

RESOLUTION NO. 9- -20

RESOLUTION OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI APPROVING SUBSTITUION OF LENDERS AND LOAN DOCUMENTS RELATED TO A NEW LOAN OBTAINED BY THE REDEVELOPER FOR THE HYATT HOUSE HOTEL PROJECT; AND APPROVING RELATED ACTIONS.

WHEREAS, the Land Clearance for Redevelopment Authority of Kansas City, Missouri (“Authority”) is a public body corporate and politic created by the Land Clearance for Redevelopment Authority Law, Section 99.300, *et seq.*, RSMo (“LCRA Act”), is transacting business and exercising the powers granted by the LCRA Act by virtue of Committee Substitute for Ordinance No. 16120, duly passed by the City Council (“City Council”) of the City of Kansas City, Missouri (“City”), on November 21, 1952, and is authorized and empowered under the LCRA Act and for the purposes set forth in the LCRA Act to issue revenue bonds for the purpose of providing funds to pay the costs of projects, and to lease or sell such projects to others upon such terms and conditions as the Authority shall deem advisable; and

WHEREAS, on November 26, 1968, the Authority initially approved the Central Business District Urban Renewal Plan, as amended from time to time, (the “Plan”) for the Central Business District Urban Renewal Area, as amended from time to time (the “Plan Area”); and

WHEREAS, by Ordinance No. 36287 passed on January 17, 1969, the City Council initially approved by the Plan for the Plan Area; and

WHEREAS, pursuant to its Resolution No. 11-1-18 dated November 28, 2018, the Authority selected Pedersen Development Redeveloper, L.L.C., a Colorado limited liability Redeveloper (the “Original Redeveloper”) as the redeveloper for the Project (as defined below) and approved a tax incentive package to include (a) sales tax exemption on construction materials (STECM), and (b) abatement of property taxes (above current predevelopment taxes) generated by the Project for 15 years under the LCRA Law (100% abatement in Years 1-10; 37.5% abatement in Years 11-15); and

WHEREAS, pursuant to its Resolution No. 6-1-19 dated June 19, 2019, the Authority issued on October 9, 2019 its Land Clearance for Redevelopment Authority of Kansas City, Missouri Taxable Industrial Revenue Bond (Hyatt House Hotel Project), Series 2019, in the original principal amount of \$38,000,000 (the “Bond”) to fund a redevelopment project within the Plan Area consisting of acquisition and construction of: (1) a multi-story, extended-stay hotel with approximately 154 guest rooms, approximately 2,500 square feet of meeting space, and approximately 6,000 square feet of common area that will be available to hotel guests and the public; and (2) other related improvements to be accomplished on the Land in accordance with the Redevelopment Contract and the Urban Renewal Plan (the “Project”); and

WHEREAS, the Original Redeveloper, in coordination with its investment partners and lenders, created an ownership structure involving the following limited liability companies: (A)

900 Broadway KC LLC, a Missouri limited liability company (the “Land Developer”), as tenant under the Land Lease Agreement dated as of October 1, 2019, as evidenced by the Memorandum of Land Lease Agreement recorded as Document No. 2019E0082242, for the purpose of leasing from the Authority the real property upon which the Project will be constructed (the “Land”); and (B)(i) 900 Broadway KC Development Company LLC, a Missouri limited liability company (“900 Broadway Dev. Co.”); (ii) Oak Holdings LLC, a Colorado limited liability company (“Oak Holdings”); and (iii) REMSK, LLC, a Colorado limited liability company (“REMSK”), as tenants-in-common (collectively and jointly and severally, the “Redeveloper”) as tenant under the Improvements Lease Agreement dated as of October 1, 2019, as evidenced by the Memorandum of Improvements Lease Agreement recorded as Document No. 2019E0082243, for the purpose of leasing from the Authority the Project improvements to be constructed on the Land (the “Project Improvements”). The Redeveloper and the Land Developer, collectively, are referred to as the “Redeveloper Parties”; and

WHEREAS, the Authority previously consented to the Original Redeveloper’s assignment of its development rights in the Project to the Redeveloper Parties; and

