

Agenda

Basehor City Council

Work Session

April 5, 2010 7:00 p.m.

Basehor City Hall



1. School district request to waive permit fees.
2. Donation to the Basehor Historical Society
3. GAAP Compliance
4. Field of Dreams update
5. NRP – cleaning up applicable development
6. Sewer district 3 – counter proposal to county interlocal agreement
7. City Administrator's Report
8. Executive Session (if needed)

Basehor-Linwood Unified School District 458

All Students Developing and Reaching Their Potential



David Howard
Superintendent

Mike Boyd
Assistant Superintendent

Sandy Guidry
Director of
Curriculum and Instruction

March 24, 2010

City of Basehor
Attn: Terry Hill, Mayor
2620 N. 155th Street
Basehor, KS 66007

Dear Mayor Hill:

Basehor-Linwood USD #458 would like the City Council's consideration in waiving permit fees for the new Health and Wellness Center that is being constructed just southwest of the high school. This new building will be a FEMA rated shelter that will provide protection for our staff and students in the event of severe weather. We understand that there is a cost associated with the plan review and we are not asking for that to be waived. We also expect to pay the sewer connection fee of \$3,450.

I would like to personally thank you for taking this into consideration. We believe that our schools are an integral part of this community and that we should be working together in order to make our community the best it can be.

If you have any further questions, please feel free to contact me. Thank you again for your consideration.

David Howard
Superintendent

Memorandum

To: Mark Loughry
CC: Mitch Pleak, Mr. Mayor and City Council
From: Mark Lee, Building Official
Date: 4/5/10
Re: Waiver of Permit Fees for USD 458 Wellness & Fitness

Mark Lee, Building Official Recommendations

USD 458 has requested that certain permit fees be waived associated with the construction of the Wellness & Fitness Center.

It is recommended by staff that the plan review and sewer connection fees not be waived as these fees directly impact the city. Although inspections are conducted by City Staff on these projects, collection of fees to offset this service has never been an issue.

All other fees may be waived at Council's discretion; historically fees for school building projects have been waived.

This decision is at the sole discretion of the City Council members. Below are the fees assessed for this project.

Base Fee:	\$4,702.99
Plumbing:	\$308.00
Electrical:	\$156.20
HVACR:	\$62.75
Plan Review:	\$582.50
Parkland:	\$200.00
Sewer Connection:	\$3450.00
Total:	\$9,462.44

CITY BASEHOR BUILDING PERMIT APPLICATIO

PERMIT NUMBER	C-1-10	DATE APPROVED	2/23/2010
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Applicant to Complete Numbered Spaces Only

1	Project Address	2106 N. 155th Street	City	Basehor	State	KS																			
	Applicant	USD 458 Basehor-Linwood School District																							
2	Address	2008 N. 155th Street			Phone																				
	City	Basehor	State	KS	Zip	66007																			
	<p align="center">Legal Description</p> <table border="1"> <tr> <td>Tax ID Number</td> <td>1/4 Section or Lot</td> <td>Township or Block</td> <td>Range or Subdivision</td> </tr> <tr> <td align="center">158-34-0-40-01-003.00</td> <td align="center">34</td> <td align="center">10</td> <td align="center">22E</td> </tr> </table>						Tax ID Number	1/4 Section or Lot	Township or Block	Range or Subdivision	158-34-0-40-01-003.00	34	10	22E											
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4	<p align="center">Type of Construction</p> <table border="1"> <tr> <td>New Building</td> <td align="center">X</td> <td>Addition</td> <td>Alteration</td> <td>Repair</td> <td>Renewal</td> </tr> </table>						New Building	X	Addition	Alteration	Repair	Renewal													
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5	<p align="center">Structure Type</p> <table border="1"> <tr> <td>Single Family</td> <td>Duplex</td> <td>Multi-Family</td> <td>Mobile Home</td> <td>Accessory</td> <td align="center">X</td> </tr> <tr> <td>Industrial</td> <td>Commercial</td> <td></td> <td></td> <td></td> <td></td> </tr> </table>						Single Family	Duplex	Multi-Family	Mobile Home	Accessory	X	Industrial	Commercial											
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<p align="center">Use of Building</p> <p>Wellness and Fitness Center</p> <table border="1"> <tr> <td>Zoning District</td> <td>Lot Area, Acres</td> <td>Size of Structure</td> <td>Living Area, Square feet</td> <td>Basement Area, Unfinished</td> </tr> <tr> <td align="center">R-1</td> <td align="center">38</td> <td align="center">8051</td> <td></td> <td></td> </tr> <tr> <td>Basement Area, Finished</td> <td>Garage Area, Square Feet</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>						Zoning District	Lot Area, Acres	Size of Structure	Living Area, Square feet	Basement Area, Unfinished	R-1	38	8051			Basement Area, Finished	Garage Area, Square Feet								
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Basement Area, Finished	Garage Area, Square Feet																								
<p>Valuation of Construction</p> <p>\$927,234.00</p>																									

Building Permit Base Fee	\$4,702.99
Plumbing Permit Fee	\$308.00
Electrical Permit Fee	\$156.20
HVACR Permit Fee	\$62.75
Plan Review Fee	\$582.50
Parkland Fee	\$200.00
Sewer Connection Fee	\$3,450.00
Transportation Excise Tax	
Mud Bond	
Lawn Sprinkler Permit	
Business License Fee	
Miscellaneous Fee	
TOTAL FEES DUE	\$9,462.44

This permit does not nullify any deed restrictions files as a part of the subdivision plat. Check your deed and/or subdivision plat of record for any restrictions that may apply.

NOTE:
This permit is good only if construction is started within four (4) months of issue date

Permit is valid for a period of one (1) year

This permit is not transferable

No exterior or interior floor drains are allowed to be connected to the building sewer or City sewer

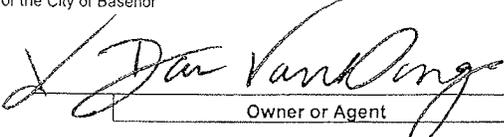
PROVIDE: BUILDING PLANS, PLOT PLAN AND A COMPLETE LIST OF ALL LICENSED SUBCONTRACTORS

*reviewed by
Kathy Renn
3-3-10*

The undersigned, hereby certifies that the information given is correct and that he/she will comply with all Building Codes and Zoning

Regulations of the City of Basehor


Administrative Officer


Owner or Agent

Memo

Date: 3/29/2010
To: Basehor City Council
Cc: Mayor, Terry Hill
From: Mark Loughry, City Administrator
RE: Outside Agency Requests

Staff compiled the following information for your consideration while reviewing the request from the Historical Society for funding.

2009 Funding \$14,336.63

- Kansas Sampler \$3,361.63
- Basehor Dairy Days Festival \$5,000
- Basehor Community Library (Children's Summer Reading) \$100
- Basehor-Linwood Project Graduation \$175
- Basehor Chamber of Commerce (Ingram's Article) \$1,200
- PRIDE (Fireworks) \$3,500
- Basehor VFW Post \$1,000

2010 Budgeted Amounts \$19,314

- PRIDE (Fireworks) \$4,000
- Basehor Dairy Days \$5,000
- Basehor Community Library (Children's Summer Reading) \$100
- Basehor-Linwood Project Graduation \$175
- Leavenworth County Human Society \$675
- Kansas Sampler \$3,364
- Basehor Historical Society \$6,000

If you have questions or require further discussion please let me know.

Memo

Date: 3/29/2010
To: Basehor City Council
Cc: Mayor, Terry Hill
From: Mark Loughry, City Administrator
RE: Generally Accepted Accounting Principles waiver

As part of this year's initial audit visit the city auditor discussed with staff the need for an actuarial study in order to maintain Generally Accepted Accounting Principles (GAAP) compliance. This requirement is part of GASB Statement 43 and Statement 45 and previously did not apply to organizations of our size. The purpose of the actuarial study is explained in detail in the attached letter from our auditor so I will not go into detail trying to explain it. The letter also explains what the three options for the City are.

After discussing this with our auditor it is my opinion and the auditors opinion that option three is the best option for the City of Basehor. By adopting a GAAP waiver resolution we would save \$12,700 in 2010 and at least that much every three years thereafter. Additionally on the years were there was no actuary study required the City would save \$9,200 on the annual audit.

To clarify the City would still follow the Kansas prescribed basis for financial statements and accounting, we would just be exempt from certain GAAP requirements. Over 80% of all Kansas municipalities are operating under a GAAP waiver. There is little or no benefit for the City to be GAAP compliant.

If you have questions or require further discussion please let me know.

LOWENTHAL, WEBB & ODERMANN, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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Brian W. Nyp, CPA

Members of American Institute
and Kansas Society of
Certified Public Accountants

February 15, 2010

Mark Loughry
City of Basehor
2650 N. 155th Street
Basehor, KS 66077

Dear Mark,

In the prior year audited financial statements, the City had the following disclosure:

The Governmental Accounting Standards Board (GASB) has issued the following statements which will or may affect the City:

Statement 43 - "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans" which establishes new reporting standards for Other Post Employment Benefit Plans (OPEB). This statement would impact the City in the event that it should decide to fund its OPEB liability as reported under Statement 45. See below. Statement 43 would be effective immediately after the implementation of Statement 45 in the event that the OPEB were funded.

Statement 45 - "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" which requires that the cost of providing Other Post Employment Benefits (OPEB) be accounted for in basically the same way as pension benefits including the use of actuarial valuation methods. The liability reported under this standard may be funded as provided for by Statement 43 above. Statement 45 is effective for the fiscal year beginning January 1, 2009.

The GASB Statements discussed within this disclosure are effective for the year ended December 31, 2009 and include the requirement of an actuarial study to determine the City's estimated liability for other post employment benefits. The City's other post employment benefits are, in part, dictated by Kansas Statute 12-5040, which states "coverage under an employer-sponsored group health care benefit plan shall be made available to qualified retired former employees and their dependents." This statute does not require that the City pay for the former qualified retirees health care however, it does require that the City allow the former employee to remain on the City's group health care plan.

GASB 45 does require that an actuarial study be done on such a plan as there is an implicit rate subsidy to retirees. The implicit rate subsidy is defined as follows: the difference between a premium rate charged to retirees for a particular benefit and the estimated rate that would be applicable to those retirees if that benefit was acquired for them as a separate group. An example of this subsidy follows:

A City police officer retires when he/she is eligible for KP&F benefits. This individual is age 60 and decides to remain on the City's group health care plan until the age of 65. By remaining on the group plan, this individual may be driving up the cost of the City's premium. For example, the City's monthly premiums without the retiree may be \$800 and with the retiree the premium is \$1,100. The difference between these two numbers is part of the calculation done by an actuary to determine the City's other post employment benefit obligation.

If the City decides to have the study completed, we would test the actuary's study to determine reasonableness and to make sure this liability is recorded in the City's financial statements. Part of the audit opinion is over the reasonableness of this liability. In order for the City to continue to receive an unqualified opinion over the financial statements issued using generally accepted accounting principles (GAAP), this actuarial study needs to be completed and the liability would have to be recorded in the financial statements.

If the City decides to continue with GAAP financial statements and decides not to have the actuarial study completed, the City's auditor would have to consider issuing a qualified opinion on the financial statements. This qualification is a scope limitation stating that the auditors were unable to issue an opinion over the other post employment benefit liability because the liability had not been calculated.

So far within this letter we have stated two options, as follows:

1. Complete the actuarial study to determine the liability, record the liability within the financial statements and allow the auditor to test the liability. This would most likely result in an unqualified opinion over the City's financial statements (in regard to the liability).
2. Do not complete the actuarial study and potentially receive a qualified opinion over the City's financial statements.

A third option is for the City to adopt a GAAP waiver resolution and prepare the City's financial statements on the Kansas prescribed basis of accounting. This basis of accounting does not require the calculation of the other post employment benefit obligation.

