contact for decisions relating to the services to be performed under this Agreement. Initially, County’s representative shall be _____, and KCATA’s representative shall be _____. Any party may change its representative by providing notice to the other parties, as provided in Section 9.5 of this Agreement. The two (2) respective liaisons shall constitute the “**Joint Rock Island Committee.**” In the event that RIRCA is formed as a separate

entity, RIRCA shall also appoint a representative, resulting in three (3) liaisons constituting the Joint Rock Island Committee. The Joint Rock Island Committee shall be a governing committee and information sharing body, designed to coordinate the long term vision for the Projects and the Railroad Corridor, review plans and specifications to ensure that construction of the Shared Use Path positively impacts future transit and transportation goals, coordinate grants and to address other goals on a collaborative basis for the period prior to the establishment of RIRCA as a separate entity. The Joint Rock Island Committee shall abide by the guiding principle of focusing on the County's common carrier status and the integrity of the Railroad Corridor to protect the investment being made by the County and the KCATA.

1.6 RIRCA Governing Structure

The County and KCATA hereby acknowledge and agree that RIRCA is a department of the County. In order for RIRCA to be formed as a separate and distinct entity, both the County and KCATA must affirmatively agree, in writing, to such formation. The parties acknowledge and agree that an amendment to this Agreement or a separate agreement may be necessary upon the establishment of RIRCA as a separate entity in order to transition certain rights and obligations to RIRCA, and the parties agree to negotiate and execute such agreement or amendment reasonably and in good faith as soon as reasonably possible after the establishment of RIRCA as a separate entity.

Once established as a separate and distinct entity, RIRCA shall be governed by a seven (7) member Board of Directors, with three (3) such directors appointed by the County and three (3) such directors appointed by the KCATA. Only the six (6) members appointed by the County and the KCATA shall vote. In the event of a tie, the seventh (7th) member shall cast the tie-breaking vote. The appointment of the seventh director shall rotate between the County and KCATA every three (3) years. For example, the first such appointment shall be made by the County, and the second such appointment shall be made by the KCATA.

1.7 Construction and Operation of Shared Use Path Project

(a) Construction of Shared Use Path Project:

The County shall be solely responsible for the development and construction of the Shared Use Path Project. Pursuant to Section 3.1 of the Cooperative Agreement, KCATA shall have no obligation to reimburse or repay the County for any costs related to the construction of the Shared Use Path Project. The County shall provide KCATA with plans and specifications for the construction of the Shared Use Path Project prior to initiating construction of any portion of the Shared Use Path Project. KCATA shall in good faith review such plans and specifications in accordance with the County's Shared Use Path Project schedule to determine if the current plans interfere with or impede long term transit and transportation goals of KCATA for the Railroad Corridor. Within thirty (30) days of being provided such plans and specifications, KCATA shall either approve such plans and specifications, in writing, or shall advise the County of the necessary changes to the plans and specifications to accommodate long term transit and transportation goals. Within thirty (30) days after being provided the necessary changes, the County shall submit revised plans and specifications to KCATA. Such process shall continue

until the parties agree on the plans and specifications for construction of the Shared Use Path Project.

(b) Operation of the Shared Use Pathway Project:

The ongoing operation and security of the Shared Use Path Project shall be conducted by the County.

1.8 Transit Oriented Development Agreement

In an agreement to be reasonably and in good faith negotiated and executed as soon as reasonably possible subsequent to the date of the execution of this Agreement (the “**TOD Agreement**”), the County and KCATA will develop a business plan for the development and construction of both development projects and transit oriented development projects on or adjacent to the Railroad Corridor.

ARTICLE II

SHARED USE PATH PROJECT

2.1 General Duties and Services

The County shall use diligent efforts to manage, maintain and operate the Shared Use Path Project and Railroad Corridor consistent with the County Work Plan and Rock Island Budget, as such terms are hereinafter defined, and subject to the reasonable oversight and input of the Joint Rock Island Committee. General duties and services shall include, but not be limited to, (i) the procurement of goods for the servicing, management and maintenance of the Shared Use Path and Railroad Corridor; (ii) the negotiation and execution of contracts with vendors for the management, repair, servicing and maintenance of the Shared Use Path Project and Railroad Corridor; and (iii) the purchase of supplies and materials reasonably necessary or desirable for the servicing, management and maintenance of the Shared Use Path Project and Railroad Corridor.