WHEREAS, the Authority and the Redeveloper Parties entered into the Sale/Leaseback and Redevelopment Contract dated as of October 1, 2019, and recorded as Document No. 2019E0082240 (the “Redevelopment Contract”); and

WHEREAS, to assist in Project financing, the Redeveloper obtained a construction loan from Altos Groups, LLC, a Delaware limited liability company (the “Original Lender”), as evidenced by a Leasehold Deed of Trust recorded as Document No. 2019E0082244; and

WHEREAS, on June 2, 2020, the Redeveloper notified the Authority of a force majeure event under the Redevelopment Contract resulting from the Original Lender’s failure to fund the construction loan, which caused the Redeveloper to halt construction of the Project; and

WHEREAS, the work stoppage has resulted in the filing of multiple mechanic’s liens filed by contractors and materials suppliers who have not been paid, which liens and filings are clouding the Authority’s title to the Project property; and

WHEREAS, the Redeveloper has obtained a commitment for a new construction loan from BCP Hyatt House, LLC, an Arizona limited liability company (“New Lender”), and has requested that the Authority approve a substitution of lenders and certain documents to facilitate the new construction loan, all for the purpose of enabling the Redeveloper to resume construction of the Project;

WHEREAS, the Redeveloper has informed that Authority that the New Lender will provide construction financing upon the same terms as the Original Lender and that the terms of the Bond will remain unchanged and in full force and effect; and

WHEREAS, the Authority desires for construction of the Project to resume as soon as practicable, to approve the substitution of lenders, and to approve loan documents that the New

Lender may require, subject to the payment and discharge of all mechanic's liens and other claims resulting from the work stoppage.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI, AS FOLLOWS:

Section 1. Authorization and Approval of Documents. The substitution of lenders for the Project is approved. The Authority anticipates that the New Lender will request that the Authority approve the following documents in substantially the same form as previously approved by the Authority and updated to reflect the new Project construction financing. The Authority is hereby authorized to execute and deliver each of such documents (the "Authority Documents") with such changes therein as shall be approved by the officers of the Authority executing such documents, such officers' signatures thereon being conclusive evidence of their approval and the Authority's approval thereof:

- (a) Collateral Assignment of Improvements Lease Agreement.
- (b) Collateral Assignment of Bond Documents and Trustee Acknowledgement.

Section 2. Execution of Authority Documents. Each of the Chairman, the Vice Chairman and the Executive Director of the Authority is hereby authorized and directed to execute the Authority Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, including, without limitation, documents required by the New Lender provided that all such documents either shall be in substantially the same form and upon the same terms as previously approved by the Authority or shall not amend, modify, or impair any of the Authority's rights and obligations under the Bond, the Redevelopment Contract, the Land Lease Agreement, the Improvements Lease Agreement, or any other Project document. The signatures of the officers and employees of the Authority executing such documents, upon the advice of legal counsel, shall constitute conclusive evidence of their approval and the Authority's approval thereof. The Secretary, Assistant Secretary, or other officer of the Authority is hereby authorized and directed to attest to such documents and to such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 3. Further Authority. The officers, agents and employees of the Authority are hereby authorized and directed to take such further actions contemplated hereunder in connection with the financing of the Project, and to carry out, comply with, and perform the duties of the Authority with respect to such financing documents, the signatures of the officers and employees of the Authority executing such documents, upon the advice of legal counsel, shall constitute conclusive evidence of their approval and the Authority's approval thereof.

Section 4. Discharge of Liens and Claims. The approvals and authority to execute documents referenced in this Resolution are expressly conditioned upon the payment and discharge of all mechanic's liens or other claims resulting from the work stoppage prior to or at the New Lender's construction loan closing.

Section 5. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the Board of Commissioners of The Land Clearance for Redevelopment Authority of Kansas City, Missouri.

ADOPTED by the Board of Commissioners this 23rd day of September, 2020.

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

By: _____
Rob Gardner, Chairman

ATTEST:

Daniel Moye, Secretary