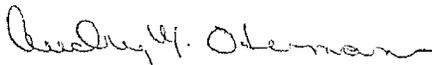
To provide additional information to assist in the City's decision, I have provided the audit fee structure as follow:

Audit of GAAP Financial Statements for the Year Ended December 31, 2009: \$18,400.

Audit of Kansas Prescribed Basis Financial Statements for the Year Ended December 31, 2009: \$9,200.

Please contact me with any additional questions. I am also able to meet with you and other City representatives to discuss this issue and provide examples of Kansas prescribed basis financial statements.

Sincerely,



Audrey M. Odermann, CPA

Memo

Date: 3/29/2010
To: Basehor City Council
Cc: Mayor, Terry Hill
From: Mark Loughry, City Administrator
RE: Field of Dreams Acquisition

Staff has completed the requested survey, appraisal, financial analysis and title work on the Basehor Field of Dreams property and copies are attached to this memo. As you can see everything looks to be in line with what we have discussed and the appraisal came back at \$550,000 which is substantially more than the Basehor Athletic Association (BAA) is asking. Additionally I am including the information I put together on replacement cost which I shared with the Council in February.

Currently Field of Dreams consists of the following facilities

30 Acres of land
3 Football Fields
6 Softball Fields
1 T-Ball field
Maintenance Shed
Shade Structure
Scoreboards
Mower, tractor, misc equip.
Bleachers
Concession Stand
Restrooms
Perimeter Fence
Gravel Parking
Three of the softball fields are irrigated and five are lit.

Estimated replacement cost	
30 Acres of Land	\$240,000
3 Football Fields	\$197,000
6 Softball Fields	\$1,560,000
1 T-Ball Field	\$130,000
Scoreboards	\$30,000
Maintenance Shed	\$15,000
Shade Structure	\$14,000
Concession Stand/Restrooms	\$290,000
Perimeter Fence	\$8,000

Memo

Gravel Parking Lot	\$100,000
Grade Work	\$200,000
Grass Seed	\$50,000
Utilities	\$150,000
Mower, tractor, misc equip.	\$35,000
Total	\$3,019,000

I believe that all of this data supports my earlier recommendation that the City acquire Field of Dreams from the BAA for the amount requested of approximately \$372,000 and assume operation of it following the Spring and Summer baseball/softball season. I would request that the Council direct the City Administrator and City Attorney to prepare all of the necessary agreements and documents to purchase Field of Dreams and begin operation with all associated costs not to exceed \$400,000.

If you have questions or require further discussion please let me know.

Analysis of Financial Operations

Basehor Athletic Association
2008 - 2009

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George K. Baum & Company
INVESTMENT BANKERS SINCE 1928

Basehor Athletic Association

Income Statement Summary

The following table provides a comparison of the financial operating results for the Basehor Athletic Association ("BAA") for 2008 and 2009. This data has been provided by BAA and has not been independently verified. Insufficient data was provided for 2007 to accurately merit inclusion in this analysis.

In order to evaluate only the operating results, certain non-recurring revenues and expenditures (i.e. easement revenue, sewer permits, etc.) have been removed. Additionally, debt payments have been isolated and shown after the calculation of operating net income.

	2008	2009	% change
Operating Revenue			
Football Lease	23,000	23,000	0.0%
Tournament Entries	8,520	-	-100.0%
Concession & Gate Income	62,800	46,700	-25.6%
Souvenir Income	2,000	-	-100.0%
Donations	36	-	-100.0%
Rec League Fees	41,700	34,289	-17.8%
Advertising	2,800	1,900	-32.1%
BLHS Field Lease	3,500	2,500	-28.6%
MSP Field Lease	4,200	19,613	367.0%
Pepsi Income	2,900	2,960	2.1%
Maintenance Reimbursement		5,095	
Total Revenue	151,456	136,057	-10.2%
Operating Expenses			
Game balls	8,453	-	-100.0%
Salaries	27,000	15,000	-44.4%
Wages	26,500	24,576	-7.3%
Utilities	10,987	14,443	31.5%
Concession Expenses	23,420	32,060	36.9%
Maint. & Supplies	16,500	28,254	71.2%
Trophies	5,000	2,701	-46.0%
Complex Insurance	5,957	5,957	0.0%
T-Bones	6,000	-	-100.0%
Football Improvements	2,300	1,000	-56.5%
Total Operating Expenses	132,117	123,991	-6.2%
Net Operating Income	19,339	12,066	-37.6%
Debt Payments			
Mower Loan	3,000	4,176	39.2%
Field Loans	22,409	22,409	0.0%
Short Term Loans	-	37,023	
Total Debt Payments	25,409	63,608	150.3%
Net Income	(6,070)	(51,542)	749.1%
Debt Coverage	0.76	0.19	-75.1%

Basehor Athletic Association

Income Statement Observations

Declining Major Revenue Sources

BAA's two primary sources of income, Concessions/Gate Income and Rec League Fees, declined dramatically in 2009. The reason for this change needs to be discovered. If this decrease was caused by members of the community deciding to participate in programs sponsored by other entities, this could represent a change in attitude that may take time to reverse.

Increasing Variable Expenditures

Given the decrease in certain revenues, it would be anticipated that certain directly related costs would decrease accordingly. Specifically, Concession Expenses would have been expected to decrease given the fall in sales. However, Concession Expenses actually jumped dramatically, as did the costs for Utilities, Maintenance and Supplies. Given the apparent decrease in program participation and fairly mild weather conditions, these changes are alarming. Further examination should be given as to the cause of these increases.

Positive Net Operating Income

Despite the negative changes noted above, the BAA experienced positive net operating income for 2008 and 2009. This indicates that, absent significant extraordinary expenditures and debt payments, BAA has covered the cost of its basic operations through user fees and other revenues.

Basehor Athletic Association

Future Performance

Continued Positive Operating Income

The ability for the BAA or the City, if it takes over the BAA, to continue to generate positive net operating income will depend on a number of factors including:

1. Stop deterioration of revenues and stabilize expenditures.
2. Do not incur any significant extraordinary expenses.
3. Do not alter programming or concession sales in a manner that reduces net income.

General Observations about Recreation Programs

Ability to Cover Costs - It has been our observation that most municipal recreational programs have the ability to generate sufficient revenue from programming and other related income sources to cover standard operating costs. Additionally, in good years it may also be possible to cover a portion of debt payments due on recreation program long-term debt. However, in most instances, a municipal recreation program will not be able to reliably cover both annual operating and debt expenses.

Conversion from Private to Municipal Program - In situations where municipalities have taken over privately operating recreational programs, there is a tendency to begin to focus more on youth and family oriented programming and less on adult programs. Many adult oriented programs and concession sales tend to generate more net income than youth or family programs.

2010 Projected Financials

Current Assets

Fixed Assets

Property/Buildings

City Figures

\$ 416,000.00

Liabilities as of January 2010 Estimated

FSB LOC balance \$ 23,000.00

BB/SB Fields Loan \$ 165,000.00

Football field loan \$ 135,000.00

Mower Loan \$ 650.00

Short Term Loan \$ 11,500.00

Sewer Connection Loan \$ 25,000.00

Payment to investors \$ 11,500.00

Total Liabilities \$ 371,650.00

2010 Projected Income

Complex Rental - MSP \$ 19,000.00

Concession Income \$ 45,000.00

Field Signs/Advertising \$ 1,900.00

Rec League Fees \$ 34,000.00

Football Lease 2010 \$ 23,000.00

BLHS Field Lease \$ 2,500.00

Pepsi Income \$ 2,960.00

Lease to third party \$ -

Lease paid to city \$ 15,000.00

Total Income \$ 143,360.00

2010 Projected Expenses

Salaries \$ 27,000.00

Wages \$ 33,000.00

Utilities \$ 14,500.00

Concession Expenses \$ 25,000.00

Maint. & Supplies \$ 18,000.00

Trophies \$ 3,000.00

Complex Insurance \$ 5,957.00

Football Improvements \$ 1,000.00

BAA Lease paid to city \$ 15,000.00

Rec Fee Subsidies \$ 5,000.00

Cities payment to bank \$ 66,000.00

Total Expenses \$ 213,457.00

Net Income/Loss \$ (70,097.00)

Memorandum

To: Mr. Mayor and City Council

From: Mark Loughry

Date: March 30, 2010

Re: NRP

Per request from Council President, Jim Washington, discussion regarding Neighborhood Revitalization Program and cleaning up applicable development.

Memorandum

To: Mr. Mayor and City Council
From: Mark Loughry
Date: March 30, 2010
Re: Sewer Dist. 3 counter proposal from Leavenworth County

Per request from Council President, Jim Washington discussion regarding counter proposal from Leavenworth County on the interlocal agreement between The City of Basehor, Sewer District No. 3 and Leavenworth County, providing for the treatment of wastewater.

DRAFT

AN AGREEMENT BETWEEN THE CITY OF BASEHOR, KANSAS, UNIFIED SCHOOL DISTRICT 458, THE BOARD OF COMMISSIONERS OF LEAVENWORTH COUNTY, KANSAS AND SEWER DISTRICT NO. 3 OF LEAVENWORTH COUNTY, KANSAS, FOR THE PURPOSE OF APPORTIONING AMONG THEM CERTAIN COSTS ASSOCIATED WITH THE CONNECTION OF SEWER DISTRICT NO. 3 TO THE WASTEWATER TREATMENT SYSTEM OF THE CITY OF BASEHOR.

WHEREAS the City of Basehor, Kansas, ("City"), and Sewer District No. 3 of Leavenworth County, Kansas, ("Sewer District"), have previously entered into an agreement dated January 22, 2009, providing for terms and conditions under which the Sewer District shall connect to the wastewater treatment facility of the City; and

WHEREAS Unified School District 458, ("School District"), is currently served by the Sewer District and is constructing an additional school facility that will be served by the Sewer District; and

WHEREAS the Board of Commissioners of Leavenworth County, Kansas, ("County") recognizes that the connection of the Sewer District to the City wastewater treatment facility serves to benefit the public welfare of the citizenry of the county; and

WHEREAS the City, Sewer District, School District and County ("Parties") have jointly determined that an apportionment between them of certain costs associated with the connection of the Sewer District to the wastewater treatment facility of the City would be mutually beneficial; and

WHEREAS the parties have the legal authority to enter into this agreement;

NOW BE IT THEREFORE AGREED that the following provisions and terms shall be binding among and between the parties.

1. **Obligations of the City**

a. **Reduction of Connection fees**

The City agrees to reduce the connection fees provided for in the agreement dated January 22, 2009, between the City and the Sewer District by the amount of \$_____. The City and Sewer District jointly agree to amend the prior agreement between them to so reflect the reduction in connection fees.

2. **Obligations of the County**

a. The County will loan to the Sewer District a sum not to exceed \$200,000.00 for the purpose of initiating engineering and design work ("costs") on the project to connect the Sewer District to the City wastewater treatment system. This loan shall be repaid upon receipt of the KDHE Revolving Loan Funds for such costs.

b. The County shall provide funding for the acquisition of necessary easements through the issuance of county debt as authorized and pursuant to the provisions of K.S.A. 19-27a17.

3. **Obligation of the School District**

The School District shall pay to the Sewer District, as the contribution of the School District to the cost of the connection of the Sewer District to the wastewater facility of the City, the sum of \$200,000.00. Said sum shall be paid to the Sewer District not later than 30 days from the effective date of this agreement.

