

\$11,000,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY
OF KANSAS CITY, MISSOURI
MULTIFAMILY HOUSING REVENUE BONDS
(PALESTINE GARDENS PROJECT)
SERIES 2022

Dated as of November ___, 2022

BOND PURCHASE AGREEMENT

Land Clearance for Redevelopment Authority
of Kansas City, Missouri
Kansas City, Missouri

On the basis of the representations, and covenants and upon the terms and conditions contained in this Bond Purchase Agreement, by and among the Land Clearance for Redevelopment Authority of Kansas City, Missouri (the “Issuer”), Legacy Bank & Trust Company (the “Purchaser”), and PG/PGN, LP (the “Borrower”), the Purchaser offers to purchase from the Issuer, the above-referenced Multifamily Housing Revenue Bonds (Palestine Gardens Project), Series 2022, dated as provided in the Indenture (hereinafter defined), in the maximum aggregate principal amount of \$11,000,000 (the “Series 2022 Bonds”), to be issued by the Issuer under and pursuant to a Resolution passed by the governing body of the Issuer on October 25, 2022 (the “Resolution”), a Trust Indenture dated as of November 1, 2022 (the “Indenture”), by and between the Issuer and UMB Bank, N.A. as trustee (the “Trustee”). *Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture.*

The Series 2022 Bonds are being issued by the Issuer to provide financing for the costs of the construction, rehabilitation, installation and equipping of a multifamily housing project in the City of Kansas City, Missouri, consisting of the rehabilitation of two buildings into 118 low-income multifamily housing units (the “Project”); and (ii) to loan the proceeds from the sale of such bonds to the Borrower for the purpose of financing the costs of the Project, all in accordance with and pursuant to LCRA Law; and

The Issuer and the Borrower expect to enter into a Loan Agreement, dated as of November 1, 2022 (the “**Loan Agreement**”), pursuant to which the proceeds of the Bonds will be used to fund a loan to the Borrower (the “**Loan**”) evidenced by a note (the “**Note**”) and secured by a Leasehold Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement (the “**Leasehold Deed of Trust**”) with respect to the Project.

SECTION 1. Financing Documents. On or prior to the Closing Date, the Purchaser shall have received duly executed copies of the following (collectively, the “**Financing Documents**”):

- (a) the Trust Indenture;
- (b) the Loan Agreement;
- (c) the Note;
- (d) Escrow and Disbursement Agreement (the “*Disbursement Agreement*”), the Security Documents: (i) Leasehold Deed of Trust, the Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement and (ii) Assignment of Project Documents;
- (e) the Tax Compliance Agreement (the “*Tax Compliance Agreement*”) and the Land Use Restriction Agreement (the “*Land Use Restriction Agreement*”), each dated as of the date of the Indenture, among the Borrower, the Issuer and the Trustee;
- (f) the Assignment of Capital Contributions and the Assignment of Project Documents, (collectively, the “*Assignments*”), each dated as of the date of the Indenture and each between the Borrower and the Trustee;
- (g) the Amended and Restated Agreement of Limited Partnership, dated as of the date of the Indenture, of the Borrower (the “*Partnership Agreement*”);
- (h) LIHTC Land Use Restriction Agreement dated as of the date of the Indenture between the Borrower and the Issuer (the “*LIHTC Land Use Restriction Agreement*”); and
- (i) the Redevelopment Contract dated as of the date of the Indenture between the Borrower and the Issuer.

The Bonds shall be secured under provisions of the Indenture and will be payable solely out of the amounts pledged therefor under the Indenture.

SECTION 2. REPRESENTATIONS AND AGREEMENTS

(a) By the Issuer’s acceptance hereof, the Issuer hereby represents to the Purchaser as follows:

(1) At the time of the execution of this Agreement, the Issuer is, and on the Closing Date, the Issuer will be, duly organized and validly existing under and pursuant to the Constitution and the laws of the State of Missouri (the “*State*”).

