
REDEVELOPMENT CONTRACT

Between

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY
OF KANSAS CITY, MISSOURI**

And

MACPEN ENTERPRISES, LLC

Dated as of _____, 2020

REDEVELOPMENT CONTRACT

This REDEVELOPMENT CONTRACT (“Contract”) is entered into effective as of the 19th day of June, 2019, by **LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI** (“Authority”), a public body corporate and politic organized under the laws of Missouri and the ordinances of the City of Kansas City, Missouri, and **MACPEN ENTERPRISES, LLC**, a Missouri limited liability company (“Redeveloper”).

RECITALS

A. The Authority is a public body corporate and politic created by the LCRA Law and is transacting business and exercising the powers granted by the LCRA Law by virtue of Committee Substitute for Ordinance No. 16120, duly passed by the City Council on November 21, 1952.

B. The Redeveloper is a Missouri limited liability company at 1515 Genessee Street, Suite 203, Kanas City, Missouri 64102 and has submitted its Redevelopment Project Application to the Authority.

C. The City Council approved the Urban Renewal Plan (as hereinafter defined) by Ordinance No. _____, dated _____, 2020, the purpose of which is to eliminate and prevent the spread, development and recurrence of the blighted and insanitary conditions within the Urban Renewal Area.

D. The Authority has approved the Urban Renewal Plan and determined that the portion of the City located within the Urban Renewal Area described in the Urban Renewal Plan is blighted and insanitary.

E. On January __ 19, 2020, the Authority, by its Resolution No. __-__-20, selected the Redeveloper as the redeveloper of the Project.

F. The Redeveloper has requested tax abatement assistance from the Authority for the Tax Abatement Period upon completion of the Project in accordance with this Contract.

G. On or about _____, 2019, the Authority and the Redeveloper entered into the Funding Agreement pursuant to which the Redeveloper agreed to pay to the Authority the funds necessary to enable the Authority to undertake the Project and in accordance with the requirements of the Funding Agreement, the Redeveloper paid to the Authority a deposit of One Thousand Dollars (\$1,000.00).

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained in this Contract and other good and valuable mutual consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

ARTICLE I **DEFINITIONS AND RULES OF CONSTRUCTION**

Section 1.01 Definitions. The following terms shall have the following meanings as used in this Contract:

“Affirmative Action Policy” means the policy or policies of the Authority pertaining to goals for (a) minority business enterprise and women’s business enterprise (“MBE/WBE”) participation under professional services and construction contracts in connection with the Project, and (b) construction workforce employment on a company-wide basis of minorities and women under construction contracts between the Redeveloper and construction contractors in connection with the Project, as such policy or policies may be amended from time to time.

“Applicable Laws” means all then applicable statutes, laws, rules, regulations, ordinances, decrees, writs, judgments, orders and administrative and judicial opinions enacted, promulgated and/or issued by any federal, state, county, municipal or local governmental, quasi-governmental, administrative or judicial authority, body, agency, bureau, department or tribunal.

“Authority” means the Land Clearance for Redevelopment Authority of Kansas City, Missouri, a public body corporate and politic created pursuant to the LCRA Law, and its successors and assigns and any surviving, resulting or transferee entity.

“Board” means the Board of Commissioners of the Authority, which is the governing body of the Authority.

“Certificate of Qualification for Tax Abatement” means the Certificate of Qualification for Tax Abatement issued by the Authority pursuant to Sections 99.700 to 99.715, RSMo.

“City” means the City of Kansas City, Missouri, a constitutional charter city and political subdivision of the State, and its successors and assigns.

“City Council” means the City Council of the City, which is the governing body of the City.

“Completion Certificate” means the certificate to be issued by the Authority pursuant to Section 4.04 of this Contract upon completion of the Project by the Redeveloper in accordance with this Contract, the Redevelopment Plan, and the Urban Renewal Plan.

“Completion Date” means the date on which the Redeveloper has completed the Project in accordance with this Contract, the Redevelopment Plan and the Urban Renewal Plan.

“Contract” means this Redevelopment Contract, entered into by the Authority and the Redeveloper, as may be amended.

“Cure Period” means a period of thirty (30) days after written notice is given by the Authority to the Redeveloper of an Event of Default, as defined in Article V of this Contract, during which time the Redeveloper may cure any such Event of Default.

“Executive Order” means Executive Order 11246 of September 24, 1965 which addresses equal employment opportunity.

“Force Majeure Conditions” means a condition by reason of which the construction of the Project Improvements or completion of the Project is prevented or materially impeded through no fault of the Redeveloper, due to acts of God, extreme and extraordinary weather conditions, strikes, lockouts, labor troubles, inability to procure materials, failure of power, extreme and extraordinary governmental delay, riots or other events or circumstances beyond such party’s control; provided, however that the Redeveloper has given written notice to the Authority of the existence of the condition reasonably promptly after first becoming aware of the condition.

“Funding Agreement” means the funding agreement entered into by the Authority and the Redeveloper on or about June ___, 2019, pursuant to which the Redeveloper agreed to pay fees of, and costs incurred by, the Authority in conjunction with the Project.

“LCRA Law” means the Land Clearance for Redevelopment Authority Law, Sections 99.300, *et. seq.*, as amended from time to time.

“Project” means the Project Improvements to be developed at 3855 Woodland Avenue and completed in accordance with this Contract, the Redevelopment Plan and the Urban Renewal Plan.

