

RESOLUTION NO.: 2002-17

## THE 3-TRAILS COMMUNITY IMPROVEMENT DISTRICT

RESOLUTION OF THE 3-TRAILS COMMUNITY IMPROVEMENT DISTRICT (THE "DISTRICT") AUTHORIZING THE DISTRICT'S TREASURER TO ESTABLISH NECESSARY BANK ACCOUNTS WITH HILLCREST BANK AND APPROVING AN AGREEMENT BETWEEN THE DISTRICT AND HILLCREST BANK ESTABLISHING A LINE OF CREDIT FOR THE DISTRICT TO FUND ITS PURPOSES.

WHEREAS, the Board of Directors of the District desire to, among other things: (1) prepare a master plan for the District including the implementation of a comprehensive image and marketing program; (2) hire or contract for personnel to staff and provide services to the District; (3) provide cleaning and maintenance service to public areas within the District to improve the appearance and image of the District; (4) provide or contract for the provision of transportation within the District; and, (5) assist in attracting additional investment in the District by the public and private sectors (the "Eligible Services");

WHEREAS, pursuant to the Community Improvement District Act (the "Act"), Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, the Board of Directors of the District has levied special assessments against all real property within the District and benefited by the Eligible Services, and imposed a sales tax upon all eligible taxable sales within the District (collectively the "District Revenue");

WHEREAS, the Board of Directors of the District desires to establish one or several accounts with Hillcrest Bank for purposes of depositing and distributing the District Revenue;

WHEREAS, the Board of Directors of the District desires to establish a line of credit with Hillcrest Bank for purposes of assisting the District in undertaking the Eligible Services; and,

WHEREAS, the Board of Directors of the District desires to appropriate District Revenue received from special assessments levied by the District as collateral for the above-referenced line of credit.

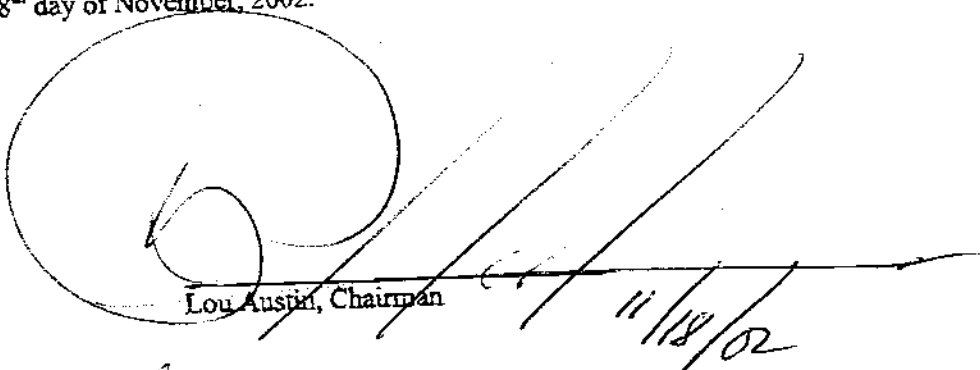
NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the 3-Trails Community Improvement District as follows:

1. That the Treasurer of the District is authorized to open one or several accounts with Hillcrest Bank for purposes of depositing and distributing the District Revenue;
2. That the Treasurer of the District and the District Manager are hereby authorized, on behalf of the District, to enter into an agreement between the District and Hillcrest Bank, similar in form to Exhibit A of this Resolution, for purposes of establishing a line of credit for the District in furtherance of the District undertaking the Eligible

Services;

3. The Treasurer of the District and the District Manager are authorized to take all further action necessary to carry out the purpose and intent of this Resolution; and,
4. This Resolution shall take effect immediately.

Adopted this 18<sup>th</sup> day of November, 2002.



Lou Austin, Chairman

ATTEST:



Craig Fishman, Secretary

LOAN NUMBER	LOAN NAME	ACCT. NUMBER	AGREEMENT DATE	INITIALS
81043	3-TRAILS COMMUNITY IMPROVEMENT DISTRICT	TC02464	12/02/02	RCB
NOTE AMOUNT	INDEX (w/Margin)	RATE	MATURITY DATE	LOAN PURPOSE
\$150,000.00	Wall Street Journal Prime plus 0.500%	5.75%	12/02/03	Commercial

Creditor Use Only

**COMMERCIAL LOAN AGREEMENT**  
Revolving Draw Loan

DATE AND PARTIES. The date of this Commercial Loan Agreement (Agreement) is December 2, 2002. The parties and their addresses are as follows:

**LENDER:**

HILLCREST BANK  
11111 W. 95th Street  
Overland Park, Kansas 66214

**BORROWER:**

3-TRAILS COMMUNITY IMPROVEMENT DISTRICT  
a Missouri POLITICAL SUBDIVISION  
C/O TROY MARDUIS, TREASURER  
COPAKEN, WHITE & BLITT  
6900 STATE LINE  
LEAWOOD, Kansas 66205

CUSTOMER COPY

**1. DEFINITIONS.** For the purposes of this Agreement, the following terms have the following meanings:

- A. Accounting Terms. In this Agreement, any accounting terms that are not specifically defined will have their customary meanings under generally accepted accounting principles.
- B. Insiders. Insiders include those defined as insiders by the United States Bankruptcy Code, as amended; or to the extent left undefined, include without limitation any officer, employee, stockholder or member, director, partner, or any immediate family member of any of the foregoing, or any person or entity which, directly or indirectly, controls, is controlled by or is under common control with me.
- C. Loan. The Loan refers to this transaction generally, including obligations and duties arising from the terms of all documents prepared or submitted for this transaction.
- D. Pronouns. The pronouns "I," "me" and "my" refer to every Borrower signing this Agreement, individually or together, and their heirs, successors and assigns. "You" and "your" refers to the Loan's lender, any participants or syndicators, or any person or company that acquires an interest in the Loan and their successors and assigns.
- E. Property. Property is any property, real, personal or intangible, that secures my performance of the obligations of this Loan.