(2) The Issuer has complied with the Land Clearance for Redevelopment Authority Law, Section 99.300, *et seq.*, R.S.Mo, as amended (“*LCRA Law*”), and all the applicable provisions of the Constitution and laws of the State and has full legal right, power and authority to issue the Series 2022 Bonds and to enter into this Agreement, to authorize the execution and delivery of the Indenture, the Land Use Restriction Agreement, the Redevelopment Contract, the Tax Compliance Agreement and the Loan Agreement, to endorse the Note and to sell and deliver the Series 2022 Bonds to the order of the Purchaser as provided herein and to carry out and consummate all other transactions contemplated by each of the aforesaid documents.

(3) The Resolution duly authorized the execution of the Indenture, the Land Use Restriction Agreement, the Redevelopment Contract, the Tax Compliance Agreement and the Loan Agreement, approved the execution and delivery of this Agreement and the Series 2022 Bonds, and authorized the taking of any and all such action as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by the Indenture.

(4) The execution and delivery of this Agreement, the Indenture, the Loan Agreement, the Bonds, the Redevelopment Contract, the Land Use Restriction Agreement, the Tax Compliance Agreement and other agreements contemplated hereby and thereby, is in compliance with the provisions hereof and thereof, and the financing of the Project (as defined in the Indenture) with the proceeds of the sale of the Series 2022 Bonds will not conflict with or constitute a breach of or a default under any law, administrative regulation, court decree, resolution or agreement to which the Issuer is subject.

(5) There is no controversy, suit or other proceeding of any kind pending or to the Issuer's knowledge threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the Issuer, or the right or title of any of its officers to their respective offices, or the legality of any official act leading up to the issuance of the Series 2022 Bonds or the constitutionality or validity of the obligations represented by the Series 2022 Bonds or the validity of the Series 2022 Bonds, the Loan Agreement, the Indenture, the Land Use Restriction Agreement or the Tax Compliance Agreement.

(b) The Purchaser represents as follows:

(1) *Organization.* The Purchaser is a state banking association duly organized and existing under the laws of the State of Missouri.

(2) *No Conflict or Breach.* The execution, delivery and performance of this Bond Purchase Agreement by the Purchaser have been duly authorized by all necessary action of the Purchaser and do not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, its organizational documents, any law, court or administrative regulation, decree or order applicable to or binding upon the Purchaser, or, to the best of its knowledge, any agreement, indenture, mortgage, lease or instrument to which the Purchaser is a party or by which it is bound.

(3) *Documents Legal, Valid and Binding.* When executed and delivered by the Purchaser, this Bond Purchase Agreement will be, and is, a legal, valid and binding obligation, enforceable in accordance with its terms, subject, as to enforcement, to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally and further subject to the availability of equitable remedies.

(4) *Purchaser's Certificates.* Any certificate signed by an authorized officer or agent of the Purchaser and delivered to the Issuer shall be deemed a representation and warranty by Purchaser to such parties as to the statements made therein.

(c) The Borrower represents as follows:

(1) The Borrower is a duly organized and existing limited partnership under the laws of the State of Missouri and has full legal right, power and authority (i) to enter into and fulfill its obligations under this Agreement, the Loan Agreement, the Note, the Deed of Trust, the Land Use Restriction Agreement, the Tax Compliance Agreement and the Assignments and (ii) to carry out the transactions contemplated by this Agreement, the Indenture, the Tax Compliance Agreement, the Loan Agreement, the Note, the Deed of Trust, the Land Use Restriction Agreement and the Assignments.

(2) The Borrower has duly authorized and approved the execution, delivery of and the performance by the Borrower of the obligations on its part contained in this Agreement, the Loan Agreement, the Note, the Deed of Trust, the Land Use Restriction Agreement, the Tax Compliance Agreement and the Assignments and has duly authorized and approved the consummation of all the transactions contemplated by this Bond Purchase Agreement.

(3) The Borrower is not in breach of or default under any applicable law or administrative regulation of the State or the United States that would impair materially the performance of its obligations under the Loan Agreement, this Agreement, the Land Use Restriction Agreement, the Note, the Deed of Trust or the Assignments or any applicable judgment or decree or any loan agreement, note, resolution, agreement or other instrument to which the Borrower is a party or otherwise subject; and the execution and delivery of this Agreement, the Loan Agreement, the Note, the Deed of Trust, the Land Use Restriction Agreement or the Assignments and compliance with the provisions of each thereof will not conflict with or constitute a material breach of or default under any law, administrative regulation, judgment, decree, loan agreement, note, resolution, agreement or other instrument to which the Borrower is a party or otherwise subject.