“Project Improvements” means the acquisition and renovation of the commercial buildings at 3855 Woodland Avenue, and related improvements to be accomplished on the Property in accordance with this Contract, the Redevelopment Plan and the Urban Renewal Plan.

“Property” means all of the real property legally described in the attached Exhibit A, together with the rights, easements and appurtenances appertaining thereto.

“Redeveloper” means MacPen Enterprises, LLC, a Missouri limited liability company.

“Redevelopment Plan” means the plan attached to and incorporated into this Contract as Exhibit B, pursuant to which the Redeveloper will complete the Project, as amended from time to time in accordance with Section 4.02.

“State” means the State of Missouri.

“Tax Abatement Period” means the period beginning upon the filing of the Certificate of Qualification for Tax Abatement with the Jackson County Assessor and expiring ten (10) years after the Certificate of Qualification for Tax Abatement is filed with the Jackson County Assessor, subject to and in accordance with Sections 99.700 to 99.715, RSMo, of the LCRA Law.

“Transaction Document” or **“Transaction Documents”** means this Contract, the Funding Agreement, the Urban Renewal Plan, the Certificate of Qualification for Tax Abatement, and any other document related to the Project.

“Urban Renewal Area” means the 22nd & Prospect Urban Renewal Area, as may be amended by the Urban Renewal Plan.

“Urban Renewal Plan” means the 22nd & Prospect Urban Renewal Plan, as may be amended.

“Workable Program” means The Workable Program of Land Clearance for Redevelopment Authority of Kansas City, Missouri, and the Rules for the Implementation of The Workable Program of Land Clearance for Redevelopment Authority of Kansas City, Missouri, approved by the Board by Resolution Nos. 10-9-00 and 10-10-00 dated October 4, 2000, as amended from time-to-time.

Section 1.02 Other Defined Terms. Words and phrases that are not capitalized shall have the meaning, if any, given to such words or phrases in the LCRA Law. If not defined in the LCRA Law, such terms shall be given their plain and ordinary meaning.

Section 1.03 Headings. The headings and captions of this Contract are for convenience and reference only, and in no way define, limit or describe the scope or intent of this Contract or any provision of this Contract.

Section 1.04 Accounting Terms. Accounting terms used in this Contract and not otherwise specifically defined shall have the meaning ascribed such terms by generally accepted accounting principles as from time to time in effect.

Section 1.05 Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words importing the singular shall include the plural and vice versa, and words importing person shall include entities, associations and corporations, including public bodies, as well as natural persons.

Section 1.06 Conflicting Provisions. In the event of any conflict between the terms of this Contract and the Redevelopment Plan, the terms of this Contract shall prevail.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01 Representations, Warranties and Covenants of the Redeveloper. The Redeveloper represents warrants and covenants that:

- (a) The Redeveloper is a Missouri limited liability company, duly created and existing under the laws of the State and is authorized to do business in the State.

(b) The Redeveloper has full power and authority to enter into this Contract and to carry out its obligations under this Contract, and, by proper actions of its members/owners has been duly authorized to execute and deliver this Contract.

(c) This Contract will be the valid and binding obligation of Redeveloper, enforceable against the Redeveloper in accordance with its terms.

(d) Neither the execution and delivery of this Contract, nor the fulfillment of or compliance with the terms and conditions of this Contract, nor the consummation of the transactions contemplated by this Contract, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Redeveloper is now a party or by which the Redeveloper is bound.

(e) There is no litigation or other proceedings pending or threatened against the Redeveloper or any other person affecting the right of the Redeveloper to execute or deliver this Contract or the ability of the Redeveloper to comply with its obligations under this Contract and the Funding Agreement.

(f) The Project will advance the purposes of the LCRA Law.

(g) The Redeveloper will pay, or cause to be paid, the property taxes assessed against the Property, plus any special assessments assessed against the Property.

(h) The Redeveloper shall comply with the requirements of the Workable Program.

Section 2.02 Representations, Warranties and Covenants of the Authority. The Authority represents warrants and covenants that:

(a) The Authority is a public body corporate and politic duly organized under the laws of the State and ordinances of the City and has corporate power to enter into this Contract. The Board has duly authorized the negotiation, execution and delivery of this Contract.

(b) No commissioner of the Authority or any other officer of the Authority has any conflicting interest (financial, employment or otherwise) in the Redeveloper, the Project or the transactions contemplated by this Contract.

Section 2.03 Survival of Representations, Warranties and Covenants. All representations, covenants and warranties of the Redeveloper and the Authority contained in this Contract, in any certificate or other instrument delivered by the Redeveloper or the Authority pursuant to this Contract, or otherwise made in conjunction with the Project, transactions contemplated by this Contract shall survive the execution and delivery of this Contract.

ARTICLE III
RESTRICTIONS ON USE

Section 3.01 Use Restrictions.

(a) The Redeveloper covenants and agrees for itself and its successors and assigns and every successor in interest to all or any part of the Property, that the Redeveloper and such successors and assigns shall:

(1) devote all uses of the Property in accordance with and subject to the provisions regarding use set forth in this Contract, as described in Exhibit B, and the Urban Renewal Plan; and

(2) not discriminate on the basis of race, color, religion, sexual orientation, family status, handicap, sex or natural origin in the sale, lease or rental or in the use or occupancy of all or any part of the Property.