**2. ADVANCES.** Advances under this Agreement are made according to the following terms and conditions:

- A. Multiple Advances - Revolving. In accordance with the terms of this Agreement and other Loan documents, you will provide me with a revolving draw note and the maximum outstanding principal balance will not exceed \$150,000.00 (Principal).
- B. Requests for Advances. My requests are a warranty that I am in compliance with all the Loan documents. When required by you for a particular method of advance, my requests for an advance must specify the requested amount and the date and be accompanied with any agreements, documents, and instruments that you require for the Loan. Any payment by you of any check, share draft or other charge may, at your option, constitute an advance on the Loan to me. All advances will be made in United States dollars. I will indemnify you and hold you harmless for your reliance on any request for advances that you reasonably believe to be genuine. To the extent permitted by law, I will indemnify you and hold you harmless when the person making any request represents that I authorized this person to request an advance even when this person is unauthorized or this person's signature is not genuine.

I or anyone I authorize to act on my behalf may request advances by the following methods:

- (1) I make a request in person.
- (2) I make a request by phone.

**C. Advance Limitations.** In addition to any other Loan conditions, requests for, and access to, advances are subject to the following limitations:

- (1) Discretionary Advances. You will make all Loan advances at your sole discretion.
- (2) Advance Amount. Subject to the terms and conditions contained in this Agreement, advances will be made in exactly the amount I request.
- (3) Disbursement of Advances. On my fulfillment of this Agreement's terms and conditions, you will disburse the advance into my account number \*\*\*\*\*.
- (4) Credit Limit. I understand that you will not ordinarily grant a request for an advance that would cause the unpaid principal of my Loan to be greater than the Principal limit. You may, at your option, grant such a request without obligating yourselves to do so in the future.
- (5) Records. Your records will be conclusive evidence as to the amount of advances, the Loan's unpaid principal balances and the accrued interest.

**D. Conditions.** I will satisfy all of the following conditions before you either issue any promissory notes or make any advances under this Agreement:

- (1) No Default. There has not been a default under this Agreement or other Loan documents nor would a default result from making the Loan or any advance.
- (2) Information. You have received all documents, information, certifications and warranties as you may require, all properly executed, if appropriate, on forms acceptable to you. This includes, but is not limited to, the documents and other items listed in the Loan Checklist Report which is hereby incorporated by reference into this Agreement.
- (3) Inspections. You have made all inspections that you consider necessary and are satisfied with this inspection.
- (4) Conditions and Covenants. I will have performed and complied with all conditions required for an advance and all covenants in this Agreement and any other Loan documents.
- (5) Warranties and Representations. The warranties and representations contained in this Agreement are true and correct at the time of making the requested advance.
- (6) Financial Statements. My most recent financial statements and other financial reports, delivered to you, are current, complete, true and accurate in all material respects and fairly represent my financial condition.
- (7) Bankruptcy Proceedings. No proceeding under the United States Bankruptcy Code has been commenced by or against me or any of my affiliates.

**3. MATURITY DATE.** I agree to fully repay the Loan by December 2, 2003.

**4. WARRANTIES AND REPRESENTATIONS.** I represent and warrant that I have the right and authority to enter into this Agreement. The execution and delivery of this Agreement will not violate any agreement governing me or to which I am a party.

**A. Loan Purpose.** This Loan is for Commercial purposes.

**B. No Other Liens.** I own or lease all property that I need to conduct my business and activities. I have good and marketable title to all property that I own or lease. All of my Property is free and clear of all liens, security interests, encumbrances and other adverse claims and interests, except those to you or those you consent to in writing.

**C. Compliance With Laws.** I am not violating any laws, regulations, rules, orders, judgments or decrees applicable to me or my property, except for those which I am challenging in good faith through proper proceedings after providing adequate reserves to fully pay the claim and its challenges should I lose.

**D. Legal Disputes.** There are no pending or threatened lawsuits, arbitrations or other proceedings against me or my property that singly or together may materially and adversely affect my property, operations, financial condition, or business.

**E. Adverse Agreements.** I am not a party to, nor am I bound by, any agreement that is now or is likely to become materially adverse to my business, property or operations.

- F. **Other Claims.** There are no outstanding claims or rights that would conflict with the execution, delivery or performance by me of the terms and conditions of this Agreement or the other Loan documents. No outstanding claims or rights exist that may result in a lien on the Property, the Property's proceeds and the proceeds of proceeds, except liens that were disclosed to and agreed to by you in writing.
- G. **Solvency.** I am able to pay my debts as they mature, my assets exceed my liabilities and I have sufficient capital for my current and planned business and other activities. I will not become insolvent by the execution or performance of this Loan.
- H. **Tax Status.** At the time of closing the loan, the grant of federal tax status as a nonprofit organization is current and has not been terminated, either by my action or inadvertently.

5. **FINANCIAL STATEMENTS.** I will prepare and maintain my financial records using consistently applied generally accepted accounting principles then in effect. I will provide you with financial information in a form that you accept and under the following terms.

- A. **Certification.** I represent and warrant that any financial statements that I provide you fairly represents my financial condition for the stated periods, is current, complete, true and accurate in all material respects, includes all of my direct or contingent liabilities and there has been no material adverse change in my financial condition, operations or business since the date the financial information was prepared.
- B. **Frequency.** Annually, I will provide to you my financial statements, tax returns, annual internal audit reports or those prepared by independent accountants as soon as available or at least within 90 days after the close of each of my fiscal years. Any annual financial statements that I provide you will be audited statements.
- (1) **Interim Financial Reports.** Each MONTH, I will provide to you my financial statements, internal audit reports or those prepared by independent accountants, tax reports, statements of cash flow, budgets and forecasts, certificates and schedules of Property as soon as available or at least within 15 days after the close of this business period. Any interim financial statements that I provide you will be prepared statements.
- C. **SEC Reports.** I will provide you with true and correct copies of all reports, notices or statements that I provide to the Securities and Exchange Commission, any securities exchange or my stockholders, owners, or the holders of any material indebtedness as soon as available or at least within 20 days after issuance.
- D. **Requested Information.** I will provide you with any other information about my operations, financial affairs and condition within 10 days after your request.