4. **Obligations of the Sewer District**

a. **Alteration of Sewer District boundaries to include additional lands owned by the School District**

The Sewer District shall effect the alteration of the boundaries of the district to include additional land owned by the School District upon which the School District is currently constructing additional school facilities and more fully described in Exhibit "A" attached hereto. The initiation of the proceedings to alter the boundaries of the Sewer District as provided herein shall take place not later than 30 days from the effective date of this agreement.

b. **Alteration of the Sewer District boundaries to include additional land now vacant, adjoining the Sewer District and to be traversed by facilities of the Sewer District**

The Sewer District shall effect the alteration of the boundaries of the district to include additional land now vacant, adjoining the Sewer District and to be traversed by facilities of the Sewer District. Said additional land to be included within the Sewer District is described in Exhibit "B" attached hereto. The initiation of the proceedings to alter the boundaries of the Sewer District as provided herein shall take place not later than 30 days from the effective date of this agreement.

c. Recapture of payment made by School District

To the extent allowable by law, the Sewer District shall, in consultation with the School District, develop and implement a connection fee and annual assessment formula for the land to be attached to the Sewer District as provided for in section 4(b) of this agreement, sufficient to, over a period of time not to exceed 20 years, allow for the recapture and reimbursement to the School District of the monies paid to the Sewer District as provided for herein.

d. Recapture of reduced City connection fees

To the extent allowable by law, the Sewer District shall, in consultation with the City, develop and implement a connection fee schedule for the land to be attached to the Sewer District as provided for in section 4(b) of this agreement sufficient to, over a period of time not to exceed 20 years, allow for the recapture and reimbursement to the City of the reduced connection fees as provided for herein.

5. Authority to enter into this Agreement

Each party entering into this agreement hereby affirms and represents to the other parties that it has full and lawful authority to so enter into the agreement and that all necessary hearings, acts and enactments required to grant that party authority to so enter have been fully and lawfully completed.

6. Full Agreement/Amendment

Each party hereby acknowledges that this Agreement is the full and complete agreement between the parties and that this Agreement supersedes all prior discussions or representations. The terms of this Agreement may be modified only upon the mutual agreement of the parties to this Agreement and in a form substantially similar to this Agreement.

7. Prior Agreement of January 22, 2009 remains in force and effect

The City and Sewer District agree that this Agreement does not, except as provided for in Section 1(a) of this Agreement, serve as a novation or substitute to the terms, conditions and obligations of the prior agreement entered into between them on January 22, 2009, and that the terms, conditions and obligations of said prior agreement, except as expressly amended by the parties to said agreement, remain in full force and effect.

8. Severability

In the event that any court or administrative body with competent jurisdiction over the parties to this Agreement finds that any section or subsection of this Agreement is invalid, the remaining sections and subsections shall remain in full force and effect.

**AN AGREEMENT BETWEEN THE CITY OF BASEHOR, KANSAS, AND
SEWER DISTRICT NO. 3 (GLENWOOD) OF LEAVENWORTH COUNTY,
KANSAS, PROVIDING FOR THE TREATMENT OF WASTEWATER**

COME NOW THE PARTIES TO THIS AGREEMENT, The City of Basehor, Kansas hereafter referred to as "City", and Sewer District No. 3 (Glenwood) of Leavenworth County, Kansas, hereinafter referred to as "District", and recite the following as the terms of their agreement:

1. The District is authorized to enter into this agreement pursuant to the provisions of K.S.A. 19-27a02. The City is authorized to enter into this agreement pursuant to the provisions of K.S.A. 12-101. The District and City are jointly authorized to enter into this agreement pursuant to the provisions of K.S.A. 12-2908.
2. The purpose of this agreement is to provide for the treatment by the City, the wastewater generated from within the boundaries of the District.
3. The City hereby agrees to accept for treatment in an approved wastewater treatment facility, wastewater generated from within the boundaries of the District.
4. The District hereby accepts responsibility for notification of affected property owners, acquisition of utility easements, coordination with Glenwood Ridge Elementary School, and for organizing meetings, as needed, with affected property owners.
5. The District hereby agrees to construct such necessary and appropriate facilities as may be needed to transport wastewater generated from within the boundaries of the District to a connection point of the sewer facilities maintained by the City. New construction should be designed in accordance with City specifications, and to accommodate projected growth in the area. A general schematic diagram of the facilities to be constructed is attached hereto as "Exhibit 1" and incorporated fully herein. The District agrees to utilize construction plans prepared by a Professional Engineer in constructing the facilities generally shown in "Exhibit 1" and to allow the City to inspect and approve said construction at all phases of the project.
6. The District hereby agrees to announce the bid opening for construction to the City of Basehor so that a representative may be present.
7. The City hereby agrees to cooperate and assist with the above efforts to facilitate the timely connection of the new system.
8. Upon the completion by the District of the facilities as mutually agreed upon and generally shown in "Exhibit 1" the City agrees to accept ownership and responsibility for the maintenance of said facilities and the existing public facilities of the District, with the exception of the existing lagoon system. It shall be the responsibility of the District to cause such necessary assessments to be made within the boundaries to collect such

needed revenues to pay in full any temporary notes, bonds or loans as may be obtained by the District.

9. The District agrees to pay to the City appropriate connection fees for connection of the District to the treatment facilities of the City pursuant to this agreement as shown in "Exhibit 2". For the initial connection of the District to the wastewater treatment facilities of the City, the District shall upon receipt of such funds from the State Revolving Loan Fund (SRF), make payment to the City as detailed in "Exhibit 2".
10. The City shall be entitled to charge to each residential building, and the Glenwood Ridge Elementary School, served by the City within the District a monthly sewer use fee in an amount not to exceed 150% of the base fee charged by the City to the residents of the City of monthly sewer use. It shall be the responsibility of the City to assess and collect such monthly sewer use fees. In the event that the City annexes any area within the District, the City agrees to reduce the monthly base sewer use fee to users to 100% of the base fee charged to the residents of the City. Nothing in this agreement shall be construed as to prevent the City of Basehor from adding additional charges for the monthly sewer use fee based upon use above and beyond the amount of usage upon which the base monthly fee is calculated, for the operation of any grinder pump systems or such other assessments as may be required in order to effect the treatment of wastewater generated within the District.
11. The City of Basehor recognizes that the Basehor-Linwood School District (USD #458) wishes to start construction on an addition to the existing Glenwood Ridge Elementary school facility, with a projected completion date in the Fall of 2009, and a new Middle School, with projected completion in the fall of 2010. This new addition may not connect to the existing lagoon system and an occupancy permit is contingent upon proper operation of the new sanitary sewer system.
12. The District will enter into a standard agreement with the City for the inspection of sewer systems as outlined in the Basehor Technical Specification under the guidelines outlined by the Kansas Department of Health and Environment (KDHE).
13. The responsibility for the decommissioning of the existing lagoon system remains with the District.
14. Annexation of the Glenwood Estates Subdivision, Glenwood Ridge Elementary School and the future Basehor-Linwood Middle School property and any other property that intends to connect to the Basehor sanitary sewer system may be expected when the completed sanitary sewer system connects to the City system.

WHEREFORE IT IS SO AGREED TO THIS _____ DAY OF _____, 20____

FOR THE CITY: *Chris Brown*

ATTEST: _____

FOR THE DISTRICT: *Stephen S. Brown*

ATTEST: *Janice A. Dixon*

Memorandum

To: Mark Loughry
CC:
From: Mitch Pleak
Date: 3-24-10
Re: Leavenworth County Proposed Long Range Road and Bridge Priorities List

Staff has received Leavenworth County's proposed long range road and bridge priorities list. I have attached a copy of the long range plan. This was adopted by the County in December 2009. The planned improvements near Basehor are:

- Intersection at K-7 and Donahoo Road.
- Intersection of 147th Street and Fairmount Road.
- 166th Street from Evans Road to K-32.
- Hollingsworth Road from 147th Street to 155th Street.
- 147th Street from Fairmount Road to Hollingsworth Road

The priority list does not provide detailed construction completion dates.

Leavenworth County Public Works Department Proposed Long Range Road and Bridge Priorities

SUMMARY

Proposed Project List and Cost Estimates

T-LINK Projects			
	Project Description	Estimated Project Cost	Proposed Construction Begin Date
1	McIntyre Expressway (State Highway K-5 Realignment)	\$39,500,000.00	
2	Centennial Bridge	\$42,000,000.00	
3	West Leavenworth / Lansing K-7 Bypass	\$62,000,000.00	
		\$143,500,000.00	

Arterial and Collector Road Projects			
	Project Description	Estimated Project Cost	Proposed Construction Begin Date
1	CR-30 (235th Street) from Dempsey Road to Hollingsworth Road	\$6,067,000.00	
2	CR-30 (235th Street) from Dempsey Road to Highway K-92	\$12,134,000.00	
3	McIntyre Road from Highway K-7 to 126th Street	\$4,551,000.00	
4	166th Street from Evans Road to K-32	\$1,677,000.00	
5	County Route No. 5 Improvements and Realignment	\$44,461,000.00	
6	Hollingsworth Road from 147th Street to 155th Street	\$459,000.00	
7	County Route No. 2 from Kansas Avenue to Highway K-32	\$6,067,000.00	
8	Fairmount Road from K-7 to 175th Street	\$13,651,000.00	
9	Dempsey Road from 159th Street to 175th Street	\$918,000.00	
10	147th Street from Fairmount Road to Hollingsworth Road	\$459,000.00	
11	Leavenworth Road from 179th Street to CR-5	\$1,217,000.00	
		\$91,661,000.00	

Local Road Participatory Program			
	Project Description	Estimated Project Cost	RIF Available
1	182nd Street from Highway 24/40 to Evans Road	\$459,000.00	\$83,000.00
1	171st Street and Gilman Road from County Route No. 5 to High Crest Subdivision	\$459,000.00	\$66,500.00
1	Metro Avenue from 150th Street to 158th Street	\$459,000.00	\$161,000.00
4	163rd Street from Fairmount Road south 0.5 mi.	\$230,000.00	\$53,500.00
5	McIntyre Road from 159th Street to 170th Street and / or McIntyre Road from 170th Street to 163rd Street then north 0.5 mi.	\$689,000.00	\$29,500.00
		\$2,296,000.00	

Intersection Improvement Projects			
	Project Description	Estimated Project Cost	Proposed Construction Begin Date
1	K-7 and Donahoo Road	\$31,000.00	
2	Intersection of 147th Street and Fairmount Road	\$300,000.00	
3	Dempsey Road and 175th Street	\$435,000.00	
4	187th Street, Bauserman Road, and Eisenhower Road	\$348,000.00	
5	207th Street and Seven Sisters Road	\$261,000.00	
6	123rd Street and McIntyre Road	\$348,000.00	
		\$1,723,000.00	