(b) It is intended and agreed that the covenants provided in this Section shall be covenants running with the land binding to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by: the Authority, its successors and assigns, the City, any successor in interest in the Property or any part of the Property, the owner of any other real estate or of any interest in real estate that is subject to the real estate use requirements and restrictions of the Urban Renewal Plan, and in regard to the use restriction provided in subsection (a)(2) of this Section, the United States, against the Redeveloper, its successors and assigns, and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof.

(c) The covenant in subsection (a)(1) of this Section shall remain in effect for the duration of the Urban Renewal Plan, and any renewal period or periods thereof, at the end of which time it shall cease and termination. The covenant provided in subsection (a)(2) of this Section shall remain in effect without limitation as to time.

Section 3.02 Condition to Receive Tax Abatement. The Redeveloper acknowledges that the Authority agrees to issue a Certificate of Qualification for Tax Abatement for the Property subject to: (a) the Redeveloper's completion of the Project in accordance with this Contract, the Redevelopment Plan and the Urban Renewal Plan; and (b) the Redeveloper's use of the Property as described in Exhibit B.

ARTICLE IV
REDEVELOPMENT PLAN &
CONSTRUCTION OF PROJECT IMPROVEMENTS

Section 4.01 Construction.

(a) The Redeveloper shall commence construction of the Project Improvements no later than July 31, 2020, and the Completion Date shall be no later than December 31, 2021, subject to extensions granted pursuant to Section 4.03. The limitation of time for commencement and completion may be extended by written agreement between the parties.

(b) The Redeveloper agrees that it will enter into the necessary contracts with contractors for the Project and cause those contracts to provide that all work performed under such contracts shall be in accordance with the Redevelopment Plan, this Contract and the Urban Renewal Plan.

Section 4.02 Redevelopment Plan; Modifications. The Redeveloper shall diligently pursue completion of the Project in conformance with the Redevelopment Plan, this Contract, and the Urban Renewal Plan. Should the Redeveloper deem it necessary or desirable to amend the Redevelopment Plan, the Redeveloper shall submit such proposed modifications to the Authority, including plans and specifications for Project Improvements and a timeline for completion of the Project. The Authority shall review such modification within a reasonable time and shall send written notice of the Authority's approval or rejection of the modifications to the Redeveloper. If the Authority rejects any such modification, the notice so stating shall set forth the reasons for rejection.

Section 4.03 Extensions Due to Force Majeure Conditions. The time limit for the Completion Date may be extended due to any Force Majeure Condition if the Redeveloper notifies the Authority of the existence of such condition reasonably promptly after first becoming aware of such condition. The extension of time for the Completion Date shall be for the period of any delay or delays caused or resulting from any Force Majeure Condition; provided, however, the Redeveloper must notify the Authority of the existence of such delaying event within forty five (45) days after the commencement of such Force Majeure Condition, which notice to the Authority shall include documentation or other information reasonably necessary to establish the existence of the delaying event and an estimate of the approximate period of delay to be created by that event. The Redeveloper's failure to provide such notice and documentation shall eliminate the waiver of default due to such delaying event created in this Section.

Section 4.04 Completion Certificate. On the Completion Date, the Redeveloper shall send a written request to the Authority for a Completion Certificate. The Completion Certificate shall be a conclusive determination of the Redeveloper's satisfaction and termination of the covenants in this Contract regarding completion of the Project within the dates for commencement and completion set forth in this Contract and in accordance with the Urban Renewal Plan, the Redevelopment Plan and this Contract. The Completion Certificate shall be in recordable form. If the Authority fails or refuses to provide the Completion Certificate after receiving a written notice requesting such certificate, the Authority shall, within thirty (30) days of receiving such

request, provide the Redeveloper with a written statement indicating in reasonable detail how the Redeveloper has failed to complete the Project in conformity with the Urban Renewal Plan, the Redevelopment Plan, and/or this Contract and the measures or acts necessary, in the opinion of the Authority, for the Redeveloper to take or perform in order to obtain a Completion Certificate.

Section 4.05 Maintenance. The Redeveloper and its successors and assigns shall, at all times during the term of this Contract, maintain the Property and the Project Improvements in a good state of repair and attractive appearance.

Section 4.06 Payment of Fees, Costs and Expenses. The Redeveloper shall advance funds and pay to the Authority all fees owed to the Authority and all expenses and costs incurred by the Authority in performance of its obligations under this Contract, all in the manner prescribed in the Funding Agreement.

Section 4.07 Tax Abatement. The Authority approved tax abatement for the Project for the Tax Abatement Period. Subject to the terms and conditions of this Contract (specifically including, without limitation, the Redeveloper's substantial completion of the Project), the Authority shall issue its Certificate of Qualification for Tax Abatement on or about the Completion Date, or such earlier date at the request of the Redeveloper as the Authority may deem necessary or desirable provided that the Project is substantially complete at such time. The Authority and the Redeveloper acknowledge that, upon issuance of the Certificate of Qualification for Tax Abatement, the Jackson County Assessor will issue a statement as to the then current assessed valuation of the Property, which valuation shall be the maximum total assessed value of the Property during the Tax Abatement period ("Maximum Assessed Value").

The Redeveloper acknowledges that during the Tax Abatement Period the Property will not be exempt from *ad valorem* taxes and that the base *ad valorem* taxes as calculated using the Maximum Assessed Value will remain due and payable during the Tax Abatement Period. The Redeveloper's obligation to pay the *ad valorem* taxes assessed against the Property by the Jackson County Assessor, as such taxes are abated in accordance with this Contract and the LCRA Law, shall run with the land and be binding upon the Redeveloper its successors and assigns and any subsequent owner of the Property.