6. **COVENANTS.** Until the Loan and all related debts, liabilities and obligations are paid and discharged, I will comply with the following terms, unless you waive compliance in writing.

- A. **Participation.** I consent to you participating or syndicating the Loan and sharing any information that you decide is necessary about me and the Loan with the other participants or syndicators.
- B. **Inspection.** Upon reasonable notice, I will permit you, or your agents to enter any of my premises and any location where my Property is located during regular business hours to do the following:
- (1) You may inspect, audit, check, review and obtain copies from my books, records, journals, orders, receipts, and any correspondence and other business related data.
- (2) You may discuss my affairs, finances and business with any one who provides you with evidence that they are a creditor of mine, the sufficiency of which will be subject to your sole discretion.
- (3) You may inspect my Property, audit for the use and disposition of the Property's proceeds and proceeds of proceeds; or do whatever you decide is necessary to preserve and protect the Property and your interest in the Property.

After prior notice to me, you may discuss my financial condition and business operations with my independent accountants, if any, or my chief financial officer and I may be present during these discussions. As long as the Loan is outstanding, I will direct all of my accountants and auditors to permit you to examine my records in their possession and to make copies of these records. You will use your best efforts to maintain the confidentiality of the information you or your agents obtain, except you may provide your regulator, if any, with required information about my financial condition, operation and business or that of my parent, subsidiaries or affiliates.

C. **Business Requirements.** I will preserve and maintain my present existence and good standing in the jurisdiction where I am organized and all of my rights, privileges and franchises. I will do all that is needed or required to continue my business or activities as presently conducted, by obtaining licenses, permits and bonds everywhere I engage in business or activities or own, lease or locate my property. I will obtain your prior written consent before I cease my business or before I engage in any new line of business that is materially different from my present business or before I voluntarily change my federal tax status as a nonprofit organization.

D. **Compliance with Laws.** I will not violate any laws, regulations, rules, orders, judgments or decrees applicable to me or my Property, except for those which I challenge in good faith through proper proceedings after providing adequate reserves to fully pay the claim and its appeal, should I lose. Laws include without limitation the Federal Fair Labor Standards Act requirements for producing goods, the Federal Employee Retirement Income Security Act of 1974's requirements for the establishment, funding and management of qualified deferred compensation plans for employees, health and safety laws, environmental laws, tax laws, licensing and permit laws. On your request, I will provide you with written evidence that I have fully and timely paid my taxes, assessments and other governmental charges levied or imposed on me, my income or profits and my property. Taxes include without limitation sales taxes, use taxes, personal property taxes, documentary stamp taxes, recordation taxes, franchise taxes, income taxes, withholding taxes, FICA taxes and unemployment taxes. I will adequately provide for the payment of these taxes, assessments and other charges that have accrued but are not yet due and payable.

E. **New Organizations.** I will obtain your written consent and any necessary changes to the Loan documents before I organize or participate in the organization of any entity, merge into or consolidate with any one, permit any one else to merge into me, acquire all or substantially all of the assets of any one else or otherwise materially change my legal structure, management, ownership or financial condition.

F. **Dealings with Insiders.** I will not purchase, acquire or lease any property or services from, or sell, provide or lease any property or services to, or permit any outstanding loans or credit extensions to, or otherwise deal with, any insiders except as required under contracts existing at the time I applied for the Loan and approved by you or as this Agreement otherwise permits. I will not change or breach these contracts existing at Loan application so as to cause an acceleration of or an increase in any payments due.

G. **Other Debts.** I will pay when due any and all other debts owed or guaranteed by me and will faithfully perform, or comply with all the conditions and obligations imposed on me concerning the debt or guaranty.

H. **Other Liabilities.** I will not incur, assume or permit any debt evidenced by notes, bonds or similar obligations, except debt in existence on the date of this Agreement and fully disclosed to you; debt subordinated in payment to you on conditions and terms acceptable to you; accounts payable incurred in the ordinary course of my business and paid under customary trade terms or contested in good faith with reserves satisfactory to you.

I. **Notice to You.** I will promptly notify you of any material change in my financial condition, of the occurrence of a default under the terms of this Agreement, or a default by me under any agreement between me and any third party which materially and adversely affects my property, operations, financial condition or business.

J. **Certification of No Default.** On your request, my chief financial officer or my independent accountant will provide you with a written certification that to the best of their knowledge no event of default exists under the terms of this Agreement or the other Loan documents, and that there exists no other action, condition or event which with the giving of notice or lapse of time or both would constitute a default. As requested, my chief financial officer or my independent accountant will also provide you with computations demonstrating compliance with any financial covenants and ratios contained in this Agreement. If an action, condition or event of default does exist, the certificate must accurately and fully disclose the extent and nature of this action, condition or event and state what must be done to correct it.

K. **Use of Loan Proceeds.** I will not permit the loan proceeds to be used to purchase, carry, reduce, or retire any loan originally incurred to purchase or carry any margin stock or otherwise cause the Loan to violate Federal Reserve Board Regulations G, U, or X, or Section 8 of the Securities and Exchange Act of 1934 and its regulations, as amended.

L. **Dispose of No Assets.** Without your prior written consent or as the Loan documents permit, I will not sell, lease, assign, transfer, dispose of or otherwise distribute all or substantially all of my assets to any person other than in the ordinary course of business for the assets' depreciated book value or more.

M. **No Other Liens.** I will not create, permit or suffer any lien or encumbrance upon any of my properties for or by anyone, other than you, except for nonconsensual liens imposed by law arising out of the ordinary course of business on obligations that are not overdue or which I am contesting in good faith after making appropriate reserves; valid purchase money security interests on personal property; or any other liens specifically agreed to by you in writing.