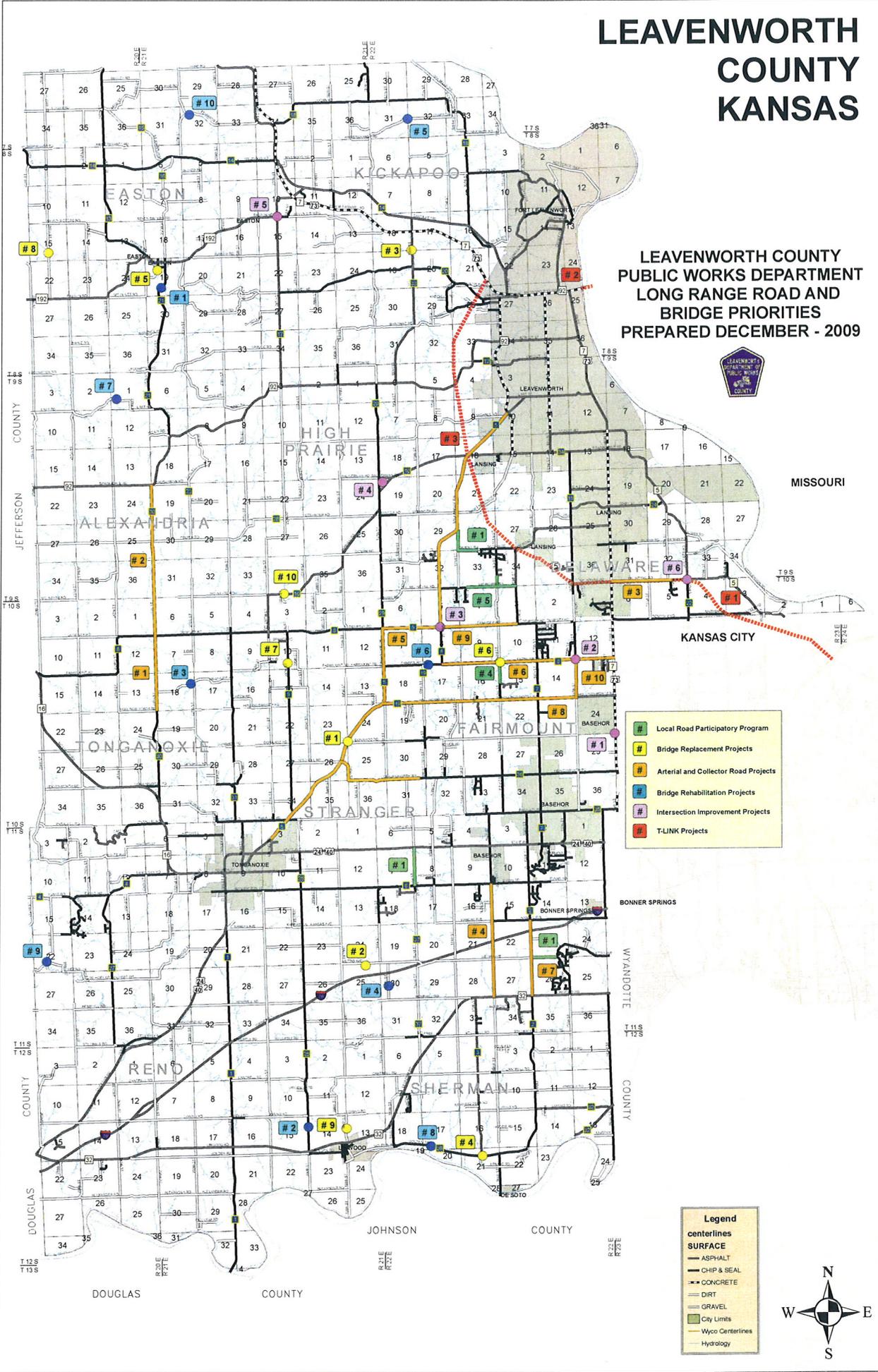
**Leavenworth County Public Works Department
Proposed Long Range Road and Bridge Priorities**

Bridge Replacement Projects			
	Project Description	Estimated Project Cost	Proposed Construction Begin Date
1	ST-15 / 33	\$3,300,000.00	
2	ST-57	\$150,000.00	
3	K-19	\$359,000.00	
4	SH-61	\$151,000.00	
5	E-20	\$270,000.00	
6	F-8	\$183,000.00	
7	ST-1	\$193,000.00	
8	E-48	\$147,000.00	
9	SH-21	\$1,050,000.00	
10	HP-19	\$1,727,000.00	
		\$7,530,000.00	

Bridge Rehabilitation Projects			
	Project Description	Estimated Project Cost	Proposed Construction Begin Date
1	E-18	\$10,400.00	
2	SH-22	\$55,400.00	
3	T-90	\$43,600.00	
4	ST-77	\$74,500.00	
5	K-3	\$22,200.00	
6	ST-100	\$53,000.00	
7	A-11	\$44,800.00	
8	SH-54	\$56,900.00	
9	T-66	\$53,900.00	
10	E-8	\$45,300.00	
		\$460,000.00	

LEAVENWORTH COUNTY KANSAS

LEAVENWORTH COUNTY
PUBLIC WORKS DEPARTMENT
LONG RANGE ROAD AND
BRIDGE PRIORITIES
PREPARED DECEMBER - 2009



- Local Road Participatory Program
- Bridge Replacement Projects
- Arterial and Collector Road Projects
- Bridge Rehabilitation Projects
- Intersection Improvement Projects
- T-LINK Projects

- Legend**
- centerlines**
- ASPHALT
 - CHIP & SEAL
 - CONCRETE
 - DIRT
 - GRAVEL
 - City Limits
 - Wyco Centerlines
 - Hydrology





Minutes
BASEHOR CITY COUNCIL
Basehor City Hall Work Session March 1, 2010

Call to Order - Mayor Terry Hill called the meeting to order at 7:00 p.m.

Roll Call - Present: Council President Washington and Councilmembers, Breuer, Dysart, Mertz, Moyer

Absent: None

Present also: Mary Mogle, Mark Loughry, Lloyd Martley, Cassie Schmidt, Gene Myracle, Joe McAfee, Mitch Pleak and Patrick Reavey.

Newspaper Present: Kaitlyn Syring, *Basehor Sentinel*

1. Wage Adjustments

Consider approving market wage adjustment for the following positions:

Animal Control	Lieutenant
Senior Maintenance Worker	Senior Wastewater Operator
Police-Court Clerk	Police Clerk

Council member Dysart described her frustration in having to go over wage adjustments every year. She also questioned percent increase as being confusing. Councilman Moyer supports wage adjustment. Mayor Hill supports evaluating each year but suggests a budget be set for annual wage increases.

Council President Washington suggests an outside human resource contractor to create a wage comparison matrix supervised by The City of Basehor Staff.

Councilman Mertz questions step versus range for the existing wage comparison and also requested a comparison for current wage to suggested wage.

Council President Washington questioned if the increase was 2% or 3%. City Administrator Loughry explained some adjustment is between 2% and 3% because some employees were not previously on a step in the pay matrix.

Council requested a copy of an existing pay matrix and proposed pay matrix be presented for action at the March 15th meeting.

Council agreed and staff will provide documents as requested for the March 15th regular meeting.

2. 2009 Pavement Management Change Order

Approve Change Order Request No. 1 in the amount of \$21,140.73.

In the future staff will handle the pavement management program differently.

Council agreed to place this on the March 15th regular meeting agenda.

3. 2010-11 Liability Insurance Package

Approve liability insurance renewal with EMC for \$49,295. The valuation for the wastewater treatment plant should be increased to \$7 million which constitutes the premium increase. Staff feels there are adequate funds even though the proposed premium exceeds the budget by \$1381.

Council member Dysart questioned if coverage was at full replacement value. Council President Washington explains generally this type of coverage is as close as possible to actual property value.

Council agreed to place this on the March 15th regular meeting agenda.

Council Member Reports

Councilman Moyer suggests The City make a public statement on Wolf Creek Marketplace failure, The City's financial impact and what The City is doing to find a replacement grocer.

City attorney Patrick Reavey reports latest hearing date for the Cedar Lakes annexation law suit is June 16, 2010 at 9:00am.

Councilman Moyer suggests creating a "no-kill" committee including professionals from the City to document an updated contemporary policy.

Confirmed date for Council Member Retreat as March 13, 2010 at Falcon Lakes Golf Course 9:00am-4:00pm.

Adjournment

Councilman Moyer made the motion to adjourn. Council President Washington seconded.

Motion passed. 5-0. There being no further business, the meeting was adjourned at 7:58 p.m.

**MINUTES
BASEHOR PLANNING COMMISSION
March 2, 2010
BASEHOR CITY HALL**

NO WORKSESSION

**PLANNING COMMISSION MEETING
7:00 P.M.**

A. Call to Order

John Matthews, Chair, called the meeting to order at 7:00 p.m.

Pledge of Allegiance

B. Roll Call

Members Present: Commissioners Joe McArdle, Kevin Jones, John Matthews, Ed Bush, Jon Gallion, and Bob Harrison. Absent: Russell Jacobson.

Staff Present: Mitch Pleak, City Engineer and Kathy Renn, Assistant City Clerk.

C. Approval of Minutes

A motion was made by Commissioner Bush and seconded by Commissioner Jones to approve the February 2, 2010 minutes. Chair Matthews asked for a vote. Motion passed, 6-0. Commissioner Jacobson was not present for vote.

D. Unfinished Business – None

E. New Business – Lot Split of Leavenworth County Consolidated Rural Water District No. 1 property, as requested by Consolidated Rural Water District No. 1.

On January 5, 2010 the Planning Commission approved the Conditional Use Permit for a 1,000,000 gallon elevated tank to replace the existing 100,000 gallon elevated tank located on the existing site.

On January 25, 2010 the City Council approved the Consolidated Rural Water District #1's Conditional use permit with one of the conditions to be that the property of the proposed elevated water tank shall be platted. It was noted to the City Council that platting the property will clean up an unplatted property within the city limits.

Staff is recommending that the lot split procedure be used to plat Consolidated Rural Water District No. 1's property. The property under review meets all approval guidelines set forth in Basehor's subdivision regulations. The property being platted is unique in the sense that it is not proposing any new development to the actual property itself, besides the new structure which was approved by the Planning Commission and the City Council under a Special Use Permit.

Commissioner Bush made the motion to approve the Lot Split of Leavenworth County Consolidated Rural Water District No. 1 property, as requested by Consolidated Rural Water District No. 1. As recommended by staff. Commissioner Jones seconded. Chair Matthews asked for vote. Motion passed 6-0.

F. Open Agenda – None

G. Reports from Special Committees – None

H. City Engineer Report – Mr. Pleak reported to Commissioners that the City Council did approve the Emergency snow route plan.

I. Adjournment –

Commissioner Jones made the motion to adjourn and Commissioner Bush seconded. There being no further discussion, the meeting was adjourned at 7:10 p.m. from Chair Matthews.

Submitted for approval with/**without** additions or corrections this 6th day of April, 2010.

John Matthews, Chairperson

Katherine Renn, Planning Secretary



INFORMATIONAL REPORT

ISSUED BY

First American Title Insurance Company

AGREEMENT TO ISSUE POLICY

We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this commitment have not been met within six months after the Commitment Date our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

- The Provisions in Schedule A.
- The Requirements in Schedule B-I.
- The Exceptions in Schedule B-II.
- The Conditions on the other side of this page 1.

This Commitment is not valid without SCHEDULE A and Sections I and II of SCHEDULE B.

FIRST AMERICAN TITLE INSURANCE COMPANY has caused this Commitment to be signed and sealed by its authorized officers and the Commitment will become valid when countersigned by an authorized signatory as of Effective Date shown in Schedule A.

First American Title Insurance Company

BY  PRESIDENT

ATTEST  SECRETARY



This commitment is invalid unless the insuring provisions and Schedules A and B are attached.

Conditions

1. DEFINITIONS

(a) "Mortgage" means, deed of trust or other security instrument. (b) "Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. LATER DEFECTS

The Exceptions in Schedule B Section II may be amended to show any defects, liens or encumbrances that appear for the time in the public records or are created or attach between the Commitment Date and the date on which all of the Requirements (a) and (b) of Schedule B - Section I are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B - Section I

or

eliminate with our written consent any Exceptions shown in Schedule B - Section II.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this Commitment and is subject to its terms.



First American Title Insurance Company
National Commercial Services

7200 College Blvd., Overland Park, KS 66210
(913)451-4611 Phone - (913)451-8891 Fax

INFORMATIONAL REPORT

Schedule A

1. Effective Date: February 05, 2010, at 8:00 AM
2. Policy or policies to be issued:
 - a. ALTA Owner's Policy \$N/A
 Proposed Insured: Premium: \$N/A
 N/A
 - b. ALTA Loan Policy \$N/A
 Proposed Insured: Premium: \$N/A
 N/A
3. Title to the fee simple estate or interest in the land described or referred to in this Commitment is at the effective date hereof vested in:

 Basehor Athletic Association, Inc., a Kansas corporation
4. The land referred to in this Commitment is described as follows:

**Legal Description attached hereto as Exhibit A
and by this reference incorporated herein.**

**If there are any questions concerning this commitment,
please contact Karl Phares at kphares@firstam.com,
or Steven T. Osborn at sosborn@firstam.com.**

INFORMATIONAL REPORT

Schedule B - Section I (Requirements)

The following are the requirements to be complied with:

1. Pay the agreed amounts for the interest in the land and/or mortgage to be insured.
2. Pay us the premiums, fees and charges for the Policy.
3. Documents satisfactory to us creating the interest in the land and/or mortgage to be insured must be signed, delivered and recorded.
4. You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.

This commitment is invalid unless the insuring provisions and Schedules A and B are attached.