Section 4.08 Reserved.

Section 4.09 Tax Abatement Under the LCRA Law. The procedure for tax abatement is set forth in Sections 99.700 to 99.715, RSMo, of the LCRA Law and the tax abatement provided by the Authority under this Contract shall be subject to and in accordance with the LCRA Law. The Authority makes no representation regarding the base tax year used by the Jackson County Assessor to determine the Maximum Assessed Valuation of the Property for the Tax Abatement Period.

ARTICLE V

DEFAULT AND TERMINATION

Section 5.01 Events of Default Defined. The following shall be “Events of Default” under this Contract and the terms “Events of Default” and “Default” shall mean, whenever they are used in this Contract, any one or more of the following events:

(a) Failure by the Redeveloper to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Contract, which failure continues uncured following the Cure Period.

(b) The filing by the Redeveloper of a voluntary petition in bankruptcy, or failure by the Redeveloper to promptly lift any execution, garnishment or attachment of such consequence as would impair the ability of the Redeveloper to carry on its operation, or adjudication of the Redeveloper as a bankrupt, or assignment by the Redeveloper for the benefit of creditors, or the entry by the Redeveloper into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Redeveloper in any proceedings whether voluntary or involuntary instituted under the provisions of the federal bankruptcy laws, as amended, or under any similar acts which may hereafter be enacted.

(c) The occurrence of an Event of Default or a default under the Funding Agreement which is not cured within any applicable cure period set forth in the Funding Agreement.

(d) The failure of the Redeveloper to complete the Project prior to or on the Completion Date of June 30, 2021, unless such date shall be extended by the period of time equal to delays caused by any Force Majeure Conditions, as provided in Section 4.03.

Section 5.02 Remedies on Default.

(a) Whenever any Event of Default shall have occurred and be continuing, the Authority shall have the right, at its option and without any further demand or notice, to take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any obligation, agreement or covenant of the Redeveloper under this Contract, including, but not limited to, the following:

(1) institute such proceedings as may be necessary or desirable in the Authority’s sole opinion to compensate the Authority for any damages resulting from all breaches by the Redeveloper, including, but not limited to, a proceeding(s) for breach of contract and/or damages; or

(2) terminate this Contract and any tax abatement relating to the Property.

(b) Notwithstanding anything to the contrary set forth in this Contract, the Authority shall, in no way, be limited to the terms of this Contract in enforcing, implementing and/or otherwise causing performance of the provisions of this Contract, the Redevelopment Plan and/or Urban Renewal Plan or in exercising its right and authority to condemn the Property after the Redeveloper's Default and failure to cure during the Cure Period as provided in this Contract.

Section 5.03 No Waiver. No delay or omission of the Authority to exercise any right or remedy occurring upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence in such Event of Default. Every right and remedy given by this Article or by law to the Authority may be exercised from time to time and as often as may be deemed expedient by the Authority. No waiver of any breach of any covenant or agreement contained in this Contract shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement. In case of a breach by the Redeveloper of any covenant, agreement or undertaking by the Redeveloper, the Authority may nevertheless accept from the Redeveloper any payment or payments made under this Contract without in any way waiving right of the Authority to exercise any of its rights and remedies provided for in this Contract with respect to any such default or defaults of the Redeveloper which were in existence at the time such payment or payments were accepted by the Authority.

Section 5.04 Rights and Remedies Cumulative. The rights and remedies reserved by the Authority in this Contract and those provided by law shall be construed as cumulative and continuing rights and may be exercised concurrently or alternatively. No one of them shall be exhausted by the exercise of such option on one or more occasions.

ARTICLE VI

SPECIAL COVENANT AND DAMAGES FOR BREACH

Section 6.01 Project Covenant. It is acknowledged that the Authority's willingness to enter into this Contract and carry out the Authority's obligations under the Transaction Documents is based on the anticipated benefits (the "Public Benefits") to be derived in the City through the Redeveloper's completion of the Project and the proper maintenance of the Project and/or any Project Improvements. Accordingly, and as a material inducement to the Authority to enter into this Contract and consummate the transactions contemplated by the Transaction Documents, the Redeveloper covenants and agrees that it will at all times during the term of the Urban Renewal Plan/Contract, as may be amended from time to time: (a) properly complete and operate the Project and the Project Improvements; (b) properly maintain the Property and the Project Improvements; and (c) observe and perform every other term, covenant, condition, or agreement to be observed or performed by Redeveloper under this Contract (the "Project Covenant").

Section 6.02 Remedy Upon Breach of Project Covenant. If the City does not, in the Authority's reasonable discretion, realize the Public Benefits, then the Redeveloper shall be in breach and violation of the Project Covenant. The parties acknowledge that the damages that will be incurred upon any breach or violation of the Project Covenant would be impossible to ascertain with any reasonable degree of certainty. Nevertheless, the parties have attempted to fairly

approximate the amount of such damages, and have agreed that upon any breach or violation of the Project Covenant, the Redeveloper shall be liable to pay to the Authority as agreed liquidated damages (and not as a penalty), immediately upon demand, a sum equal to the aggregate amount of the *ad valorem* taxes which could have been assessed and payable with respect to the Property and Project Improvements if the Authority had not issued a Certificate of Qualification for Tax Abatement pursuant to the LCRA Law for the Property and Project Improvements (the “Project Covenant Liquidated Damages”). Payment of the Project Covenant Liquidated Damages by the Redeveloper shall be the Authority’s remedy for a breach or violation of the Project Covenant. A violation of the Project Covenant by the Redeveloper shall be an Event of Default.