2.2 Maintenance and Repairs

The responsibility for the ordinary maintenance, repairs, alterations, replacements and installations and purchase of supplies necessary for the operation of the Shared Use Path Project and the upkeep of the Railroad Corridor shall be with the County. All repairs, alterations and replacements shall be of at least equal quality and workmanship to the original work.

2.3 Technology Management; Security

The County will assume primary support and maintenance for software or technology used for the Shared Use Path Project. Security systems and security staffing, including video surveillance, security officers, and Railroad Corridor access, will be paid for and managed by the

County. The Joint Rock Island Committee will provide input to the County on security levels and access.

2.4 Other Responsibilities

As reflected in Section 2.2 of the Cooperative Agreement, the County agrees to use its reasonable best efforts to protect and defend against challenges to the title of the Railroad Corridor. In the event of unanticipated litigation challenging County's title to the Railroad Corridor, environmental claims, environmental remediation or other unanticipated lawsuits or third party expenses, County, as the fee owner of the Railroad Corridor, would remain responsible for the payment of these expenses.

2.5 Insurance

Regarding only that portion of the Railroad Corridor dedicated to the Shared Use Path Project, the County shall carry and maintain in force for the duration of this Agreement insurance coverage, underwritten by insurer(s) lawfully authorized to write insurance in the State of Missouri, of the minimum types and limits set forth below. At its option, the County may choose to satisfy any claims or judgments for which it is liable out of the County's Self-Insurance Fund, established under section 526 of the County Code.

(a) Commercial General Liability. \$2,000,000 combined single limit, for bodily injury, personal injury and property damage liability per occurrence and \$2,000,000 general aggregate.

(b) Workers' Compensation and Employer's Liability. Worker's compensation as required by statute, including Employer's Liability with limits of \$100,000 each accident, \$500,000 disease-policy limit, and \$100,000 disease each employee.

(c) Commercial Automobile Liability. \$2,000,000 per occurrence, covering owned, hired, and non-owned automobiles. Coverage provided shall be on an "any auto" basis and written on an "occurrence" basis. This insurance will be written on a Commercial Business Auto form or acceptable equivalent and will protect against claims arising out of the operation of motor vehicles.

Regarding all other portions of the Railroad Corridor, the County shall also have this same obligation regarding insurance for the Initial Period. Upon the start of construction of the Multi-Modal Project or any phase thereof, KCATA will be responsible for carrying insurance on that length of the Railroad Corridor used by the Multi-Modal Project or applicable phase. At the end of the Initial period, the parties agree to set forth in an amendment to this Agreement or a separate agreement to be reasonably and in good faith negotiated and executed, a plan and the method and manner by which the costs and expenses associated with insuring the Railroad Corridor will be divided between the parties. Such plan may take into consideration the fact that both County and KCATA may be required to maintain insurance for certain portions of the Railroad Corridor.

The party with the obligation to provide insurance or self-insurance pursuant to this section shall ensure that the other party is listed as a named insured on any applicable policies of insurance or, in the event self-insurance is substituted, will defend, indemnify, and hold harmless the other party and its agents, agencies, officers, and employees from any claims arising out of the ownership, occupancy, and/or operation of the Railroad Corridor, with the exception of claims arising out of the negligence of the indemnified party or its agents, agencies, officers, or employees.

2.6 Funding

The County shall be responsible for the costs and expenses relating to the construction, servicing, management and maintenance of the Shared Use Path Project and Railroad Corridor and may seek funding from other sources including but not limited to grants, partnerships, value capture, right-of-way area income and in-kind contributions.

ARTICLE III

MULTI-MODAL PROJECT

3.1 General Duties and Services

The KCATA shall use diligent efforts to plan, design, develop, manage, maintain and operate the Multi-Modal Project, consistent with the KCATA Work Plan and KCATA Budget (as hereinafter defined). General duties and services shall include, but not be limited to, (i) the procurement of goods relating to the planning, development and day-to-day operations of the Multi-Modal Project and any transit or transportation systems; (ii) negotiation and execution of contracts with third party vendors for the planning, development, design, operation, repair, maintenance and servicing of the Multi-Modal Project and any transit or transportation systems; (iii) the purchase of equipment and materials necessary or desirable for the planning, design, development, management and maintenance of the Multi-Modal Project and any transit or transportation systems; and (iv); security of the transit system(s). The KCATA shall provide the County with plans and specifications for construction of the Multi-Modal Project prior to initiating construction of any portion of the Multi-Modal Project. The County shall in good faith review such plans and specifications in accordance with the KCATA's Multi-Modal Project schedule to determine the plans' compatibility with the Shared Use Path Project and or the integrity of the Railroad Corridor.