N. **Guaranties.** I will not guaranty or become liable in any way as surety, endorser (other than as endorser of negotiable instruments in the ordinary course of business) or accommodation endorser or otherwise for the debt or obligations of any other person or entity, except to you or as you otherwise specifically agree in writing.

O. **No Default under Other Agreements.** I will not allow to occur, or to continue unremedied, any act, event or condition which constitutes a default, or which, with the passage of time or giving of notice, or both, would constitute a default under any agreement, document, instrument or undertaking to which I am a party or by which I may be bound.

P. **Legal Disputes.** I will promptly notify you in writing of any threatened or pending lawsuit, arbitration or other proceeding against me or any of my property, not identified in my financial statements, or that singly or together with other proceedings may materially and adversely affect my property, operations, financial condition or business. I will use my best efforts to bring about a favorable and speedy result of any of these lawsuits, arbitrations or other proceedings.

Q. **Other Notices.** I will immediately provide you with any information that may materially and adversely affect my ability to perform this Agreement and of its anticipated effect.

R. **Loan Obligations.** I will make full and timely payment of all principal and interest obligations, and comply with the other terms and agreements contained in this Agreement and in the other Loan documents.

S. **Insurance.** I will obtain and maintain insurance with insurers, in amounts and coverages that are acceptable to you and customary with industry practice. This may include without limitation liability insurance policies for public liability, fire, hazard and extended loss, workers compensation, and, at your request, business

interruption and/or rent loss insurance. At your request, I will deliver to you certified copies of all of these insurance policies, binders or certificates. I will obtain and maintain a mortgage or loss payer endorsement for you when these endorsements are available. I will immediately notify you of cancellation or termination of insurance. I will require all insurance policies to provide you with at least 30 days prior written notice to you of cancellation or modification. I consent to you using or disclosing information relative to any contract of insurance required by the Loan for the purpose of replacing the insurance. I also authorize my insurer and you to exchange all relevant information related to any contract of insurance required by any document executed as part of this Loan.

**T. Property Maintenance.** I will keep all tangible and intangible property that I consider necessary or useful in my business in good working condition by making all needed repairs, replacements and improvements and by making all rental, lease or other payments due on this property.

**U. Property Loss.** I will immediately notify you, and the insurance company when appropriate, of any material casualty, loss or depreciation to the Property or to my other property that affects my business.

**V. Reserves.** You may set aside and reserve Loan proceeds for Loan interest, fees and expenses, taxes, and insurance.

No interest will accrue on any reserve Loan proceeds. Disbursement of reserves is disbursement of the Loan's proceeds. At my request, you will disburse the reserves for the purpose they were set aside for, as long as I am not in default under this Agreement. You may directly pay these reserved items, reimburse me for payments I made, or reduce the reserves and increase the Loan proceeds available for disbursement.

**7. DEFAULT.** I will be in default if any of the following occur:

**A. Payments.** I fail to make a payment in full when due.

**B. Insolvency or Bankruptcy.** I make an assignment for the benefit of creditors or become insolvent, either because my liabilities exceed my assets or I am unable to pay my debts as they become due; or I petition for protection under federal, state or local bankruptcy, insolvency or debtor relief laws, or am the subject of a petition or action under such laws and fail to have the petition or action dismissed within a reasonable period of time not to exceed 60 days.

**C. Failure to Perform.** I fail to perform any condition or to keep any promise or covenant of this Agreement.

**D. Other Documents.** A default occurs under the terms of any other transaction document.

**E. Other Agreements.** I am in default on any other debt or agreement I have with you.

**F. Misrepresentation.** I make any verbal or written statement or provide any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.

**G. Judgment.** I fail to satisfy or appeal any judgment against me.

**H. Foreclosure.** The Property is used in a manner or for a purpose that threatens certification by a legal authority.

**I. Name Change.** I change my name or assume an additional name without notifying you before making such a change.

**J. Property Transfer.** I transfer all or a substantial part of my money or property.

**K. Property Value.** The value of the Property declines or is impaired.

**L. Insecurity.** You reasonably believe that you are insecure.

**8. REMEDIES.** After I default, and after you give any legally required notice and opportunity to cure the default, you may at your option do any one or more of the following:

**A. Acceleration.** You may make all or any part of the amount owing by the terms of the Loan immediately due.

**B. Sources.** You may use any and all remedies you have under state or federal law or in any instrument securing the Loan.

**C. Insurance Benefits.** You may make a claim for any and all insurance benefits or refunds that may be available on my default.

**D. Payments Made On My Behalf.** Amounts advanced on my behalf will be immediately due and may be added to the balance owing under the terms of the Loan, and accrue interest at the highest post-maturity interest rate.

**E. Termination.** You may terminate my right to obtain advances and may refuse to make any further extensions of credit.

**F. Set-Off.** You may use the right of set-off. This means you may set-off any amount due and payable under the terms of the Loan against any right I have to receive money from you.

My right to receive money from you includes any deposit or share account balance I have with you; any money owed to me on an item presented to you or in your possession for collection or exchange; and any repurchase agreement or other non-deposit obligation. "Any amount due and payable under the terms of the Loan" means the total amount to which you are entitled to demand payment under the terms of the Loan at the time you set-off.

Subject to any other written contract, if my right to receive money from you is also owned by someone who has not agreed to pay the Loan, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement.

Your right of set-off does not apply to an account or other obligation where my rights arise only in a representative capacity. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set-off against any of my accounts. I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

**G. Waiver.** Except as otherwise required by law, by choosing any one or more of these remedies you do not give up your right to use any other remedy. You do not waive a default if you choose not to use a remedy. By electing not to use any remedy, you do not waive your right to later consider the event a default and to use any remedies if the default continues or occurs again.