INFORMATIONAL REPORT

Schedule B - Section II (Exceptions)

Schedule B of the policy or policies to be issued will contain the exceptions to the following matters unless the same are disposed of to the satisfaction of the Company.

1. Defects, liens, encumbrances, adverse claims, or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. Rights or claims of parties in possession not shown by the public records.
3. Encroachments, overlaps, boundary disputes, shortage in area, or any other matters which would be disclosed by an accurate survey and inspection of the premises.
4. Easements or claims of easements not shown by the public records.
5. Any lien, or right to a lien for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
6. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public record. Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or the public record.
7. Taxes for the year 2009 have been paid in the amount of EXEMPT, which includes \$N/A for solid waste management and \$N/A for special assessments. (Tax I.D. #27694) Cama #156-13-0-00-00-003.030 (TRACT 1). Assessed on 193,870.

Taxes for the year 2009 have been paid in the amount of EXEMPT, which includes \$N/A for solid waste management and \$N/A for special assessments. (Tax I.D. #27696) Cama #156-13-0-00-00-003.050 (TRACT 2). Assessed on 175,760.
8. A mortgage to secure an original principal indebtedness of \$45,000.00, and any other amounts or obligations secured thereby, recorded January 7, 2004 in Book 0904, Page 1086 of Official Records. (Tracts 1 and 2)

Dated:	December 17, 2003
Mortgagor:	Basehor Athletic Association, Inc.
Mortgagee:	First State Bank and Trust
9. An oil and gas lease executed by William R. Zimmerman and Janet B. Zimmerman, husband and wife as lessor and Mid Gulf, Inc. as lessee, recorded February 29, 1988 in Book 618, Page 732 of Official Records. (Tracts 1 and 2)
10. Terms and Provisions of Lease executed by Thomas P. Hansen and J. Shari Rodgers as lessor and Basehor Athletic Association, Inc. as lessee, recorded February 10, 1995 in Book 703, Page 423 of Official Records. (Tracts 1 and 2)

This commitment is invalid unless the insuring provisions and Schedules A and B are attached.

11. A mortgage to secure an original principal indebtedness of \$200,000.00, and any other amounts or obligations secured thereby, recorded July 23, 2001 in Book 815, Page 15 of Official Records. (Tracts 1 and 2)

Dated: July 10, 2001
 Mortgagor: Basehor Athletic Association, Inc.
 Mortgagee: First State Bank and Trust

12. A mortgage to secure an original principal indebtedness of \$50,000.00, and any other amounts or obligations secured thereby, recorded December 1, 2003 in Book 901, Page 1519 of Official Records. (Tracts 1 and 2)

Dated: September 2, 2003
 Mortgagor: Basehor Athletic Association, Inc.
 Mortgagee: First State Bank and Trust

13. Right of Way to Consolidated Rural Water District #1 Leavenworth County, Kansas in the document recorded in Book 907, Page 0812 of Official Records. (Tracts 1 and 2)

14. An easement for Emergency Siren System to Board of County Commissioners of Leavenworth County, Kansas in the document recorded as Document No. 2009R03392 of Official Records. (Tract 1)

15. Right of Way to Westar Energy Inc. in the document recorded as Document No. 2009R06508 of Official Records. (Tract 1)

16. A mortgage to secure an original principal indebtedness of \$45,000.00, and any other amounts or obligations secured thereby, recorded April 18, 2008 as Document No. 2008R03915 of Official Records. (Tracts 1 and 2)

Dated: April 8, 2008
 Mortgagor: Basehor Athletic Assoc., Inc.
 Mortgagee: First State Bank and Trust

17. Assignment of Rents dated August 16, 2006 and recorded August 28, 2006 in Book 992, Page 1663 to First State Bank and Trust. (Tracts 1 and 2)

18. Permits given permission to Basehor Athletic Association to Construct a facility Waste Stabilization Pond less than 100 feet but no less than 50 feet from Property line of Howard A. Theno and Jean E. Theno recorded in Book 792, Page 0135 and Western Resources, Inc. recorded in Book 792, Page 0136. (Tracts 1 and 2)

19. Tenancy rights, either as month to month, or by virtue of written leases of persons in possession of any part of the subject property.

NOTE: If any requirements shown on Schedule B-Section I of this Commitment are not complied with, then the requirement or the matters constituting the requirement will be shown as an exception or exceptions on the Policy or Policies provided the Company elects to issue such Policy or Policies.

NOTE: This is NOT a commitment to insure and has been issued as a report as to the status of title only, and as such should not be relied upon for a Real Estate Transaction.

This commitment is invalid unless the insuring provisions and Schedules A and B are attached.

This is not a commitment to insure, and no insurance is provided by this commitment; nor is the Company liable for errors or omissions in this Informational Report.

If a Commitment for Title Insurance is desired, the identity of the entities to be insured and policy amounts must be disclosed to this Company, and this Company will then issue a Commitment for Title Insurance disclosing all requirements for issuance of the policy, as well as any additional exceptions which may then be necessary.

This commitment is invalid unless the insuring provisions and Schedules A and B are attached.

EXHIBIT A

TRACT 1:

A TRACT OF LAND IN THE NORTH ½ OF SECTION 13, TOWNSHIP 10 SOUTH, RANGE 22 EAST OF THE 6TH P.M., MORE FULLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH ¼ CORNER OF SAID SECTION 13; THENCE NORTH 89° 44' 58" EAST FOR A DISTANCE OF 377.48 FEET ALONG THE NORTH LINE OF SAID SECTION; THENCE SOUTH 01° 01' 16" WEST FOR A DISTANCE OF 500.00 FEET; THENCE NORTH 89° 44' 58" EAST FOR A DISTANCE OF 500.00 FEET; THENCE SOUTH 01° 01' 16" WEST FOR A DISTANCE OF 466.80 FEET; THENCE SOUTH 89° 44' 58" WEST FOR A DISTANCE OF 361.00 FEET; THENCE SOUTH 89° 45' 58" WEST FOR A DISTANCE OF 592.64 FEET; THENCE NORTH 01° 07' 43" EAST FOR A DISTANCE OF 966.84 FEET TO THE NORTH LINE OF SAID SECTION; THENCE NORTH 89° 52' 55" EAST FOR A DISTANCE OF 74.35 FEET ALONG SAID NORTH LINE TO THE POINT OF BEGINNING, LEAVENWORTH COUNTY, KANSAS, EXCEPT ANY PART THEREOF IN ROADS.

AND ALSO

TRACT 2:

A TRACT OF LAND IN THE NORTH ½ OF SECTION 13, TOWNSHIP 10 SOUTH, RANGE 22 EAST OF THE 6TH P.M., MORE FULLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 74.35 FEET SOUTH 89° 52' 55" WEST OF THE NORTH ¼ CORNER OF SAID SECTION 13; THENCE SOUTH 89° 52' 55" WEST FOR A DISTANCE OF 70.00 FEET ALONG THE NORTH LINE OF SAID SECTION; THENCE SOUTH 01° 07' 42" WEST FOR A DISTANCE OF 1884.53 FEET; THENCE NORTH 89° 49' 39" EAST FOR A DISTANCE OF 664.34 FEET; THENCE NORTH 01° 01' 18" EAST FOR A DISTANCE OF 918.22 FEET; THENCE SOUTH 89° 45' 48" WEST FOR A DISTANCE OF 592.64 FEET; THENCE NORTH 01° 07' 43" EAST FOR A DISTANCE OF 966.84 FEET TO THE POINT OF BEGINNING, LEAVENWORTH COUNTY, KANSAS, EXCEPT ANY PART THEREOF IN ROADS.

TXDSP1MHR1 **Display Tax Roll Information** Year - 2009
 Type - 1) REAL ESTATE Identifier - 27694 Cama 156 13 0 00 00 003 03 0
 Owner-1 BASEHOR ATHLETIC Alpha-I BASEHOR ATHLETIC
 Owner-2 ASSOCIATION INC Alpha-% BASEHOR ATHLETIC
 % Name _____
 Address PO BOX 237
 City BASEHOR State KS Zip 66007 5209 LandUse 708 USD 458
 C/T C BC TU 004 Sec/Twp/Rng 13 10 22E Sub/Blk/Lot _____
 Acres 15.00 PT N1/2;BEG N1/4 COR; E377',
 S500',E500',S466.80',W953',
 N966',E74' TO POB LESS ROW

Physical Address 14210 FAIRMOUNT RD 66007 Ex Cd
 Class Land Imp New Imp Exempt 193870 B
 Class Land Imp New Imp Exempt -
 Class Land Imp New Imp Exempt -
 Non-Severed Min Agricultural Land Mkt Val _____
 Book 0815 Page 0013 Transfer Probate _____
 Bank Mortgage User Defined Add/Esc _____

F3=Exit F5=Refresh F7=Bkwd F8=Fwd F10=Billing F13=Comments

TXDSP1MHR1

Billing Information

Year - 2009

Type - 1) REAL ESTATE

Identifier - 27694

Taxpayer - BASEHOR ATHLETIC

Owner-2 ASSOCIATION INC

Unit / Levy
Levied Tax

004 134.940

Original
004 134.940

Total
Paid
Total
Due
Crds
War/Red #
Statement#

1	_____	_____	_____
2	_____	_____	_____
3	_____	_____	_____
4	_____	_____	_____
5	_____	_____	_____
1	_____	_____	_____
2	_____	_____	_____
3	_____	_____	_____

Total Tax

Current Valuations - Total

Class	Land	Imp	New Imp
Class	Land	Imp	New Imp
Class	Land	Imp	New Imp

SG Exempt	_____	Ex Cd
Exempt	193870	B
Exempt	_____	-
Exempt	_____	-
SG Exempt	_____	_____

Original Valuations - Total

Class	Land	Imp
Class	Land	Imp
Class	Land	Imp

F3=Exit F5=Refresh F10=Payment F12=Cancel F13=Comments F14=InFull

TXDSP1MHR1

Billing Information

Year - 2009

Type - 1) REAL ESTATE

Identifier - 27696

Taxpayer - BASEHOR ATHLETIC

Owner-2 ASSOCIATION INC

Unit / Levy

004 134.940

Original
004 134.940

Levied Tax

1	_____	_____	_____
2	_____	_____	_____
3	_____	_____	_____
4	_____	_____	_____
5	_____	_____	_____
1	_____	_____	_____
2	_____	_____	_____
3	_____	_____	_____

Total
Paid _____
Total _____
Due _____
Crds _____
War/Red # _____
Statement# _____

Total Tax

Current Valuations - Total

Class	Land	Imp	New Imp
Class	Land	Imp	New Imp
Class	Land	Imp	New Imp

SG Exempt _____
Exempt 175760 B
Exempt _____
Exempt _____
SG Exempt _____

Original Valuations - Total

Class	Land	Imp
Class	Land	Imp
Class	Land	Imp

F3=Exit F5=Refresh F10=Payment F12=Cancel F13=Comments F14=InFull

TXDSP1MHR1

Display Tax Roll Information

Year - 2009

Type - 1) REAL ESTATE
Owner-1 BASEHOR ATHLETIC
Owner-2 ASSOCIATION INC

Identifier - 27696

Cama 156 13 0 00 00 003 05 0
Alpha-I BASEHOR ATHLETIC

% Name

Alpha-% BASEHOR ATHLETIC

Address PO BOX 237

City BASEHOR State KS Zip 66007 5209 LandUse 730 USD 458

C/T C BC TU 004 Sec/Twp/Rng 13 10 22E Sub/Blk/Lot

Acres 15.00
BEG 74.35'W N1/4 COR; W70',
S1884.53', E664.34', N918.22',
W592.64', N966.84' TO POB LESS
ROW

Physical Address 14210 FAIRMOUNT RD 66007

Ex Cd

Class	Land	Imp	New Imp	Exempt	175760	B
Class	Land	Imp	New Imp	Exempt		-
Class	Land	Imp	New Imp	Exempt		-
				SG Exempt		

Non-Severed Min
Book 0815 Page 0013
Bank Mortgage

Agricultural Land Mkt Val
Transfer Probate
User Defined Add/Esc

F3=Exit F5=Refresh F7=Bkwd F8=Fwd F10=Billing F13=Comments

GURSS REAL ESTATE APPRAISAL

17663 Springdale Road ■ Leavenworth, Kansas 66048

Phone: (913) 682-1101 ■ Fax: (913) 682-8761 ■ E-mail: laptopga@cox.net

MARKET VALUE APPRAISAL OF

Basehor Field of Dreams
14261 Fairmount Road
Basehor, Kansas

CLIENT

City of Basehor
2620 N. 155th Street
Basehor, Kansas

EFFECTIVE DATE

February 18, 2010

FILE NUMBER

10020021

March 12, 2010

Mr. Mark Loughy
City Administrator
City of Basehor
P.O. Box 406
Basehor, KS 66007

Dear Mr. Loughy:

Pursuant to your request, I have personally inspected and appraised the property described in the following summary appraisal report.