3.2 Maintenance and Repairs

Subject to the KCATA Budget, KCATA shall perform, or cause to be performed, all ordinary maintenance, repairs, alterations, replacements and installations and purchase all supplies necessary for the planning, design, development and operation of the Multi-Modal Project and any transit or transportation systems installed on the Railroad Corridor.

3.3 Technology Management

The KCATA will be responsible for support and maintenance of transit specific software systems that are used by KCATA or third-party contractors for transit and transportation aspects of the Multi-Modal Project.

3.4 Transit Oriented Development; Value Capture

The KCATA shall take the lead in transit oriented development projects and the establishment of a value capture strategy for the Railroad Corridor, and the County agrees to cooperate with the KCATA, as further described in Section 7.2(b).

ARTICLE IV

SHARED RESPONSIBILITIES

4.1 Marketing and Outreach

The County, with the input of the Joint Rock Island Committee, shall develop and fund a marketing and communication plan, and shall implement and conduct all marketing for the Shared Use Path Project and Railroad Corridor. County is responsible for the coordination and administration of all marketing and advertising contracts for the Shared Use Path Project and Railroad Corridor and associated revenue.

The KCATA, with the input of the Joint Rock Island Committee, shall develop and fund a marketing and communication plan, and shall implement and conduct all marketing for the Multi-Modal Project. KCATA is responsible for the coordination and administration of all marketing and advertising contracts for the Multi-Modal Project and associated revenue.

4.2 Customer Service

The Joint Rock Island Committee shall establish a central telephone number to answer and direct all customer service inquiries. The County shall answer and distribute calls, and shall provide general information to all customers regarding the Shared Use Path Project and Railroad Corridor. The KCATA shall answer and distribute calls, and shall provide general information to all customers regarding the Multi-Modal Project.

4.3 Negotiation of Leases, Licenses, Easements and Other Agreements

(a) Responsibility. Subject to any further agreements contained in the TOD Agreement, the County shall be primarily responsible for the negotiation and execution of all leases, licenses, easements and other agreements related to property located over, on, across or adjacent to the Railroad Corridor. All such leases, licenses, easements and other agreements shall be executed by the County.

(b) Sharing of Income. Pursuant to Section 3.3 of the Cooperative Agreement, all income from the lease, license, easement and right-of-way area use and development (as may be modified in the TOD Agreement) shall be shared equally between the County and KCATA. The County shall be responsible for the invoicing of all tenants, licensees, users and other occupants of the Railroad Corridor and the accounting of all revenues. Income from the lease, license, easement and right-of-way area use shall first be credited to the operating budget for the management, security and maintenance of the Railroad Corridor which is initially the County's responsibility as outlined in Section 1.3. Thereafter, excess revenues shall be shared equally by the County and KCATA.

(c) Enforcement of Agreements. The County shall use commercially reasonable efforts to enforce the terms of all leases, licenses, easements and other agreement that it manages with respect to the Railroad Corridor.

(d) Designation of KCATA. The County and KCATA representatives designated in Section 1.5 of this Agreement may agree, in writing, that KCATA shall take the lead on certain leases, licenses, easements and other agreements related to property located over, on, across or adjacent to the Railroad Corridor.

4.4 Encroachments

The County, with the advice and input of the KCATA and the Joint Rock Island Committee, shall take the lead in addressing and/or removing the encroachments currently identified on the Railroad Corridor. In the event the County wishes KCATA to take actions to address and/or remove the encroachments or a specific encroachment, then the County may designate the KCATA to handle such encroachment(s) with the written approval of both the County and KCATA representatives designated in Section 1.5 of this Agreement.

4.5 Decisions Affecting Entirety of Railroad Corridor

Any decision or agreement which affects the entirety of the Railroad Corridor, for example the selection of a master developer or a marketing/advertiser for the entire Railroad Corridor, may only be made after the receipt of written approval from both the County and the KCATA. The guiding principle of such decisions shall focus on the County's common carrier status and the integrity of the Railroad Corridor to protect the investment being made by the County and the KCATA.