**9. COLLECTION EXPENSES AND ATTORNEYS' FEES.** On or after Default, to the extent permitted by law, I agree to pay all expenses of collection, enforcement or protection of your rights and remedies under this Agreement. Expenses include, but are not limited to, attorneys' fees, court costs and other legal expenses. These expenses are due and payable immediately. If not paid immediately, these expenses will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of this Loan. All fees and expenses will be secured by the Property I have pledged to you, if any. To the extent permitted by the United States Bankruptcy Code, I agree to pay the reasonable attorneys' fees you incur to collect this debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

**10. APPLICABLE LAW.** This Agreement is governed by the laws of Kansas, the United States of America and to the extent required, by the laws of the jurisdiction where the Property is located. In the event of a dispute, the exclusive forum, venue and place of jurisdiction will be in Kansas, unless otherwise required by law.

**11. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS.** My obligation to pay this Loan is independent of the obligation of any other person who has also agreed to pay it. You may sue me alone, or anyone else who is obligated on this Loan, or any number of us together, to collect this Loan. Extending this Loan or new obligations under this Loan, will not affect my duty under this Loan and I will still be obligated to pay this Loan. The duties and benefits of this Loan will bind and benefit the successors and assigns of you and me.

**12. AMENDMENT, INTEGRATION AND SEVERABILITY.** This Agreement may not be amended or modified by oral agreement. No amendment or modification of this Agreement is effective unless made in writing and executed by you and me. This Agreement is the complete and final expression of the understanding between you and me. If any provision of this Agreement is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

**13. INTERPRETATION.** Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Agreement.

**14. NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS.** Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one party will be deemed to be notice to all parties. I will inform you in writing of any change in my name, address or other application information. I will provide you any financial statement or information you request. All financial statements and information I give you will be correct and complete. I agree to sign, deliver, and file any additional documents or certifications that you may consider necessary to perfect, continue, and preserve my obligations under this Loan and to confirm your lien status on any Property. Time is of the essence.

**15. WAIVER OF JURY TRIAL.** All of the parties to this Agreement knowingly and intentionally, irrevocably and unconditionally, waive any and all right to a trial by jury in any litigation arising out of or concerning this Agreement or any other related loan document or related obligation. All of these parties acknowledge that this section has either been brought to the attention of each party's legal counsel or that each party had the opportunity to do so.

LOAN NUMBER	LOAN NAME	ACCT. NUMBER	NOTE DATE	INITIALS
E1847	3-TRAILS COMMUNITY IMPROVEMENT DISTRICT	7092494	12/02/02	RCS
NOTE AMOUNT	INDEX (w/Margin)	RATE	MATURITY DATE	LOAN PURPOSE
\$150,000.00	Wall Street Journal Prime plus 0.500%	5.75%	12/02/03	Commercial

Creditor Use Only

### PROMISSORY NOTE

(Commercial - Revolving Draw - Variable Rate)

**DATE AND PARTIES.** The date of this Promissory Note (Note) is December 2, 2002. The parties and their addresses are:

**LENDER:**

HILLCREST BANK  
1111 W. 85th Street  
Overland Park, Kansas 66214  
Telephone: (913) 577-2115

**BORROWER:**

3-TRAILS COMMUNITY IMPROVEMENT DISTRICT  
a Missouri POLITICAL SUBDIVISION  
C/O TROY MARQUIS, TREASURER  
COPAKEN, WHITE & BLITT  
8000 STATE LINE  
LEAWOOD, Kansas 66208

**1. DEFINITIONS.** As used in this Note, the terms have the following meanings:

- Prorations.** The pronouns "I," "me," and "my" refer to each Borrower signing this Note, individually and together with their heirs, successors and assigns, and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this Note. "You" and "Your" refer to the Lender, with its participants or syndicators, successors and assigns, or any person or company that acquires an interest in the Loan.
- Note.** Note refers to this document, and any extensions, renewals, modifications and substitutions of this Note.
- Loan.** Loan refers to this transaction generally, including obligations and duties arising from the terms of all documents prepared or submitted for this transaction such as applications, security agreements, disclosures or notes, and this Note.
- Property.** Property is any property, real, personal or intangible, that secures my performance of the obligations of this Loan.
- Percent.** Rates and rate change limitations are expressed as annualized percentages.

**2. PROMISE TO PAY.** For value received, I promise to pay you, or your order, at your address, or at such other location as you may designate, amounts advanced from time to time under the terms of this Note up to the maximum outstanding principal balance of \$150,000.00 (Principal), plus interest from the date of disbursement, on the unpaid outstanding Principal balance until this Note matures or this obligation is accelerated.

I may borrow up to the Principal amount more than one time.

All advances made will be made subject to all other terms and conditions of this Loan.

- Purpose of Advances.** I agree that all advances made under this Loan are for the same purpose I originally stated on the application.

**3. INTEREST.** Interest will accrue on the unpaid Principal balance of this Note at the rate of 5.75 percent (Interest Rate) until December 3, 2002, after which time it may change as described in the Variable Rate subsection.