(4) All approvals, consents and orders of any governmental Issuer, board or commission having jurisdiction over the Borrower or the Projects or the operation thereof that would constitute a condition precedent to the performance by the Borrower of its obligations hereunder and under the Loan Agreement, the Land Use Restriction Agreement, the Tax Compliance Agreement, the Note, the Deed of Trust and the Assignments have been or will be obtained.

(5) The Borrower has received no notice of pending or threatened action, suit, proceeding, inquiry or investigation, at law or in equity, before any court, other board or body affecting the existence of the Borrower or seeking to prohibit, restrain or enjoin the financing or the sale, issuance or delivery of the Bonds, or in any way contesting or affecting the validity or enforceability of this Agreement, the Loan Agreement, the Note, the Deed of Trust, the Land Use Restriction Agreement, the Tax Compliance Agreement and the Assignments contesting the execution and delivery of this Agreement, the Loan Agreement, the Note, the Deed of Trust, the Land Use Restriction Agreement, the Tax Compliance Agreement and the Assignments wherein an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of any such documents.

SECTION 3. PURCHASE, SALE AND DELIVERY OF THE SERIES 2022 BONDS

On the basis of the representations and covenants contained herein and in the other agreements referred to herein, and subject to the terms and conditions herein set forth and, in the Indenture, the Purchaser agrees to purchase from the Issuer and the Issuer agrees to sell to the Purchaser the Series 2022 Bonds on the terms and conditions set forth herein.

The Series 2022 Bonds shall be sold to the Purchaser by the Issuer in installments on the Closing Date (hereinafter defined) and upon each subsequent date of an additional advance upon payment of an amount equal to the Closing Price (hereinafter defined), which amount shall be applied as provided in the Indenture and the Loan Agreement. From time to time after the Closing Date, the Purchaser, upon receipt of notice from the Borrower, shall make additional advances with respect to the Series 2022 Bonds (“Additional Advances”) to the Trustee under the Indenture, which Additional Advances shall be made on or prior to the date of payment or reimbursement of costs associated with the respective portions of the Series 2022 Project (as defined in the Indenture), by the Trustee to the Borrower, in the amount necessary to pay the Series 2022 Project Costs in connection therewith, or as provided in the Indenture and the Loan Agreement; provided that the sum of the Closing Price and all such Additional Advances shall not, in the aggregate, exceed \$11,000,000.

As used herein, the term “Closing Date” shall mean November __, 2022, or such other date as shall be mutually agreed upon by the Issuer and the Purchaser; the term “Closing Price” shall mean that certain amount specified in writing by the Purchaser and agreed to by the Issuer as the amount required to pay for the initial issuance of the Series 2022 Bonds on the Closing Date, which amount shall be equal to any Series 2022 Project Costs paid by the Company from its own funds prior to the Closing Date, as set forth on **Exhibit A** hereto.

The Series 2022 Bonds shall be issued under and secured as provided in the Resolution, the Indenture and the Loan Agreement authorized thereby and the Series 2022 Bonds shall have the maturity, interest rate and shall be subject to redemption as set forth therein. The delivery of the Series 2022 Bonds shall be made in definitive form as one fully registered bond in the maximum aggregate principal denomination of \$11,000,000; provided, that the principal amount of the Series 2022 Bonds outstanding at any time shall be that amount recorded in the records of the Trustee and further provided that interest shall be payable on the Series 2022 Bonds only on the outstanding principal amount of the Series 2022 Bonds, as more fully provided in the Indenture.

The Purchaser hereby designates the Trustee as its agent to hold the original bond in safekeeping to facilitate the updating of the Cumulative Outstanding Balance on such bond as additional advances are made in accordance with procedures set forth in the Indenture.