ARTICLE VII

RISK OF LOSS AND INSURANCE

Section 7.01 Risk of Loss. So long as the Property is owned by the Redeveloper and/or the Authority, all risk of loss with respect to the Property and the Project Improvements shall be borne by the Redeveloper.

Section 7.02 Insurance. The Redeveloper shall, at its expense, maintain or cause to be maintained a policy of all risk casualty insurance insuring the Property and the Project Improvements owned by the Redeveloper and/or the Authority and the Project Improvements. Such policy of insurance shall name the Authority and such other persons designated by the Authority as additional insureds and shall each contain a provision that such insurance may not be canceled without at least thirty (30) days’ advance written notice to the Authority. Duplicate copies or certificates of such policy bearing notations evidencing payment of premiums or other evidence of such payment shall be furnished to the Authority. Such policy shall include a waiver of subrogation consistent with the release described in Section 7.04 below.

Section 7.03 Blanket Insurance Policies. The Redeveloper may satisfy any of the insurance requirements set forth in this Article by using blanket policies of insurance, provided each and all of the requirements and specifications of this Article respecting insurance are complied with.

Section 7.04 Release. Anything in this Contract to the contrary notwithstanding, it is agreed that each party hereby releases the other from any claim, demand or cause of action arising out of any loss or damage to the Property caused by a peril insurable pursuant to an all risk casualty insurance policy in standard form available in the State.

ARTICLE VIII

COMPLIANCE WITH APPLICABLE LAWS

The Redeveloper shall, at its sole cost and expense, comply with all Applicable Laws. The Redeveloper shall also comply with the requirements, rules and regulations of all insurers under the policies required to be carried under this Contract. The Redeveloper shall pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of the Redeveloper to comply with the provisions of this Article.

Notwithstanding any provision contained in this Article, however, the Redeveloper shall have the right, at its sole cost and expense, to contest or review, by legal or other appropriate procedures, the validity or legality of any such Applicable Laws, or any such requirement, rule or regulation of an insurer, and during such contest or review the Redeveloper may refrain from complying therewith to the extent such noncompliance is expressly permitted by law and provided that such noncompliance does not result in adverse action being taken against the Project, the Property, the Authority or the City.

ARTICLE IX

LIENS

The Redeveloper shall not do or suffer anything to be done by any person or entity whereby all or any part of the Property or the Project Improvements may be encumbered by any mechanics' or other similar lien while the Redeveloper is the owner of the Property. Whenever and as often as any mechanics' or other similar lien is filed against all or any part of the Property or the Project Improvements owned by the Redeveloper purporting to be for or on account of any labor done or materials or services furnished in connection with any work in or about the Property or the Project Improvements, the Redeveloper shall discharge the same of record within thirty (30) days after the date of filing. If the Redeveloper fails to do so, then the Authority may, but shall not be obligated to, take such action and pay such amounts on account of the Redeveloper as may be necessary in order to cause such lien to be discharged of record.

ARTICLE X

INDEMNIFICATION

Section 10.01 Indemnity. The Redeveloper indemnifies and agrees to protect, defend and hold harmless the Authority and the Authority's commissioners, officers, directors, employees, agents, affiliates, successors and assigns, from and against all claims, demands, losses, damages, costs, expenses, liabilities, taxes, assessments, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, causes of action, remedial action requirements and/or enforcement actions of any kind (including, without limitation, attorney's fees and court or similar costs) directly or indirectly arising out of or attributable to in whole or in part:

- (a) the material inaccuracy of any representation or the material breach of any representation, covenant or warranty of the Redeveloper contained in this Contract;
- (b) the Redeveloper's acquisition, ownership or use of the Property and the Project Improvements, unless caused by the gross negligence or willful misconduct of the Authority;
- (c) the failure on the part of the Redeveloper to perform, observe and/or comply with any covenant, obligation or duty to be performed, observed and/or complied with by the Redeveloper pursuant to the terms of this Contract or any other Transaction Document;

(d) any condition of, on or in the Property or the Project Improvements or any part thereof caused by any act or omission of the Redeveloper or the Redeveloper's agents, contractors, subcontractors, servants, employees, members, officers, directors, licensees or invitees or any other person or entity for whose acts or omissions the Redeveloper is otherwise responsible pursuant to Applicable Law;

(e) the performance or non-performance of any Transaction Document, contract, agreement, obligation or undertaking entered into by the Redeveloper (whether as the agent of the Authority or otherwise) in connection with all or any part of the Project; and/or

(f) any act or omission of the Redeveloper or any of the Redeveloper's agents, contractors, subcontractors, servants, employees, members, officers, directors, licensees or invitees or any other person or entity for whose acts or omissions the Redeveloper is otherwise responsible pursuant to Applicable Law.

Section 10.02 Environmental

(a) The Redeveloper covenants that it shall not place or cause to be placed, nor permit any other person to place or cause to be placed, any Hazardous Substances on or about the Property or the Project Improvements in excess of *de minimis* quantities reasonably necessary to the Redeveloper's use of the Property or the Project Improvements.