The purpose of this letter is to set out the market value opinion of the subject property in fee simple estate, in its current condition as of the effective date of the appraisal. The definition of market value, as used in this appraisal can be found in the body of this report. Per your request, I have utilized all appropriate approaches in establishing a value for the subject property.

The subject property is located at 14261 Fairmount Road, Basehor, Kansas, commonly known as "Basehor Field of Dreams". The site contains a total of 30 acres of land area, more or less. The site is improved with a sports complex including baseball and football fields, concessions stand, office, and storage building.

The three traditionally recognized methods of establishing an opinion of value for real estate are: The Income Approach, The Cost Approach, and The Sales Comparison Approach. A summary of these approaches can be found in the body of this report.

In conclusion, based on the following summary report, to which your attention is now directed, it is the opinion of the appraiser that the market value of the subject property as of February 18, 2010 is as follows:

FIVE HUNDRED FIFTY THOUSAND DOLLARS

(\$550,000)

If you have any questions or I can be of any further assistance, please do not hesitate to contact me.

Very truly yours,

GURSS REAL ESTATE APPRAISAL

Gary L. Gurss, ASA

KS Cert. #G-36

The three traditionally recognized methods of establishing an opinion of value for real estate are: The Income Approach, The Cost Approach, and The Sales Comparison Approach. A summary of these approaches can be found in the body of this report.

In conclusion, based on the following summary report, to which your attention is now directed, it is the opinion of the appraiser that the market value of the subject property as of February 18, 2010 is as follows:

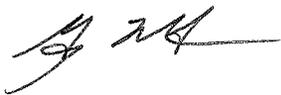
FIVE HUNDRED FIFTY THOUSAND DOLLARS

(\$550,000)

If you have any questions or I can be of any further assistance, please do not hesitate to contact me.

Very truly yours,

GURSS REAL ESTATE APPRAISAL

A handwritten signature in black ink, appearing to read "G. Gurss", with a horizontal line extending to the right.

Gary L. Gurss, ASA

KS Cert. #G-36

ASSUMPTIONS AND LIMITING CONDITIONS:

1. This is a summary appraisal report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a summary appraisal report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title consideration. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimated contained in this report are based.
11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, ureaformaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the American Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.
18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

CERTIFICATION:

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest or bias in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. This appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. I have made a personal inspection of the property that is the subject of this report.
9. No one provided significant professional assistance to the person signing this report.
10. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Foundation.

and the Standards of Professional Appraisal Practice of the Appraisal Foundation.

11. The use of this report is subject to the requirements of the American Society of Appraisers relating to review by its duly authorized representatives.
12. As of the date of this report, I have completed the requirements of the continuing education programs of the State of Kansas and Missouri and the American Society of Appraisers.



Gary L. Gurss, ASA

State Certification: KS G-36

MO RA-2711

Expiration Date: 6-30-2010

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SUMMARY OF SALIENT FACTS & CONCLUSIONS

Location:	14261 Fairmount Road Basehor, Kansas
Effective Date of Appraisal:	February 18, 2010
Owner of Record:	Basehor Athletic Assoc. Inc
Legal Description:	See Addendum A
Parcel I.D. Number:	156-13-0-00-00-003.03 156-13-0-00-00-003.05
Land Area:	30 Acres +/-
Flood Plain Designation & Map Number	200186 Panel 100 C Zone C August 18, 1981
Zoning:	PUD Planned Unit Development
Highest & Best Use:	As if Vacant: Residential Development As Improved: Current Use
Real Estate Taxes:	Currently Exempt
Estimated Marketing Time:	Less than 1 year
Exposure Time:	Less than 1 year
Final Market Value Estimate:	\$550,000

PREVIOUS AND OR CURRENT TRANSFERS

The property was obtained by the current owner in July, 2001. No other transfers have occurred since that time. Negotiations are on-going for the sale of the property to the City of Basehor. Complete terms were not provided to the appraiser.

INTENDED USE and USER OF THE REPORT

The intended use of this report is for the sole purpose of assisting the client, the City of Basehor, in making a purchasing decision concerning the subject property. The City of Basehor is the intended user of this report.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to establish an opinion of market value for the subject property in fee simple estate, in its current condition as of the effective date of the appraisal. This value considers only the real property interest. No personal property is given consideration or value in this report unless specifically noted.

EFFECTIVE DATE OF APPRAISAL

The effective date of this appraisal is February 18, 2010. All factors pertinent to the determination of market value as estimated herein, were considered as of that date.

DATE OF REPORT

March 12, 2010

THE COMPETENCY OF THE APPRAISER

The Universal Standards of Professional Appraisal Practice Competency Rule states:

“Prior to accepting an assignment or entering into an agreement to perform an assignment, an appraiser must properly identify the problem to be addressed and have the knowledge and experience to complete the assignment competently; or alternatively must:

1. Disclose the lack of knowledge and/or experience to the client before accepting the assignment;
2. Take all steps necessary or appropriate to complete the assignment competently; and
3. Describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the report.”

Gurss Real Estate Appraisal has been active in the appraisal of commercial, industrial, residential and farm properties since 1977.

Gary L. Gurss, is a state certified General Real Property Appraiser in Kansas and Missouri and is a member of the American Society of Appraisers. He has been active in appraisals of various commercial, industrial, recreational, residential, farm and retail properties, including since 1984. The appraiser is competent to appraise subject.

MARKET VALUE DEFINITION

(Definition from USPAP 2010-2011 Edition, page A-105)

The most probable sales price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the unencumbered fee simple interest in the subject property which is defined as follows:

Fee Simple: An absolute fee; a fee without limitations to any particular class of heirs or restrictions, but subject to limitations or eminent domain, escheat, police power, and taxation. An inheritable estate.

EXPOSURE TIME

The uniform standards of professional appraisal practice require the derivation of exposure time. Exposure time is defined as follows:

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at Market Value on the effective date of the appraisal; a retrospective opinion based upon an analysis of past events assuming a competitive and open market (USPAP 2008-2009, p.u.-87).

The key factor in exposure time is that it is presumed to have occurred prior to the valuation date.

Exposure time for the subject property is estimated at less than 1 year.

MARKETING TIME

The financial institution's reform, recovery and enforcement act of 1989 (FIRREA) requires a derivation of marketing time. Marketing time is defined as follows:

The estimated length of time it might take to sell a property interest in real estate at the estimated Market Value level during the period immediately after the effective date of an appraisal. (USPAP 2008-2009, A07, p.A-13).

The key factor in marketing time is that it is presumed to have occurred after the valuation date. Exposure and marketing time differ according to market conditions before and after the valuation date. Property value may not remain constant during the marketing time. Both marketing and exposure times are influenced by asking price.

Marketing time for the subject property is estimated at less than 1 year.

SCOPE OF WORK

In preparing this appraisal, the appraiser inspected the subject site and both the interior and the exterior of the improvements. Information on comparable sales and rents (if applicable), were gathered, confirmed and analyzed. The Sales Comparison Approach, The Cost Approach and The Income Approach were applied as applicable. To develop the opinion of value, the appraiser performed an appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice.

The first step in the valuation process is to determine which of the three approaches to value are applicable to determining an opinion of value for the subject property. The factors involved in this decision are the answers to two questions: (1) Can a reliable and meaningful value of the subject be derived from this approach? (2) Is the approach necessary for a credible value, based on the client's needs and desires?

The Sales Comparison Approach is considered to be applicable to the subject property and was utilized. An adequate number of sales of similar design and use properties were available from which an opinion of value could be derived.

The Cost Approach was considered to be applicable to the subject and was developed. This approach is most applicable and reliable for new or unique properties. Due to the somewhat unique nature of the subject property this approach was considered to be applicable and was developed.

The Income Approach was considered to be appropriate due to the Income producing potential of the property. A number of similar properties exist in the market area that produces rental income. As such adequate income and expense data were available from which a market income could be established or which could be utilized to determine if actual rents were in line with the market. As a result a reliable opinion of value could be established by this method.

Once the determination of the appropriate approaches to value for the assignment has been made the second step is the implementation of the approaches considered to be appropriate. For the subject these are The Income Approach, The Cost Approach, and the Sales Comparison Approach.

No hypothetical conditions or extraordinary assumptions were considered in the development of this appraisal.

THE APPRAISAL ASSIGNMENT

This appraisal report is considered an appraisal assignment as defined by the Appraisal Foundation. The term appraisal refers to an opinion of the nature, quality, value or utility of specified interest in, or aspects of identified real estate. The term appraisal assignment is used to refer solely to those appraisal services where the appraiser is employed or retained to act (or would be perceived by third parties or the public as acting) as a disinterested third party in rendering an unbiased estimate or opinion of the nature, quality, value or utility of specified interest in or aspects of identified real estate.

There are three reporting options, which can be utilized: Self-Contained, Summary and Restricted.

Self-Contained: descriptions are utilized which connote a comprehensive level of detail in the presentation of information;

Summary: summations are utilized which connote a more concise presentation of information;

Restricted: statements are utilized which connote the minimal presentation of information. These reports are not to be used by anyone other than the client.

This report is a Summary Appraisal Report as noted above.

This report complies with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA). This report also conforms to the Uniform Standards of Professional Appraisal Practice (USPAP).

DESCRIPTION OF SUBJECT PROPERTY

Site Description:

Location:	14261 Fairmount Road Basehor, Kansas
Site Size:	30 Acres, more or less
Utilities:	Rural Water & Electric Private Sewage System
Topography:	Mostly Level & Tiered
Configuration:	Irregular / See Aerial Photo
Access:	Adequate
Zoning:	PUD

Improvement Description:

Improvements:

Baseball fields (7)
Football fields (3)
Chain Link Fencing (34,680 LF)
Chain Link Backstops/Dugouts
Concession Stand: 1,731 SF
 Concrete Structure
Office/Club House: 1,200 SF
 Metal on Frame
Maintenance Bldg: 1,152 SF
 Metal on Frame
Souvenir Stand: 80 SF
 Wood on Frame
Gate Booth: 24 SF
 Wood on Frame
Metal Bleachers
Canopy Covered Shelter
Concrete Paved Walkways
Gravel Parking & Drive areas

Use:

Sports Complex

Condition:

Average

Parking:

Adequate

Signage:

Wood on Post

HIGHEST AND BEST USE

Highest and best use can be defined as, “the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.” (*The Appraisal of Real Estate, 12th Edition*, 2001 P. 305-307.)

Highest and best use is that use among the proposed uses that is expected to generate the highest rate of net return (amenities) over a given income forecast period at the time a decision is made.

The highest and best use of both land as though vacant and property as improved must meet four criteria.

1. The site’s permissible or legal use, which is permitted by current zoning and deed restrictions;
2. The possible use or uses that are physically possible for the site in question;
3. Its feasible use, based on current and projected market conditions, that is financially feasible;
4. The alternative uses that would produce the highest net return to the site in question.

Of the uses that are legally permissible, physically possible, and financially feasible, the use that produces the highest residual land value, consistent with the rate of return warranted by the market for that use, is the highest and best use.