SECTION 4. CONDITIONS TO THE OBLIGATIONS

The obligations hereunder shall be subject to the due performance by the parties of the obligations and agreements to be performed hereunder and under Section 3.01 of the Continuing Covenants Agreement, on or prior to the Closing Date and to the accuracy of and compliance with the representations contained herein, as of the date hereof and as of the Closing Date, and are also subject to the following conditions:

(a) There shall be delivered to the Purchaser on or prior to the Closing Date a duly executed copy of the Resolution, the Indenture, the Loan Agreement and any other instrument contemplated thereby, each of which shall be in full force and effect and shall not have been modified or changed except as may have been agreed to in writing by the Purchaser.

(b) The Issuer shall confirm on the Closing Date by a certificate executed by a duly authorized representative that at and as of the Closing Date the Issuer has taken all action necessary to issue the Series 2022 Bonds and that there is no controversy, suit or other proceeding of any kind pending or to its knowledge threatened wherein any question is raised affecting in any way the legal organization of the Issuer or the legality of any official act shown to have been done in the transcript of proceedings leading up to the issuance of the Series 2022 Bonds, or the constitutionality or validity of the obligations represented by the Series 2022 Bonds or the validity of the Series 2022 Bonds or any proceedings in relation to the issuance or sale thereof.

(c) The Purchaser shall execute a certificate in the form of **Exhibit A** attached hereto, dated the Closing Date and executed by a duly authorized representative, to the effect that (i) no litigation, proceeding or investigation is pending against the Purchaser or its affiliates or, to the knowledge of the Purchaser, threatened which would (A) contest, affect, restrain or enjoin the issuance, validity, execution, delivery or performance of the Series 2022 Bonds, or (B) in any way contest the existence or powers of the Purchaser to purchase the Series 2022 Bonds, (ii) no litigation, proceeding or investigation is pending or, to the knowledge of the Purchaser, threatened against the Purchaser that could reasonably be expected to adversely affect its ability to perform its obligations hereunder, and (iii) the representations and warranties of the Purchaser in the Purchase Agreement were and are true and correct in all material respects and not misleading as of the date made and as of the Closing Date, and (iv) such other matters as are reasonably requested by the other parties in connection with the issuance of the Series 2022 Bonds.

(d) The Purchaser shall execute a Representation Letter substantially in the form of **Exhibit D-1** to the Indenture.

SECTION 5. THE PURCHASER'S RIGHT TO CANCEL

The Purchaser shall have the right to cancel its obligation hereunder to purchase the Series 2022 Bonds by notifying the Issuer in writing of its election to make such cancellation at any time prior to the Closing Date.

SECTION 6. CONDITIONS OF OBLIGATIONS

The obligations of the parties hereto are subject to the receipt of the approving opinion of the Hardwick Law Firm LLC, Bond Counsel, with respect to the validity of the authorization and issuance of the Series 2022 Bonds.

SECTION 7. REPRESENTATIONS AND AGREEMENTS TO SURVIVE DELIVERY

All of the representations and agreements contained in Section 1 of this Bond Purchase Agreement by either party shall remain operative and in full force and effect, and shall survive delivery of the Series 2022 Bonds to the Purchaser.

SECTION 8. NOTICE

Any notice or other communication to be given under this Agreement may be given by mailing or delivering the same in writing to:

To the Issuer:	Land Clearance for Redevelopment Issuer of Kansas City, Missouri 300 Wyandotte Street, Suite 400 Kansas City, MO 64105 Attention: Executive Director
with a copy to:	Hardwick Law Firm, LLC 2405 Grand, Suite 800 Kansas City, Missouri 64108 Attention: Jean Matzeder
with a copy to:	Rouse Frets White Goss Gentile Rhodes, P.C. Attention: Brian Engel 4510 Belleview, Suite 300 Kansas City, Missouri 64111
To the Trustee:	UMB Bank, N.A. 928 Grand, 12 th Floor Kansas City, Missouri 64106 Attention: Corporate Trust Department
To the Borrower:	PG/PGN, LP Attention: Brian Collins c/o Dromara Development, LLC 3619 E. 35 th Street Kansas City, Missouri 64128
with a copy to:	Rosenblum Goldenhersh Attention: Tom Duda 7733 Forsyth Boulevard, 4 th Floor St. Louis, Missouri 63105
To the Sole Bondowner:	Legacy Bank & Trust Company 3250 E Sunshine Street Springfield, MO 65804