(b) The Redeveloper indemnifies and agrees to protect, defend and hold harmless, the Authority and the Authority's officers, directors, commissioners, employees, agents, affiliates, successors and assigns, from and against any and all claims, demands, losses, damages, costs, expenses, liabilities, assessments, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, causes of action, defects in title, remedial action requirements and/or enforcement actions of any kind (including, without limitation, attorneys' fees and costs) directly or indirectly arising out of or attributable to, in whole or in part, (i) the breach of the covenants of the Redeveloper contained in this Section 10.02, or (ii) the use, handling, generation, manufacture, production, storage, release, threatened release, discharge, treatment, removal, transport, decontamination, cleanup, disposal and/or presence of Hazardous Substances on, under, from or about the Property or the Project Improvements, or (iii) any other activity carried on or undertaken on the Property or the Project Improvements whether by the Redeveloper or any employees, agents, contractors or subcontractors of the Redeveloper, or any third persons at any time occupying or present on the Property or the Project Improvements, in connection with the use, handling, generation, manufacture, production, storage, release, threatened release, discharge, treatment, removal, transport, decontamination, cleanup, disposal and/or presence of any Hazardous Substance at any time located, transported or present on, under, from, to or about the Property or the Project Improvements, including without limitation: (A) all consequential damages; (B) the cost of any required or necessary repair, cleanup or detoxification of the Property or the Project Improvements and the preparation and implementation of any closure, remedial or other required plans; and (C) liability for personal injury or property damage arising under any statutory or common-law

tort theory, including damages assessed for the maintenance of a public or private nuisance, response costs or for the carrying on of any abnormally dangerous activity.

(c) The foregoing indemnity obligation includes without limitation: (i) the costs of removal or remedial action incurred by the United States government or the State or response costs incurred by any other person, or damages from injury to, destruction of, or loss of natural resources, including the cost of assessing such injury, destruction or loss, incurred pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended (“CERCLA”), 42 U.S.C. §9601 et seq.; (ii) the clean-up costs, fines, damages or penalties incurred pursuant to any applicable provisions of State law; and (iii) the cost and expenses of abatement, correction or cleanup, fines, damages, response costs or penalties which arise from the provisions of any other Applicable Law.

(d) The foregoing indemnity shall further apply to any residual contamination on, under, from or about the Property or the Project Improvements, or affecting any natural resources, arising in connection with the use, handling, generation, manufacturing, production, storage, release, discharge, treatment, removal, transport, decontamination, cleanup, disposal and/or presence of any such Hazardous Substance on, under, from or about the Property or the Project Improvements and irrespective of whether any of such activities were or will be undertaken in accordance with any Applicable Laws. This indemnity is intended to be operable under 42 U.S.C. Section 9607(e)(1), and any successor section thereof, and shall survive the Closing under this Contract in all respects.

Section 10.03 Enforcement Expenses. The indemnity obligations contained in this Contract include within them all costs and expenses (including, without limitation, reasonable attorneys’ fees) incurred in enforcing any right to indemnity contained in this Contract.

ARTICLE XI

ASSIGNMENT

Section 11.01 Successors and Assigns. This Contract shall be binding upon and shall inure to the benefit of the Redeveloper and its successors and assigns, and any subsequent purchaser of the Property (provided, however, that this provision shall not be deemed to permit an assignment of this Contract except as specifically provided in this Article), and the term “Redeveloper” as used in this Contract shall be deemed to include such successors and assigns.

Section 11.02 General Assignments. The Redeveloper shall not assign this Contract without the prior written consent of the Authority, which consent may be granted, denied or conditioned in the sole discretion of the Authority; leasing of individual units within the Project within the normal course of business is not to be construed as an assignment of this Contract. The Authority shall have the right to assign or otherwise transfer this Contract to the City, or to any successor entity created by the City to perform the same functions as the Authority and upon such assignment or other transfer, this Contract shall be binding upon and shall inure to the benefit of the City or to any such successor entity.

ARTICLE XII
EQUAL EMPLOYMENT OPPORTUNITY

Section 12.01 Equal Employment Opportunity During Performance of this Contract.

During the performance of this Contract, the Redeveloper agrees, for itself and its successors and assigns, as follows:

(a) The Redeveloper will not discriminate against any employee or applicant for employment because of race, color, religion, sexual orientation, family status, handicap, sex, or national origin. The Redeveloper will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sexual orientation, family status, handicap, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Redeveloper agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Authority setting forth the provisions of this nondiscrimination clause.

(b) The Redeveloper will, in all solicitations or advertisements for employees placed by or on behalf of the Redeveloper, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sexual orientation, family status, handicap, sex or national origin.

(c) The Redeveloper will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice advising the labor union or workers' representative of the Redeveloper's commitments under Section 202 of Executive Order 11246, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Redeveloper will comply with all provisions of the Executive Order, and of the rules, regulations and relevant orders of the Secretary of Labor.

(e) The Redeveloper will furnish all information and reports required by the Executive Order, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records and accounts by the Authority and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Redeveloper's non-compliance with the non-discrimination clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Redeveloper may be declared ineligible for further government contracts and/or federally assisted construction contracts in accordance with the procedures authorized in the Executive Order, and such other sanctions may be imposed and remedies invoke as provided in the

Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

Section 12.02 Inclusion of Equal Employment Opportunity Provisions in Contracts.

The Redeveloper agrees, for itself and its successors and assigns, that it will include the provisions listed in Section 12.01 in every contract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246, so that such provision will be binding upon each contractor or vendor that does business with the Redeveloper in conjunction with the Project, as well as those contractor's subcontractors. For the purpose of including the provisions of Section 12.01 in any construction contract or purchase order, the terms "Authority", "Redeveloper" and "Contract" may be changed to appropriately reflect the name or designation of the parties to such contract or purchase order.