“Highest and best use is shaped by the competitive forces within the market where the property is located. Therefore, the analysis and interpretation of highest and best use is an economic study of market forces focused on the subject property...In all valuation assignments, opinions of value are based on use. The highest and best use of a property to be appraised provides the foundation for a thorough investigation of the competitive positions of market participants. Consequently, highest and best use can be described as the foundation on which market value rests.”

(American Institute of Real Estate Appraisers, The 12th Edition 2001, p. 305-307)

Complete analysis for an improved property requires determination of highest and best use for the site as though vacant and as improved. Discrepancies between conclusions of highest and best use for the site as though vacant, and as improved, result from obsolescence within the improvements.

HIGHEST AND BEST USE AS THOUGH VACANT

The subject is an irregularly shaped tract containing a total of 30 acres, zoned PUD or Planned Unit Development.

Legally Permissible:

Legally permissible uses are uses that are permitted by current zoning, deed restrictions and environmental regulations. If rezoning is supportable and probable, the uses allowed in the probable zoning district may be considered legally permissible.

Physically Possible:

Physically possible uses are those uses that are allowed by the size, shape, area, terrain, soils, availability and capacity of utilities, and accessibility of the tract.

Financially Feasible:

Financially feasible uses are those uses that are likely to produce an income, or return, equal to or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization. All uses that are expected to produce a positive return are regarded as financially feasible.

A determination of financial feasibility for a particular use is made by comparing the estimated market value for the potential use to the estimated development cost (new). In order to be considered a feasible use, the value resulting from development should exceed the cost of construction and provide a satisfactory return on investment.

One method of identifying financially feasible uses is to identify recent development and continuing uses and discontinued uses in the area. This method is based on the assumption that investors will recognize financially feasible uses and act by developing vacant tracts for those uses, and that existing users will continue successful uses and discontinue operations that are not financially feasible.

CONCLUSION:

Highest And Best Use as Though Vacant:

Those uses considered to be legally permissible, physically possible and financially feasible are single family residential development, sports complex, or park. That use considered to provide the highest return on investment and therefore the highest and best use, as if vacant, is single family residential development.

Highest and Best Use as Improved:

The preceding analysis presented under “Highest and Best Use as if Vacant”, is considered applicable to consideration of “Highest and Best Use as Improved”. The highest and best use as if vacant is the single family residential development. The current use of the subject is also among those potential uses for the site as if vacant. Therefore, that use considered legally permissible, physically possible, financially feasible and the highest and best use as improved is the current use, a sports complex.

SUMMARY OF ANALYSIS AND VALUATION

The Cost Approach:

The Cost Approach is considered to be applicable to the subject property and was developed. This approach is most applicable to new or near new properties or properties with unique characteristics. Due to the subject's age and the warranted depreciation factors involved, the reliability of this approach is somewhat diminished. However, the unique characteristics of the property warrant the development of this approach. The first step was to establish an opinion of value for the subject site. An estimated cost to construct the improvements was established utilizing the Marshall & Swift Valuation Service. Physical depreciation factors were established using the age/life method. Functional obsolescence was also assessed due to the unique nature of the property. The improvements are considered to be an over-improvement to the site and suffer loss in value as a result. These depreciation factors were applied to the cost new to establish an opinion of value for the improvements in their current condition. The depreciated value of the improvements was then added to the opinion of land value to establish an opinion of value for the subject property by the Cost Approach.

The calculations utilized in the development of the Cost Approach are found on the following two (2) pages.

Opinion of Land Value

- Sale 1: Seymour Road, Leavenworth, Kansas
Sold 2/2009 for \$196,000 or \$6,140 per acre
31.92 Acres No improvements Gravel Road
- Sale 2: 4930 Hutton Road, Kansas City, Kansas
Sold 6/2007 for \$640,500 or \$15,250 per acre
42 Acres No improvements Paved Road
- Sale 3: Highway 7-73, Kansas City, Kansas
Sold 7/2007 for \$814,000 or \$21,534 per acre
37.8 Acres No improvements 4 Lane Paved Road
- Sale 4: 158th Street, Basehor, Kansas
Sold 11/2007 for \$925,000 or \$11,889 per acre
77.8 Acres No improvements Paved Road
- Sale 5: 178th Street, Tonganoxie, Kansas
Sold 10/2007 for \$178,000 or \$8,986 per acre
19.86 Acres No improvements Gravel Road
- Sale 6: 13787 W. 170th Street, Bonner Springs, Kansas
Sold 5/2009 for \$252,000 or \$12,600 per acre
20 Acres Old Barn Paved Road
- Sale 7: Dempsey Road, Leavenworth, Kansas
Sold 12/2007 for \$385,000 or \$4,805 per acre
80.12 Acres No improvements Gravel Road

Based on these sales, the opinion of value for the subject site is \$8,000 per acre or \$240,000.

Cost Approach Calculations

Ball Field Equipment Cost New

Backstops	\$6,325 per unit @7 Units	=	\$44,275
Fencing	\$8.30 per lf @ 3,468 Ft	=	\$28,784
Goal Posts	\$4,450 per set @ 3 sets	=	\$13,350
Bleachers	\$42.50 per seat @ 500 seats	=	\$21,000
Lights	\$31,125 per field @ 5 fields	=	\$155,562
Concession Stand	\$66.83 per foot @ 1,751 SF	=	\$117,019
Maintenance Bldg	\$29.46 per foot @ 1,152 SF	=	\$33,937
Club House/Office	\$51.96 per foot @ 1,200 SF	=	\$62,352
Souvenir and			
Entry Gate Bldg	\$15.75 per foot @ 104 SF	=	\$1,638

Total Cost of Structures New \$477,917

Depreciation

Physical	30%	
Functional	10%	
External	0%	<u>x .60</u>
		\$286,750

Parking, Drive Area, & Walkways \$45,000

Opinion of Land Value \$240,000

Opinion of Value by the Cost Approach \$571,750

Or say \$570,000

The Income Approach:

A market income of \$175,250 per year was estimated for the subject. This income is based on actual income and expenses from the operation of the subject property provided by the current owners. Expenditures for real estate taxes, building insurance, maintenance, reserve, and management are deducted from the gross to establish a net income for the property which is capitalized to establish an opinion of value from this approach. Based on this income and expense data, an opinion of market value for the subject by the Income Approach of \$550,000 (rounded) was established.

The income calculations can be found on the next nine (9) pages.

INPUT VARIABLES / KEY NUMBERS

REFERENCE NO: 10020021
PROPERTY: Basehor Filed of Dreams
ANALYSIS DATE: 02-18-10

Input Variables

Projected Holding Period	10 Years
Loan Ratio 1	70.00%
Interest Rate	8.00%
Loan Term	20 Years
Investor Equity Portion	30.00%
Required Investor Yield (IRR)	12.500%
Growth Rate in Value per Year	1.000%
Growth Rate in Net Income per Year	1.000%
Soft Costs in Addition to Equity	1.000%
Selling Expenses: Terminal Year	7.000%

Key Numbers

Initial Cash Investment	\$ 170,060
Indicated Value	\$ 548,582
Overall Capitalization Rate	9.26%
Positive Cash Flow Begins in Year	1

First Year Numbers

Annual Net Income	\$ 50,793
Debt Service	(\$ 38,544)
Annual Cash Flow	\$ 12,249
Cash on Cash Yield	7.20%
Debt Coverage Ratio	1.32

Stabilized Market Income Schedule

REFERENCE NO: 10020021
PROPERTY: Basehor Filed of Dreams
ANALYSIS DATE: 02-18-10

Income Item	Income Per Year
Fees Charged	50,250
Field Leases	50,000
Gate and Concessions	65,000
Miscellaneous	10,000
Total Units	
Total Income	\$175,250

ADVANCED MORTGAGE EQUITY CALCULATION

REFERENCE NO: 10020021
PROPERTY: Basehor Filed of Dreams
ANALYSIS DATE: 02-18-10

Input Variables

Projected Holding Period	10 Years
Loan Ratio 1	70.00%
Interest Rate	8.00%
Loan Term	20 Years
Investor Equity Portion	30.00%
Required Investor Yield (IRR)	12.500%
Growth Rate in Value per Year	1.000%
Growth Rate in Net Income per Year	1.000%
Soft Costs in Addition to Equity	1.000%
Selling Expenses: Terminal Year	7.000%

CALCULATION

Loan 1 x Constant (.70000 x 0.100373)	0.0702610
Equity x Required Yield (.30000 x 0.125000)	<u>0.0375000</u>
	0.1077610
LESS Credit for Equity Build-up	
RATIO x %PAID OFF x SINKING FUND	
Loan 1 70.00 0.3106 0.055622	<u>-0.0120930</u>
	BASIC RATE 0.0956680
ADD Amortization of Soft Costs (1.00 x 0.18062)	<u>0.0018062</u>
	0.0974742
LESS Appreciation Factor	-0.0015184
LESS Income Growth Factor	<u>-0.0033661</u>
	CAP RATE AT STABLE OPERATION 0.0925897
	OVERALL RATE - ROUNDED TO 9.26%

PROJECTED CASH FLOW ANALYSIS

REFERENCE NO: 10020021
 PROPERTY: Basehor Filed of Dreams
 ANALYSIS DATE: 02-18-10

Indicated Value	\$548,582
Less Loans 70.00%	<u>384,007</u>
Equity	164,575
Soft Costs: 1.00%	<u>5,486</u>
Total Investment	\$170,060

	Year 1 02-2010	Year 2 02-2011	Year 3 02-2012	Year 4 02-2013	Year 5 02-2014	Year 6 02-2015	Year 7 02-2016	Year 8 02-2017	Year 9 02-2018	Year 10 02-2019
Cash Flows										
Net Income	50,793	51,301	51,814	52,332	52,855	53,384	53,918	54,457	55,002	55,552
Interest Expense	-30,427	-29,754	-29,024	-28,234	-27,378	-26,451	-25,448	-24,361	-23,184	-21,909
Loan Amortization	<u>-8,117</u>	<u>-8,790</u>	<u>-9,520</u>	<u>-10,310</u>	<u>-11,166</u>	<u>-12,093</u>	<u>-13,096</u>	<u>-14,183</u>	<u>-15,360</u>	<u>-16,635</u>
Cash Flow	12,249	12,757	13,270	13,788	14,312	14,840	15,374	15,913	16,458	17,008
Cash on Cash Yield	7.20%	7.50%	7.80%	8.11%	8.42%	8.73%	9.04%	9.36%	9.68%	10.00%
Debt Coverage Ratio	1.32	1.33	1.34	1.36	1.37	1.39	1.40	1.41	1.43	1.44

Reversion - Proceeds of Sale at the end of 10 Years

Future Sale	\$605,975
Sale Costs: 7.00%	-42,418
Less Loans	<u>264,737</u>
Reversion	\$298,820

Internal Rate of Return: 10 Year Holding Period

Initial Investment	-170,060
Cash Flow	12,249
Reversion	298,820
INTERNAL RATE OF RETURN	12.500%

Present Value of Cash Flows using a Discount Rate of 12.500%

Cash Flow	12,249	12,757	13,270	13,788	14,312	14,840	15,374	15,913	16,458	17,008
Reversion										<u>298,820</u>
										315,828
Present Value										
Discount Factor	<u>0.888889</u>	<u>0.79012</u>	<u>0.70233</u>	<u>0.62429</u>	<u>0.55492</u>	<u>0.49327</u>	<u>0.43846</u>	<u>0.38974</u>	<u>0.34643</u>	<u>0.30794</u>
Present Value	10,888	10,080	9,320	8,608	7,942	7,320	6,741	6,202	5,702	97,258

P V of CASH FLOWS \$170,060 approximates Initial Investment of \$170,060 based upon a value of \$548,582