- Interest After Default.** If you declare a default under the terms of this Loan, including for failure to pay in full at maturity, you may increase the Interest Rate payable on the outstanding Principal balance of this Note. In such event, interest will accrue on the outstanding Principal balance at the variable Interest Rate in effect from time to time, plus an additional 5.000 percent, until paid in full.
- Maximum Interest Amount.** Any amount assessed or collected as interest under the terms of this Note or obligation will be limited to the Maximum Lawful Amount of interest allowed by state or federal law. Amounts collected in excess of the Maximum Lawful Amount will be applied first to the unpaid Principal balance. Any remaining will be refunded to me.
- Statutory Authority.** The amount assessed or collected on this Note is authorized by the Kansas Usury laws under Ken. Stat. Ann. § 16-207.
- Accrual.** During the scheduled term of this Loan interest accrues using an Actual/360 days counting method.
- Variable Rate.** The Interest Rate may change during the term of this transaction.
  - Index.** Beginning with the first Change Date, the Interest Rate will be based on the following index: the highest base rate on corporate loans posted by at least 25% of the nation's 30 largest banks that The Wall Street Journal publishes as the Prime Rate.  
The Current Index is the most recent index figure available on each Change Date. You do not purport by selecting this Index, or the Margin, that the Interest Rate on this Note will be the same rate you charge on any other loans or class of loans you make to me or other borrowers. If this Index is no longer available, you will substitute a similar index. You will give me notice of your choice.
  - Change Date:** Each date on which the Interest Rate may change is called a Change Date. The Interest Rate may change December 3, 2002 and daily thereafter.
  - Calculation Of Change.** On each Change Date, you will calculate the Interest Rate, which will be the Current Index plus 0.500 percent. The result of this calculation will be rounded to the nearest .01 percent. Subject to any limitations, this will be the Interest Rate until the next Change Date. The new Interest Rate will become effective on each Change Date. The Interest Rate and other charges on this Note will never exceed the highest rate or charge allowed by law for this Note.
  - Limitations.** The Interest Rate changes are subject to the following limitations:
    - Lifetime.** The Interest Rate will never be less than 5.750 percent.
  - Effect Of Variable Rate.** A change in the Interest Rate will have the following effect on the payments: The amount of scheduled payments will change.

**4. ADDITIONAL CHARGES.** As additional consideration, I agree to pay, or have paid, the fees and charges listed on the APPENDIX: FEES AND CHARGES, which is attached to and made part of this Note. I understand and agree that some payments to third parties as part of this transaction may also involve money retained by you or paid back to you as commissions or other remuneration.

**5. REMEDIAL CHARGES.** In addition to interest or other finance charges, I agree that I will pay these additional fees based on my method and pattern of payment. Additional remedial charges may be described elsewhere in this Note.

- Late Charge.** If a payment is more than 10 days late, I will be charged 5.000 percent of the Amount of Payment. I will pay this late charge promptly but only once for each late payment.
- Returned Check Charge.** I agree to pay a service charge not to exceed \$15.00 for each check, negotiable order of withdrawal or draft I issue in connection with this Loan that is returned because it has been dishonored.

**6. GOVERNING AGREEMENT.** This Note is further governed by the Commercial Loan Agreement executed between you and me as part of this Loan, as modified, amended or supplemented. Upon execution of this Note, I represent that I have reviewed and am in compliance with the terms contained in the Commercial Loan Agreement.

**7. PAYMENT.** I agree to pay of accrued interest on the balance outstanding from time to time in regular payments beginning January 2, 2003, then on the same day of each month thereafter. A final payment of the entire unpaid outstanding balance of Principal and interest will be due December 2, 2003.

Payments will be rounded up to the nearest \$0.01. With the final payment I also agree to pay any additional fees or charges owing and the amount of any advances you have made to others on my behalf. Payments scheduled to be paid on the 28th, 29th or 31st day of a month that contains no such day will, instead, be made on the last day of such month.

Interest payments will be applied first to any charges (such as other than late charges, then to accrued, but unpaid interest, then to late charges. Fractional payments will be applied first to the outstanding Principal balance, then to any late charges. If you and I agree to a different application of payments, we will describe our agreement on this Note. The actual amount of my final payment will depend on my payment record.

6. PREPAYMENT. I may prepay this Loan in full or in part at any time. Any partial prepayment will not excuse any later scheduled payments until I pay in full.

9. LOAN PURPOSE. The purpose of this Loan is FOR BUSINESS PURPOSES: TO ESTABLISH REVOLVING LINE OF CREDIT.

10. ADDITIONAL TERMS. \*\*\*\*\*THIS LOAN IS FURTHER SECURED BY THE FOLLOWING DESCRIBED DOCUMENTS: COMMERCIAL LOAN AGREEMENT DATED DECEMBER 2, 2002 EXECUTED BY 3 TRAILS COMMUNITY IMPROVEMENT DISTRICT AS (BORROWER) IN THE AMOUNT OF \$ 150,000.00.\*\*\*\*\*

11. SECURITY. This Loan is secured by separate security instruments prepared together with this Note as follows:

Document Name	Parties to Document
Assignment Of Deposit/Share Account - Account Number 10050704	3-TRAILS COMMUNITY IMPROVEMENT DISTRICT

12. ASSUMPTIONS. Someone buying the Property cannot assume the obligation. You may declare the entire balance of the Note to be immediately due and payable upon the creation of, or contract for the creation of, any lien, circumstance, or transfer of the Property.

13. WAIVERS AND CONSENT. To the extent not prohibited by law, I waive protest, presentment for payment, demand, notice of acceleration, notice of intent to accelerate and notice of dishonor.

A. Additional Waivers By Borrower. In addition, I, and any party to this Note and Loan, to the extent permitted by law, consent to certain actions you may take, and generally waive defenses that may be available based on these actions or based on the status of a party to this Note.

- (1) You may renew or extend payments on this Note, regardless of the number of such renewals or extensions.
- (2) You may release any Borrower, endorser, guarantor, surety, accommodation maker, or any other co-signer.
- (3) You may release, substitute or impair any Property securing this Note.
- (4) You, or any institution participating in this Note, may invoke your right of set-off.
- (5) You may enter into any sales, repurchases or participations of this Note to any person in any amounts and I waive notice of such sales, repurchases or participations.
- (6) I agree that any of us signing this Note as a Borrower is authorized to modify the terms of this Note or any instrument securing, guarantying or relating to this Note.

B. No Waiver By Lender. Your course of dealing, or your forbearance from, or delay in, the exercise of any of your rights, remedies, privileges or right to insist upon my strict performance of any provisions contained in this Note, or other Loan documents, shall not be construed as a waiver by you, unless any such waiver is in writing and is signed by you.