ARTICLE V

SECURING AND MANAGING GRANTS

5.1 Shared Use Path Grants

The County will undertake the clean-up of the Railroad Corridor as necessary for the development of the Projects and construction of the Shared Use Path Project. Exhibit C to the Cooperative Agreement estimates the total cost of the Shared Use Path Project to be

approximately \$16,000,000. This budgeted amount includes the local match to be provided by the County. In Exhibit D to the Cooperative Agreement, the source of this financing is described as "Local Match, Surface Transportation Program Funds and Other Funds." The County will undertake the lead between the parties to obtain additional grants from local, state and federal governments. The KCATA agrees to take all cooperative actions requested by the County in support of any administrative application and/or legislative initiatives.

5.2 Transit Grants

KCATA will undertake the planning and development of future construction, operation and use of the Railroad Corridor for the Multi-Modal Project and the establishment of a public transportation system. The KCATA shall take the lead, and the County will cooperate with KCATA, in seeking Surface Transportation Program Funds, any other funds, any incentives available from the cities that are serviced by the Railroad Corridor and in seeking state and federal grants for transit oriented development.

5.3 Cooperation

If requested by the County and agreed to by the parties, KCATA may seek, process and oversee existing and future federal and state grant applications applicable to the Projects and confirm that all grant conditions and requirements are met. KCATA will prepare grant applications for the Projects and monitor and implement FTA requirements for approved grants. The KCATA agrees to comply with all applicable federal, state and local laws, rules and regulations applicable to grants or other federal or state funding. The County agrees to do nothing that would cause the KCATA to violate any applicable law, rule or regulation and nothing in this Agreement shall be interpreted to require the KCATA to violate any such law, rule or regulation. The County and the KCATA each agrees to make its regulatory documents and records available to the other for inspection upon request.

ARTICLE VI

WORK PLAN AND BUDGETING

6.1 County Work Plan

The County shall annually prepare a work plan that will describe the desired repairs, maintenance projects, capital expenditures, problems and solutions, and proposed projects for the Shared Use Path Project and the Railroad Corridor for the upcoming calendar year (the "**County Work Plan.**") The action items described in the County Work Plan shall be funded by the County. The County Work Plan will be submitted to KCATA for its review prior to the submittal of the County Work Plan to the Jackson County Legislature. KCATA shall review the County Work Plan to determine if the proposed projects interfere with or impede long term transit and transportation goals of the KCATA for the Railroad Corridor.

6.2 Shared Use Path and Railroad Corridor Budget

(a) Formation: The County shall annually prepare and submit to the Joint Rock Island Committee for review, input and comments a proposed operating and capital budget (the “**Rock Island Budget**”) for the repair, servicing, management and maintenance of the Shared Use Path Project and Railroad Corridor described in the County Work Plan prior to the submittal of the Rock Island Budget to the Jackson County Legislature.

(b) Independent Cost Center. The County shall establish an independent cost center to administer appropriations authorized pursuant to the Rock Island Budget.

(c) Implementation: The County shall implement the Rock Island Budget and use commercially reasonable efforts to confirm that the cost of maintaining, managing and operating the Shared Use Path Project and Railroad Corridor shall not exceed the Rock Island Budget.

6.3 KCATA Work Plan

The KCATA shall annually prepare a work plan that will describe: (i) the proposed activities, projects, capital expenditures and transit infrastructure to be undertaken in furtherance of the development and initiation of the Multi-Modal Project; (ii) activities, projects, and capital expenditures to be undertaken to further transit oriented development and other transit related developments within or adjacent to the Railroad Corridor; and (iii) proposed activities, projects and capital expenditures to be undertaken in furtherance of the leasing, licensing and associated uses of the Railroad Corridor (the “**KCATA Work Plan**”). The action items described in the KCATA Work Plan shall be funded through the KCATA Budget.

6.4 KCATA Budget

(a) Formation. In connection with its annual County budget process, the KCATA shall cooperate with the County to develop a budget for: the planning, design, development, operation, management and maintenance of the Multi-Modal Project for the upcoming calendar year and the planning, design, development of any transit oriented development projects (collectively, the “**Budgeted Items**”). The KCATA shall annually prepare and submit an operating and capital budget (the “**KCATA Budget**”) which corresponds with the KCATA Work Plan to the Joint Rock Island Committee for its review, input and comments.