Section 12.03 Modification of Requirements. Upon the issuance of additional or conflicting rules, regulations, or orders of the Secretary of Labor pursuant to section 204 of the Executive Order, the requirements of this Article shall automatically be amended to conform and comply with such changes.

Section 12.04 Determination of Compliance. For the sole purpose of determining the Redeveloper's compliance with the provisions of this Article, the Authority and its duly appointed agents shall be permitted, at reasonable times, and after three (3) days prior notice to the Redeveloper, to examine the books and records of the Redeveloper.

ARTICLE XIII

AMERICANS WITH DISABILITIES ACT

The Redeveloper shall comply with the provisions of the Americans with Disabilities Act ("ADA"), 42 U.S.C.A Section 1201, *et seq.*, as amended from time to time, and regulations promulgated under the ADA, including, without limitation, 28 C.F.R. Part 35 and 29 C.F.R. Part 1630.

ARTICLE XIV

**AFFIRMATIVE ACTION: MINORITY BUSINESS ENTERPRISES/WOMEN'S
BUSINESS ENTERPRISES AND CONSTRUCTION WORKFORCE EMPLOYMENT**

The Redeveloper shall comply with the provisions of the Affirmative Action Policy of the Authority, as amended from time to time, which policy requires that the Redeveloper make a good faith effort to meet the goals established in accordance with the City Code of General Ordinances Chapter 3, Article IV, Divisions 1-3, Sections 3-401 through 3-600, and any related rules and regulations, as may be amended, of the City promulgated pursuant to Ordinance No. 18535 As Further Further Amended, adopted by the City Council on October 25, 2018, and Committee Substitute for Ordinance 130275 adopted by the City Council on April 11, 2013, and effective May 1, 2013, for (a) MBE/WBE participation under professional services and construction contracts in connection with the Project, and (b) construction workforce employment on a company-wide basis of minorities and women under construction contracts between the

Redeveloper and construction contractors in connection with the Project. As a part of this Contract, Redeveloper shall provide all attachments as required by the Authority's Affirmative Action Information Packet containing information and forms for MBE/WBE participation and construction workforce employment ("Affirmative Action Information Packet"). Redeveloper acknowledges that Redeveloper has received a copy of the Affirmative Action Policy and the Affirmative Action Information Packet pertaining to the requirements for MBE/WBE participation and construction workforce employment. The Redeveloper further acknowledges that the Redeveloper understands the Affirmative Action Policy's requirements and that the Authority, in the Authority's sole discretion, may pursue any remedy or remedies available under the Affirmative Action Policy and/or this Contract in the event that the Redeveloper is unable to demonstrate a good faith effort to meet the goals set forth in the Affirmative Action Policy as may be determined by the Authority. A remedy or remedies may also be enforced following a determination by the City's Human Relations Department, the Fairness in Construction Board, or the Fairness in Professional Services and Goods Board that the Redeveloper failed to demonstrate a good faith effort to meet the approved goals. In the event that the Authority incurs any costs or expenses, including attorney's fees, in connection with any action or claim filed by the Redeveloper or a contractor or consultant hired by the Redeveloper for the Project appealing or challenging any determination concerning whether good faith efforts were exerted under the Affirmative Action Policy or imposition of liquidated damages for failure to comply with the Affirmative Action Policy, the Redeveloper shall indemnify and hold the Authority harmless from any such costs or expenses incurred by the Authority without qualification, restriction or limitation. The indemnification obligation of the Redeveloper under this Article XIV applies whether or not the Authority is a named party in any such action or claim and shall survive the termination of this Contract. Notwithstanding anything to the contrary in this Article XIV, the Redeveloper covenants not to sue or bring any claim against the Authority related to the Affirmative Action Policy, it being understood that the Affirmative Action Policy incorporates the City ordinances referenced in this Article XIV, as such ordinances may be amended from time to time.

In compliance with the Ordinance No. 18535 As Further Further Amended, adopted by the City Council on October 25, 2018, the construction and professional services goals for the Project as established by the approved contractor utilization plan (CUP) are incorporated into and made a part of this Contract as if fully set forth herein, even if the CUP is approved after the effective date of this Contract.

ARTICLE XV

MISCELLANEOUS PROVISIONS

Section 15.01 Amendments. This Contract may not be amended, modified, terminated or waived orally, but only by a writing signed by the party against whom any such amendment, modification, termination or waiver is sought.

Section 15.02 No Oral Agreements. This Contract, together with all exhibits referred to in this Contract, and the Funding Agreement contain all the oral and written agreements, representations and arrangements between the parties, and any rights which the parties may have under any previous contracts or oral arrangements are hereby canceled and terminated and no representations or warranties are made or implied, other than those set forth in this Contract.

Section 15.03 Binding Effect. This Contract shall inure to the benefit of and shall be binding upon the Authority and its successors and assigns and the Redeveloper and its permitted successors and assigns.

Section 15.04 Severability. The provisions of this Contract are severable. In the event that any provision of this Contract is held to be invalid, illegal or unenforceable to any extent, then the remaining provisions of this Contract, and the portion of the offending provision (or any application of such provision) which is not invalid, illegal or unenforceable shall remain in full force and effect.