14. APPLICABLE LAW. This Note is governed by the laws of Kansas, the United States of America and to the extent required, by the laws of the jurisdiction where the Property is located. In the event of a dispute, the exclusive forum, venue and place of jurisdiction will be in Kansas, unless otherwise required by law.

15. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS. My obligation to pay this Loan is independent of the obligation of any other person who has also agreed to pay it. You may sue me alone, or anyone else who is obligated on this Loan, or any number of us together, to collect this Loan. Extending this Loan or new obligations under this Loan, will not affect my duty under this Loan and I will still be obligated to pay this Loan. The duties and benefits of this Loan will bind and benefit the successors and assigns of you and me.

16. AMENDMENT, INTEGRATION AND SEVERABILITY. This Note may not be amended or modified by oral agreement. No amendment or modification of this Note is effective unless made in writing and executed by you and me. This Note is the complete and final expression of the agreement. If any provision of this Note is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

17. INTERPRETATION. Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Note.

18. NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one party will be deemed to be notice to all parties. I will inform you in writing of any change in my name, address or other application information. I agree to sign, deliver, and file any additional documents or certifications that you may consider necessary to perfect, continue, and preserve my obligations under this Loan and to confirm your lien status on any Property. Time is of the essence.

19. CREDIT INFORMATION. I agree to supply you with whatever information you reasonably feel you need to decide whether to continue this Loan. You will make requests for this information without undue frequency, and will give me reasonable time in which to supply the information.

20. ERRORS AND OMISSIONS. I agree, if requested by you, to fully cooperate in the correction, if necessary, in the reasonable discretion of you or any and all loan closing documents so that all documents accurately describe the loan between you and me. I agree to assume all costs including by way of illustration and not limitation, actual expenses, legal fees and mailing losses for failing to reasonably comply with your requests within thirty (30) days.

21. WAIVER OF JURY TRIAL. All of the parties to this Note knowingly and intentionally, irrevocably and unconditionally, waive any and all right to a trial by jury in any litigation arising out of or concerning this Note or any other related loan document or related obligation. All of these parties acknowledge that this section has either been brought to the attention of each party's legal counsel or that each party had the opportunity to do so.

22. SIGNATURES. By signing, I agree to the terms contained in this Note. I also acknowledge receipt of a copy of this Note.

BORROWER:  
 3-TRAILS COMMUNITY IMPROVEMENT DISTRICT  
 By \_\_\_\_\_  
 TROY MARCUS, TREASURER

APPENDIX: FEES AND CHARGES

As described in the ADDITIONAL CHARGES section of the attached Note, I agree to pay, or have paid, these additional fees and charges.

**Nonrefundable Fees and Charges.** The following fees are earned when collected and will not be refunded if I prepay this Note before the scheduled maturity date.

**Loan.** Airt Loan fee of \$100.00 payable from the loan proceeds.

I understand and agree that some payments to third parties as part of this transaction may also involve money retained by you or paid back to you as commissions or other remuneration.



# ASSIGNMENT OF DEPOSIT/SHARE ACCOUNT

DATE AND PARTIES. The date of this Assignment Of Deposit/Share Account (Agreement) is DECEMBER 2, 2002. The parties and their addresses are:

**SECURED PARTY:**  
HILLCREST BANK  
11111 W. 25th Street  
Overland Park, Kansas 66214

**OWNER:**  
3-TRAILS COMMUNITY IMPROVEMENT DISTRICT  
a Missouri POLITICAL SUBDIVISION  
C/O TROY MARQUIS, TREASURER  
COPAKEN, WHITE & GUTT  
6906 STATE LINE  
LEAWOOD, Kansas 66206

The pronouns "you" and "your" refer to the Secured Party. The pronouns "I," "me" and "my" refer to each person or entity signing this Agreement as Owner and agreeing to give the Property described in this Agreement as security for the Secured Debts. Depository is the financial institution holding or issuing the Property.

**1. SECURED DEBTS.** This Agreement will secure the following Secured Debts:

**A. Specific Debts.** The following debts and all extensions, renewals, refinancings, modifications and replacements. A promissory note, No. 01643, dated December 2, 2002, from me to you, in the amount of \$150,000.00.

**B. All Debts.** All present and future debts from me to you, even if this Agreement is not specifically referenced, the future debts are also secured by other collateral, or if the future debt is unrelated to or of a different type than this debt. If more than one person signs this Agreement, each agrees that it will secure debts incurred either individually or with others who may not sign this Agreement. Nothing in this Agreement constitutes a commitment to make additional or future loans or advances. Any such commitment must be in writing.

This Agreement will not secure any debt for which you fail to give any required notice of the right of rescission. This Agreement will not secure any debt for which a non-possessory, non-purchase money security interest is created in "household goods" in connection with a "consumer loan," as those terms are defined by federal law governing unfair and deceptive credit practices.

**C. Sums Advanced.** All sums advanced and expenses incurred by you under the terms of this Agreement.

**2. ASSIGNMENT.** To secure the payment and performance of the Secured Debts, I assign and grant a security interest to you in all of the Property described in this Agreement that I own or have sufficient rights in which to transfer an interest, now or in the future, wherever the Property is or will be located, and all additional, proceeds, and products of the Property including, but not limited to, all replacements, modifications or substitutions to the Property. Property is all the collateral given as security for the Secured Debts and described in this Agreement, and includes all obligations that support the payment or performance of the Property. "Proceeds" includes anything acquired upon the sale, lease, license, exchange, or other disposition of the Property, any rights and claims arising from the Property, and any collections and distributions on account of the Property.

Property also includes any original evidence of ownership. I will deliver any evidence of ownership and properly execute all items as necessary to reflect your security interest.

This Agreement remains in effect until terminated in writing, even if the Secured Debts are paid and you are no longer obligated to advance funds to me under any loan or credit agreement.