(b) Funding. The KCATA shall fund the Budgeted Items. As Section 1.8 states, funding for transit oriented development projects will be further defined in a TOD Agreement.

(c) Independent Cost Center. The KCATA shall establish an independent cost center to administer appropriations authorized pursuant to the KCATA Budget.

(d) Implementation. KCATA shall implement the KCATA Budget and use commercially reasonable efforts to ensure that the costs of the Budgeted Items shall not exceed the KCATA Budget. The KCATA Budget shall constitute an authorization for KCATA to

expend necessary monies in order to effectuate the Budgeted Items in accordance with the KCATA Budget and subject to the provisions of this Agreement.

6.6 Audit

The Projects, and the independent cost centers of both the County and KCATA established to administer the funding of such projects, shall be audited once every twenty-four (24) months by an independent, unaffiliated Certified Public Accountant (CPA) properly licensed in Missouri. The Audit shall be equally funded by the County and the KCATA, not to exceed Fifteen Thousand Dollars (\$15,000) for each party.

ARTICLE VII

COOPERATION OF THE PARTIES

7.1 Continued Cooperation of the Parties

Each of the County and KCATA agree, upon the request of the other party, to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications and provide such other information as may be reasonably requested, necessary or appropriate to carry out the provisions, terms, covenants and intent of this Agreement, and to aid and assist the other party in carrying out said provisions, terms, covenants, and intent of this Agreement and to give full force and effect to the provisions, terms and covenants and intent of this Agreement.

7.2 Cooperation on Specific Aspects of the Projects

(a) UP Use Restrictions. Pursuant to the Line Sale Agreement dated December 31, 2015 and the Quitclaim Deed transferring the Railroad Corridor from UP to the County, UP imposed restrictions on the future use of the Railroad Corridor. Under Section 7(d)(ii) of the Line Sale Agreement, the County may perform remediation of the Railroad Corridor to qualify for one or more of the restricted uses. After completion of the remediation, the County may request that UP release or partially release the restriction on use covenant. The County agrees to cooperate with KCATA to remediate the Railroad Corridor, or portions thereof, and to work with KCATA to release the use restrictions from the Railroad Corridor, or portions thereof, so that the parties may fully exercise their rights to conduct transit oriented development on or adjacent to the Railroad Corridor, as will be detailed in the TOD Agreement.

(b) Value Capture Opportunity. In accordance with Section 2.2 of the Cooperative Agreement, KCATA, in cooperation with the County, may form a Transportation Development District ("TDD") under the authority of Section 238.200, et seq., a Community Improvement District under the authority of Section 67.1401 et seq. RSMo, or other incentive district. Following the Effective Date of this Agreement, KCATA may file a petition in accordance with RSMo Section 238.207 or RSMo Section 67.1421. The TDD, CID or other incentive district may be formed as a political subdivision, with all statutory powers, including, but not limited to, the ability to tax and levy assessments. The County and KCATA agree to take such actions,

including the execution and delivery of such documents, instruments, petitions and certifications necessary to implement the TDD, CID or other incentive district and to provide that such district shall fund the Multi-Modal Project.

Given the County's and the KCATA's sustainable approach to developing the Railroad Corridor, the same Value Capture Opportunity or a new Value Capture Opportunity may also offset Railroad Corridor, Shared Use Path and Multi-Modal Project maintenance and security costs that are not covered by grants, lease, license, easement and right-of-way area use income, in-kind contributions, partnerships or other funding opportunities.

ARTICLE VII

DEFAULT AND TERMINATION

8.1 Event of Default.

- (a) A party to this Agreement shall be in default of this Agreement (the "Defaulting Party") upon the happening of any of the following events (each an "Event of Default"):
- i. Failure to comply with any obligations of such Defaulting Party under Articles II through VI of this Agreement;
 - ii. Taking any actions (or permitting any actions to be taken by others) that are contrary to the obligations set forth in Articles II through VI of this Agreement;
 - iii. Suspension or revocation of any act, power, license, permit or authority that has the effect of preventing and stopping either party from performing its obligations under this Agreement;
 - iv. Failure of any other obligation under this Agreement, which failure could jeopardize the purposes for which this Agreement has been entered into from being realized.
- (b) The Defaulting Party shall have the opportunity to cure the Event of Default within thirty (30) days of having received written notice of the Event of Default from the other party to this Agreement (the "Non-Defaulting Party").
- (c) In the event that the Defaulting Party does not cure the Event of Default within the 30-day period described in subsection (b) (or commenced such cure and be diligently pursuing the same if such cure would reasonably take longer than 30 days to cure), the Non-Defaulting Party may take one or more of the steps set forth in Section 8.2.