Section 15.05 Conflict of Interest. No commissioner, officer or employee of the Authority shall have any personal interest, direct or indirect, in the Project, the Property or this Contract, nor shall any such commissioner, officer or employee participate in any decision relating to the Project, the Project, Property or this Contract which affects his personal interest or the interest of any corporation, liability company or association in which he is directly or indirectly interested.

Section 15.06 Execution of Counterparts. This Contract may be executed in two (2) or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument.

Section 15.07 Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State without regard to conflict of laws.

Section 15.08 Notices. Any notice, approval, request or consent required by or permitted under this Contract shall be in writing and mailed by United States registered or certified mail, postage prepaid, return receipt requested, or delivered by hand, and addressed as follows:

To Authority:	Land Clearance for Redevelopment Authority of Kansas City, Missouri Attention: Executive Director 300 Wyandotte, Suite 400 Kansas City, Missouri 64105
With a copy to: Attention:	Rouse Frets White Goss Gentile Rhodes, P.C. Attention: Brian E. Engel 4510 Belleview, Suite 300 Kansas City, Missouri 64111
To Redeveloper: Attention:	MacPen Enterprises, LLC Attention: Myron McCant 1515 Genessee Street, Suite 203 Kansas City, Missouri 64102

With a copy to: Donald Maxwell, Jr.
4700 Belleview
Kansas City, Missouri 64112

Each party shall have the right to specify that notice be addressed to any other address by giving to the other party ten (10) days prior written notice thereof.

All notices given by mail shall be effective upon the earlier of the date of receipt or the second (2nd) business day after deposit in the United States mail in the manner prescribed in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address for which no notice was given, shall be deemed to be receipt of the notice as of the date of such rejection, refusal or inability to deliver.

Section 15.09 Recording. This Contract or a memorandum of this Contract may be recorded by the Authority, from time to time, in the office of the Director of Records of Jackson County, Missouri, at Kansas City. The Redeveloper shall pay the costs of recording the Contract or memoranda upon demand by the Authority.

Section 15.10 Further Assurances. The Redeveloper will do, execute, acknowledge and deliver such further acts, instruments, financing statements and assurances as the Authority may reasonably require for accomplishing the purposes of this Contract.

Section 15.11 Access to Project and Inspection. The Authority and its duly appointed agents shall have the right, at all reasonable times, to enter upon the Property and Project Improvements and to examine and inspect the Property. The Redeveloper covenants to execute, acknowledge and deliver all such further documents and do all such other acts and things as may be reasonably necessary to grant to the Authority such right of entry. The Authority and its duly appointed agents shall also have the right, at reasonable times and upon three (3) days prior written notice, to examine the books and records of the Redeveloper which relate to the Project and/or to the obligations of the Redeveloper under this Contract.

IN WITNESS WHEREOF, the Redeveloper has caused this Contract to be executed in its name with its seal affixed and attested by its duly authorized officers. The Authority has caused this Contract to be executed in its name with its seal affixed and attested by its duly authorized officers. All of the above occurred as of the date first above written.

MACPEN ENTERPRISES, LLC

By: _____
Myron McCant, Member/Manager

“REDEVELOPER”

STATE OF MISSOURI)
) SS.
COUNTY OF JACKSON)

On this ____ day of _____, 2020, before me appeared Myron McCant, to me personally known, who, being by me duly sworn/affirmed did say that he is the Member/Manager of MacPen Enterprises, LLC, a Missouri limited liability company, and that said instrument was signed in behalf of MacPen Enterprises, LLC, a Missouri limited liability company, by authority of its members, and said acknowledged said instrument to be the free act and deed of said limited liability company.

Notary Public

(Printed Name)

My Commission Expires:

[Seal]

LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF KANSAS CITY, MISSOURI

By: _____
_____, Chairman

ATTEST: "AUTHORITY"

By: _____
Name: Daniel Moyer
Title: Secretary

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On this _____ day of _____, 2020, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is the Chairman of Land Clearance for Redevelopment Authority of Kansas City, Missouri, a public body corporate and politic, and that the seal affixed to the foregoing instrument is the seal of said entity and that said instrument was signed on behalf of said Authority by the authority of its Board of Commissioners, and he acknowledged said instrument to be the free act and deed of said Authority.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office the day and year first above written.

Notary Public

(Printed Name)

My Commission Expires:

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

2105 PROSPECT - N 12.5 FT LOT 22 AND LOT 23, BLK 1, STIFTERS ADD

2109 PROSPECT - LOT 21 AND S 12.5 FT LOT 22, BLK 1. STIFTERS ADD

2111-13 PROSPECT - LOTS 19 & 20. BLK 1, STIFTERS ADD

2115-17 PROSPECT - LOTS 17 & 18. BLK 1. STIFTERS ADD

2119 PROSPECT - LOT 16, BLK 1, STIFTERS ADD

2121 PROSPECT - VAC LOT N 8 FT LOT 14 & ALL LOT 15, BLK 1, STIFTERS ADD

2123 PROSPECT - VAC LOT N 18 FT LOT 13 AND S 17 FT LOT 14, BLK 1, STIFTERS
ADD

2125 PROSPECT - VAC LOT LOT 12 AND S 7 FT LOT 13, BLK 1 STIFTERS ADD

EXHIBIT B

REDEVELOPMENT PLAN

The Redeveloper's acquisition and redevelopment of the parcels in the 22nd & Prospect Urban Renewal Area as a daycare facility and association commercial use, and related improvements to be accomplished on the Property and completed in accordance with this Contract and the Urban Renewal Plan.