**3. PROPERTY DESCRIPTION.** The Property is described as follows:

**A. Deposit/Share Account.** Account Number 10006704, with a current balance of \$0.00 and held at Hillcrest Bank located at 11111 W. 25th Street, Overland Park, Kansas 66214. Additional Description: PROCEEDS FROM THE REAL ESTATE TAX ASSESSMENT AND 1.0 CENT SALES TAX WILL BE DIRECTLY DEPOSITED TO AN ACCOUNT ESTABLISHED AT HILLCREST BANK, ACCOUNT #10006704.

**4. WARRANTIES AND REPRESENTATIONS.** I have the right and authority to enter into this Agreement. The execution and delivery of this Agreement will not, in any way, affect any agreement governing me or to which I am a party.

My name indicated in the DATE AND PARTIES section is my exact legal name. If I am an individual, my address is my principal residence. If I am not an individual, my address is the location of my chief executive offices or sole place of business. If I am an entity organized and registered under state law, my address is located in the state in which I am registered, unless otherwise provided in writing to you. I will provide verification of registration and location upon your request. I will provide you with at least 30 days notice prior to any change in my name, address, or state of organization or registration.

I represent that I own all of the Property. Your claim to the Property is ahead of the claims of any other creditor, except as disclosed in writing to you prior to any advance on the Secured Debts.

While this Agreement is in effect, no one else but you will withdraw any part of the Property.

**5. AUTHORITY TO PERFORM.** I authorize you to endorse any evidence of the Property. You are authorized to take all necessary steps to secure the Property including, but not limited to, placing a hold or imposing a freeze on the Property.

Your authorization to perform for me will not create an obligation to perform, and your failure to perform will not preclude you from exercising any other rights under the law of this Agreement.

**6. DEFAULT.** I will be in default if any of the following occur:

**A. Payments.** I fail to make a payment in full when due.

**B. Insolvency or Bankruptcy.** I make an assignment for the benefit of creditors or become insolvent, either because my liabilities exceed my assets or I am unable to pay my debts as they become due; or I petition for protection under federal, state or local bankruptcy, insolvency or debtor relief laws, or am the subject of a petition or action under such laws and fail to have the petition or action dismissed within a reasonable period of time not to exceed 60 days.

**C. Failure to Perform.** I fail to perform any condition or to keep any promise or covenant of this Agreement.

**D. Other Documents.** A default occurs under the terms of any other transaction document.

**E. Other Agreements.** I am in default on any other debt or agreement I have with you.

**F. Misrepresentation.** I make any verbal or written statement or provide any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.

**G. Judgment.** I fail to satisfy or appeal any judgment against me.

**H. Foreclosure.** The Property is used in a manner or for a purpose that threatens confiscation by a legal authority.

**I. Name Change.** I change my name or assume an additional name without notifying you before making such a change.

**J. Property Transfer.** I transfer all or a substantial part of my money or property.

**K. Property Value.** The value of the Property declines or is impaired.

**L. Insecurity.** You reasonably believe that you are insecure.

**7. REMEDIES.** After I default, and after you give any legally required notice and opportunity to cure the default, you may at your option do any one or more of the following:

**A. Acceleration.** You may make all or any part of the amount owing by the terms of the Secured Debts immediately due.

**B. Sources.** You may use any and all remedies you have under state or federal law or in any instrument evidencing or pertaining to the Secured Debts.

**C. Payments Made On My Behalf.** Amounts advanced on my behalf will be immediately due and may be added to the Secured Debts.

**D. Withdrawal of Property.** You may withdraw all or any part of the Property even if the withdrawal causes a penalty. You may apply what you receive from the withdrawal of the Property to your expenses, your attorneys' fees and legal expenses (where not prohibited by law), and any debt I owe you. If what you receive from the withdrawal of the Property does not satisfy the debt, I will be liable for the deficiency (where permitted by law). Where a notice is required, I agree that 10 days prior written notice sent to my address listed in this Agreement will be reasonable notice to me.

**E. Waiver.** By choosing any one or more of these remedies you do not give up your right to use any other remedy. You do not waive a default if you choose not to use a remedy. By electing not to use any remedy, you do not waive your right to later consider the event a default and to use any remedies if the default continues or occurs again.

**8. WAIVER OF CLAIMS.** I waive all claims for loss or damage caused by your acts or omissions where you acted reasonably and in good faith.

**9. APPLICABLE LAW.** This Agreement is governed by the laws of Kansas, the United States of America and to the extent required, by the laws of the jurisdiction where the Property is located. In the event of a dispute, the exclusive forum, venue and place of jurisdiction will be in Kansas, unless otherwise required by law.

3-TRAILS COMMUNITY IMPROVEMENT DISTRICT  
Kansas Assignment of Depository Account  
KS:4Xxptch00000000370006126202Y

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Initials \_\_\_\_\_  
Page 1

10. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS. Each Owner's obligations under this Agreement are independent of the obligations of any other Owner. You may sue each Owner individually or together with any other Owner. You may release any part of the Property and I will still be obligated under this Agreement for the remaining Property. The duties and benefits of this Agreement will bind and benefit the successors and assigns of you and me.

11. AMENDMENT, INTEGRATION AND SEVERABILITY. This Agreement may not be amended or modified by oral agreement. No amendment or modification of this Agreement is effective unless made in writing and executed by you and me. This Agreement is the complete and final expression of the understanding between you and me. If any provision of this Agreement is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

12. INTERPRETATION. Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Agreement.

13. NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one party will be deemed to be notice to all parties. I will inform you in writing of any change in my name, address or other applicable information. I will provide you any financial statement or information you request. All financial statements and information I give you will be correct and complete. I agree to sign, deliver, and file any additional documents or certifications that you may consider necessary to perfect, continue, and preserve my obligations under this Agreement and to confirm your lien status on any Property. Time is of the essence.

SIGNATURES. By signing, I agree to the terms contained in this Agreement. I also acknowledge receipt of a copy of this Agreement.

OWNER:

3-TRAILS COMMUNITY IMPROVEMENT DISTRICT

By \_\_\_\_\_  
TROY MARQUIS, TREASURER