8.2 Breach; Compliance

Upon an Event of Default by the Defaulting Party and the failure to cure within the requisite period described in Section 8.1(b), the Non-Defaulting Party may take one or more of the following actions:

- (a) At its discretion, extend the period of cure described in Section 8.1(b) to afford the Defaulting Party more time in which to cure the Event of Default;
- (b) Perform the obligation the Defaulting Party failed to perform that constitutes the Event of Default and obtain reimbursement from the Defaulting Party for any expenses, including without limitation reasonable attorney's fees, which the Non-Defaulting Party may incur in performing the obligation under the Agreement; or
- (c) Initiate an action for damages.

8.3 Termination.

This Agreement shall terminate on the occurrence of any of the following:

- (a) Expiration of the Term, as defined in Section 1.4;
- (b) Exercise by the KCATA of the KCATA Purchase Option Right under Section 8 of the Cooperative Agreement; and .

ARTICLE IX

MISCELLANEOUS

9.1 Assignment

No party to this Agreement may transfer or assign this Agreement, except with the written consent of the other party, in its sole discretion.

9.2 Modification

The terms, conditions and provisions of this Agreement cannot be modified, amended or eliminated, except by the signed written agreement of the County and the KCATA.

9.3 Choice of Law

This Agreement is made in the State of Missouri under the Constitution and laws of such State and is to be construed, interpreted and governed by the laws of the State of Missouri.

9.4 Severability

Should any part, term, portion or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, portions or provisions shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to continue to constitute substantially the agreement that the parties intended to enter into in the first instance.

9.5 Notice.

Notices hereunder shall be sufficient if delivered to:

(a) County:

County Counselor
Office of the County Counselor
Jackson County Courthouse
415 E. 12th Street, Suite 200
Kansas City, Mo 64106

With a copy to:

Executive Director
Rock Island Rail Corridor Authority
22501 Woods Chapel Road
Blue Springs, MO 64015

(b) KCATA:

Kansas City Area Transportation Authority
Attention: Chief Executive Officer
1200 E. 18th Street
Kansas City, MO 64108

With a copy to:

Jerry Riffel, Esq.
Lathrop & Gage LLP
2345 Grand Blvd., Suite 2400
Kansas City, MO 64108

9.6 Approval by Governing Bodies; Binding Effect; Entirety

(a) Approval by Governing Bodies. This Agreement is subject to approval by the KCATA Board of Commissioners and the Legislature of Jackson County.

(b) Binding Effect. Upon the approval of all necessary governing bodies, this Agreement shall be binding upon the parties hereto and upon their assigns, transferees and successors in interest, provided no party may assign this Agreement or the rights or obligations hereunder without the express written consent of the other party.

(c) Entirety. This Agreement sets forth the complete understanding of the County and KCATA, and supersedes all previous negotiations and representations between them and their agents.

9.7. Multiple Counterparts

This Agreement may be executed in multiple counterpart copies, each of which will be considered an original and each of which shall constitute but one and the same instrument, binding on the parties hereto, even though both parties are not a signatory to the same counterpart. Any counterpart of this Agreement which has attached to it separate signature pages which together contain the signatures of both parties hereto shall be deemed for all purposes a fully executed original.

9.8 Agreement Runs With the Land

This Agreement shall run with the land and inure to the benefit of all future owners of the Railroad Corridor.

[Reminder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have hereunto set their respective hands as of the day and year first above written.

JACKSON COUNTY, MISSOURI

Date 2-21-2017

By: [Signature]
Frank White, Jr.
County Executive

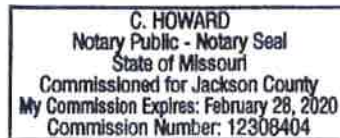
STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On this 21st day of February in the year 2017, before me, C. Howard, a Notary Public in and for said state, personally appeared Frank White, Jr., the County Executive of Jackson County, Missouri, a political subdivision of the State of Missouri, known to me to be the person who executed the foregoing Agreement on behalf of the County and acknowledged to me that (a) he is the County Executive of Jackson County, Missouri, a political subdivision of the state of Missouri, (b) the foregoing Agreement was signed in behalf of said authority by him as its County Executive, and (c) that the execution of the foregoing Agreement was the free act and deed of him as the County Executive of Jackson County, Missouri and that he executed the same for the purposes therein stated.