YIELD RANGE ANALYSIS

REFERENCE NO: 10020021
PROPERTY: Basehor Filed of Dreams
ANALYSIS DATE: 02-18-10

Input Variables

Projected Holding Period	10 Years
Loan Ratio 1	70.00%
Interest Rate	8.00%
Loan Term	20 Years
Investor Equity Portio	30.00%
Yield Range Analyzed (IRR)	9.500% to 15.500%
Growth Rate in Value per Year	1.000%
Growth Rate in Net Income per Year	1.000%
Soft Costs in Addition to Equity	1.000%
Selling Expenses: Terminal Year	7.000%

Selected IRR	Indicated Value	Required Equity	D.C.R.
9.50%	623,335	193,234	1.16
10.00%	609,379	188,907	1.19
10.50%	596,078	184,784	1.21
11.00%	583,389	180,851	1.24
11.50%	571,266	177,093	1.27
12.00%	559,675	173,499	1.29
12.50%	548,582	170,060	1.32
13.00%	537,951	166,765	1.34
13.50%	527,758	163,605	1.37
14.00%	517,973	160,572	1.40
14.50%	508,573	157,658	1.42
15.00%	499,536	154,856	1.45
15.50%	490,839	152,160	1.47

PROOF OF YIELD ON EQUITY

REFERENCE NO: 10020021
 PROPERTY: Basehor Filed of Dreams
 ANALYSIS DATE: 02-18-10

Required Rate of Return on Equity 12.500%
 Holding Period 10 Years

Original Equity	Ratio	Value	
Equity	0.30000	\$548,582	\$164,575
Soft Costs	0.01000	\$548,582	<u>5,486</u>
		Initial Cash Investment	\$170,060

Terminal Equity	Resale Value	\$605,975
	Loan Balance	-264,737
	Sale Expenses	<u>-42,418</u>
	Net Reversion	\$298,820

PROOF

Year	Cash Flow	Present Value Factor @ 12.500%	Present Value
1	12,249.13	0.8888889	10,888.12
2	12,757.06	0.7901235	10,079.65
3	13,270.07	0.7023320	9,320.00
4	13,788.21	0.6242951	8,607.91
5	14,311.52	0.5549290	7,941.88
6	14,840.07	0.4932702	7,320.16
7	15,373.91	0.4384624	6,740.88
8	15,913.10	0.3897444	6,202.04
9	16,457.66	0.3464395	5,701.58
10	17,007.69	0.3079462	5,237.45
Net Reversion	298,819.94	0.3079462	<u>92,020.47</u>
		Present Value of Cash Flows	170,060.14
		Initial Cash Investment	<u>-170,060.28</u>
		Net Present Value	-0.14

SUMMARY OF CALCULATIONS

REFERENCE NO: 10020021
 PROPERTY: Basehor Filed of Dreams
 ANALYSIS DATE: 02-18-10

Overall Capitalization Rate (OAR)				9.25897%
Value (Income / OAR)	50,793	/	0.0925897	\$ 548,582
Original Equity	Ratio		Value	
Equity	0.30000	x	548,582	\$ 164,575
Soft Costs	0.01000	x	548,582	<u>5,486</u>
				\$ 170,060
Loans	Loan Ratio		Value	
Loan 1	0.70000	x	548,582	\$ 384,007
Annual Debt Service	Constant		Principal Balance	
Loan 1	0.10037	x	384,007	\$ 38,544
First Year Cash Flow	Net Income		Debt Service	
	50,793	-	38,544	\$ 12,249
D.C.R.	Net Income	/	Debt Service	1.32%
	50,793		38,544	
First Year Yield on Equity	Cash Flow	/	Original Equity	7.203%
	12,249		170,060	
Ending Loan Balance	% Unpaid		Principal	
Loan 1	0.68941	x	384,007	\$ 264,737
Resale Value Multiple of Original Value	1 + .10462			1.10462
Resale Value as a Dollar Amount	Appr./Depr.	x	Original Value	
	1.10462		548,582	\$ 605,975
Net Reversion (Terminal Equity)			Resale Value	\$ 605,975
			Loan Balance	-264,737
			Sale Expenses	<u>-42,418</u>
				\$ 298,820
Deferred Yield (Amount)	Net Reversion	-	Original Equity	
	298,820		170,060	\$ 128,760
Terminal Equity (Ratio)	Net Reversion	/	Resale Value	0.49312
	298,820		605,975	

The Sales Comparison Approach:

The following sales were utilized to establish an estimated market value for the subject by The Sales Comparison Approach. Adjustments were made for differences in location, quality, size, and condition of improvements, site value, and overall utility. Based on these sales the opinion of market value of the subject property by The Sales Comparison Approach is \$750,000.

Sales of similar properties are very limited. Most properties of this type are constructed and operated by various governments such as city parks & recreation departments. A search of the greater Kansas City area revealed 2 such sales that had occurred within a close enough time frame to be considered comparable and capable of rendering a reasonable indication of value for the subject property. Both sales are from a much more developed area with higher land values and greater recreational demand. Both are superior to the subject in most aspects. The reliability of this approach is typically strong, but the lack of sales and the many and significant differences greatly diminish the reliability of this approach for the subject property.

The sales can be found on the following page.

Comparable Improved Sales

Sale 1: 20200 Johnson Drive, Shawnee, Kansas
Sold 3/2002 for \$5,000,000
59.65 Acres
Baseball/Softball fields, Concession Stands, Paved parking
Synthetic turf on many fields, Indoor Recreation Facility,
Storage buildings
Superior to the subject in location, land value, acreage, number
of fields, indoor facility, and amenities.

Sale 2: 14201 W. 108th Street, Lenexa, Kansas
Sold 9/2008 for \$2,125,225
11.16 Acres
Baseball/Softball fields, Concession Stand, Paved parking
Storage buildings
Superior to the subject in location, land value, number of fields,
and amenities.

RECONCILIATION AND FINAL OPINION OF VALUE

The definition of reconciliation is the process by which the appraiser evaluates, chooses, and selects amount two or more alternatives, conclusions, or indications to reach a single answer (final opinion of value). The appraiser has summarized the information gathered at the end of each section of the appraisal report. A correlation or reconciliation is a continuing process throughout the report.

The Sales Comparison Approach, the Cost Approach, and the Income Approach were utilized to establish an opinion of value for the subject property. These approaches show a range of value from \$550,000 to \$750,000.

The Cost Approach was developed and rendered an opinion of value for the subject of \$570,000. The reliability of this approach is slightly diminished due to the depreciation factors which must be calculated. The greater the age of improvements, the greater the depreciation warranted with a corresponding decrease in the reliability of the approach.

The Income Approach was considered most reliable due to the income producing investment nature of the property. This is the method most commonly utilized by potential investors and was given the most weight in the reconciliation process. This approach rendered an opinion of value of \$550,000.

The Sales Comparison Approach is considered to be the least reliable approach due to the very limited number of recent sales of similar property. This coupled with the dissimilarities of the sales and the large adjustments required results in a greatly diminished reliability of this approach. The greater the adjustments required, the less the reliability of the approach. As such, this approach is given minimal weight only in the reconciliation process.

Based on these approaches it is the opinion of the appraiser that the market value of the subject property, as of February 18, 2010 is as follows:

FIVE HUNDRED FIFTY THOUSAND DOLLARS

(\$550,000)



Complex Entry Road



Maintenance Bldg & Office/Clubhouse



Souvenir Stand



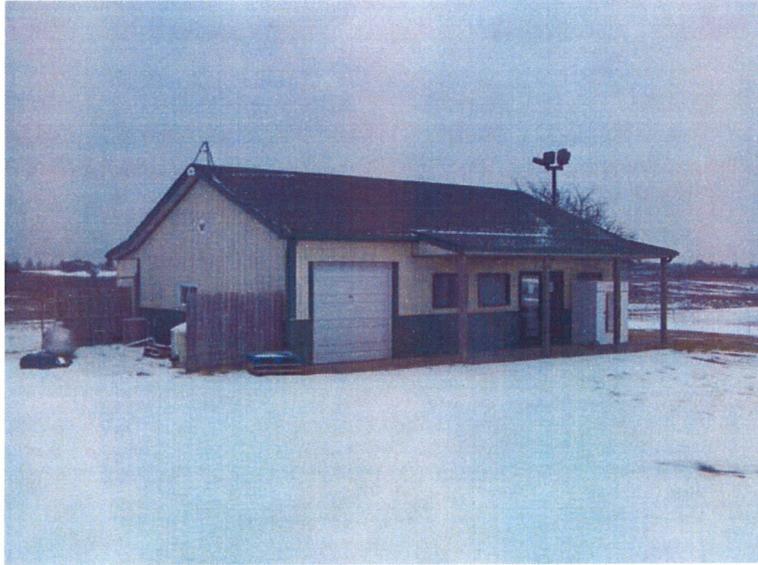
Entry Gate Booth



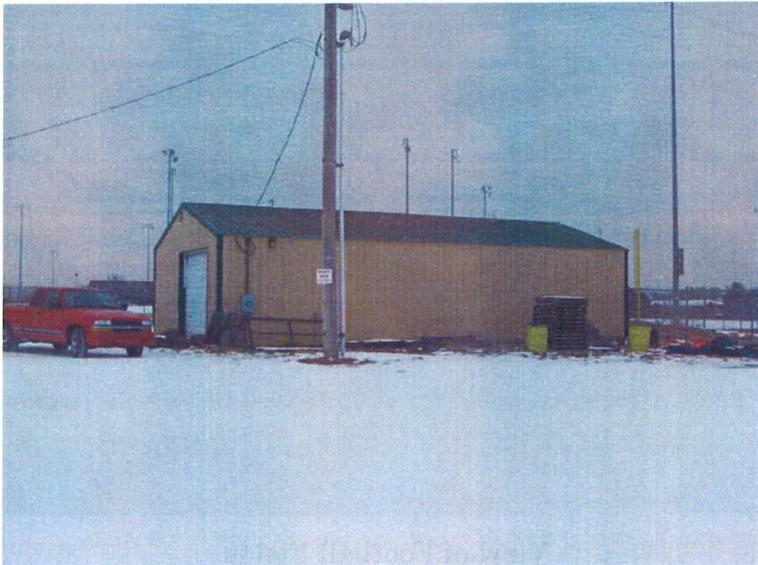
View of Baseball Field looking east from Concession Stand



View of Football Fields



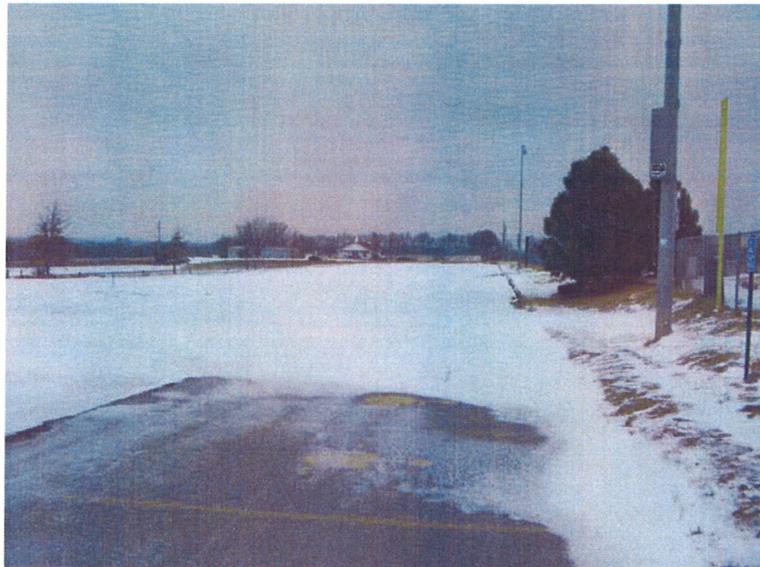
Office/Club House



Maintenance Building



View of Baseball Fields from southwest corner



Parking Lot



View of complex looking west from adjacent development



View of Baseball Fields



View of ball fields and shelter looking north from concession stand



View of Baseball Fields

SUBJECT PHOTOGRAPHS



Concession Stand



View from main entry looking to the east toward concession stand