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

[Signature]
Notary Public

My Commission Expires:
2/28/2020



Approved As To Form:
[Signature]
County Counselor

Attest:
[Signature]
Mary Jo Spino, Clerk of the Legislature

2-10-17
Date

By: *Steve Klika*
Steve Klika
Chairman of Board of Commissioners

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On this 10th day of February in the year 2017, before me, Steve Klika, a Notary Public in and for said state, personally appeared Steve Klika, Chairman of the Board of Commissioners of the Kansas City Area Transportation Authority, a Missouri body corporate and politic, known to me to be the person who executed the foregoing Agreement on behalf of said authority and acknowledged to me that (a) he is the Chairman of the Board of Commissioners of the Kansas City Area Transportation Authority, a Missouri public corporation, (b) the foregoing Agreement was signed in behalf of said authority by him as the Chairman of the Board of Commissioners, by authority of the articles of incorporation and bylaws of the Kansas City Area Transportation Authority and (c) that the execution of the foregoing Agreement was the free act and deed of him as the Chairman of the Board of Commissioners of the Kansas City Area Transportation Authority and that he executed the same for the purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in Jackson County, Missouri, on the day and year last above written.

Janet Leverich
Notary Public

My Commission Expires:

7-5-2020

JANET LEVERICH
Notary Public-Notary Seal
STATE OF MISSOURI
County of Jackson
My Commission Expires: July 05, 2020
Commission #16842770

EXHIBIT A
Hierarchy Pyramid

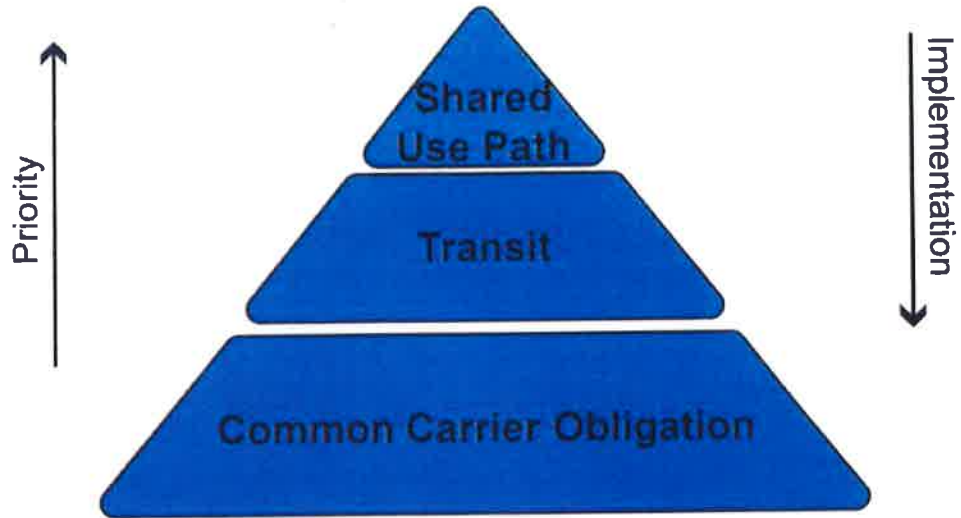


EXHIBIT B

Rock Island Management and Maintenance Agreement

Responsibilities of the Parties

Rock Island Rail Corridor Authority as Department of Jackson County

Jackson County	KCATA
<ul style="list-style-type: none">• Construction of Shared Use Path• Servicing, management, maintenance and operation of Shared Use Path• Funds clean-up, maintenance and operation of the Railroad Corridor during Initial Period• Marketing for Shared Use Path and Railroad Corridor; customer service calls etc.• Leasing and licensing of Railroad Corridor	<ul style="list-style-type: none">• Design and planning for the Multi-Modal Project and development of transit options• Management, maintenance and operation of transit components upon construction of multi-modal components• Takes the lead on transit oriented development projects