Attention: Kylee Brown, SVP, and Cassie
Galloway, VP Affordable

SECTION 9. APPLICABLE LAW; ASSIGNABILITY

This Bond Purchase Agreement shall be governed by the laws of the State of Missouri. This Bond Purchase Agreement may be assigned by the Purchaser, in whole as to all or part of the Series 2022 Bonds, with the prior written consent of the Issuer, to any Person that expressly assumes in writing all of the obligations of the Borrower contained in the Loan Agreement, or if such assignment is in part as to a portion of the Series 2022 Bonds, the obligations of the Borrower contained in the Loan Agreement; provided that the consent of the Issuer for the assignment of this Bond Purchase Agreement shall not be required if the consent of the Issuer is not required for such Person's assumption of the Loan Agreement under the provisions of **Section 13.1** thereof. Any such assignee shall agree to be bound by the terms of this Bond Purchase Agreement. Upon such assignment, the Purchaser shall be released from and have no further obligations under this Bond Purchase Agreement.

SECTION 10. EXECUTION OF COUNTERPARTS

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

Very truly yours,

LEGACY BANK & TRUST COMPANY

By: _____
Title: _____

DATE OF EXECUTION:
_____, 2022

PG/PGN, LP, a Missouri limited partnership

By: PG/PGN OWNER, LLC, a Missouri limited liability company, general partner

By: PG/PGN Managing Member, LLC, a Missouri limited liability company, its managing member

By: PALESTINE VILLAGE COMMUNITY DEVELOPMENT CORPORATION, a Missouri nonprofit corporation, its manager

By: _____
Melvin A. Gross, President

Accepted and Agreed to this ____ day of _____, 2022.

LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF KANSAS CITY, MISSOURI

By: _____
Dan Moye: Executive Director

Accepted, Acknowledged and Agreed to this ____ day of November, 2022.

UMB BANK, N.A., as Trustee

By: _____
Title: _____

EXHIBIT A

CERTIFICATE AS TO CLOSING PRICE

November __, 2022

**Re: Land Clearance for Redevelopment Authority of Kansas City, Missouri
Multifamily Housing Revenue Bonds (Palestine Gardens Project), Series 2022**

Pursuant to **Section 2** of the Bond Purchase Agreement, dated as of November __, 2022, by and between the Land Clearance for Redevelopment Authority of Kansas City, Missouri (the “Issuer”) and Legacy Bank & Trust Company (the “Purchaser”), the Purchaser hereby specifies that the Closing Price with respect to Series 2022 of the above-referenced Bonds is \$ _____.

[The remainder of this page intentionally left blank.]

LEGACY BANK & TRUST COMPANY

By: _____

[Signature page to Certificate As To Closing Price]

The Closing Price set forth above is hereby agreed to on the date first above written.

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

By: _____

Name: Danial Moyer

Title: Executive Director

[Signature page to Certificate As To Closing Price]

EXHIBIT B

CERTIFICATE OF PURCHASER

Re: Land Clearance for Redevelopment Authority of Kansas City, Missouri Multifamily Housing Revenue Bonds (Palestine Gardens Project), Series 2022

Legacy Bank & Trust Company, as purchaser (the “Purchaser”) of the above-referenced Bonds pursuant to the Bond Purchase Agreement dated as of November __, 2022 (the “Purchase Agreement”) by and between the Issuer and the Purchaser, hereby certifies as follows:

1. No litigation, proceeding or investigation is pending against the Purchaser or its affiliates or, to the knowledge of the Purchaser, threatened which would (A) contest, affect, restrain or enjoin the issuance, validity, execution, delivery or performance of the Series 2022 Bonds, or (B) in any way contest the existence or powers of the Purchaser to purchase the Series 2022 Bonds.

2. No litigation, proceeding or investigation is pending or, to the knowledge of the Purchaser, threatened against the Purchaser that could reasonably be expected to adversely affect its ability to perform its obligations under the Purchase Agreement.

3. The representations and warranties of the Purchaser in the Purchase Agreement were and are true and correct in all material respects and not misleading as of the date made and as of November __, 2022, the Closing Date.

4. Capitalized terms used and not otherwise defined shall have the meanings set forth in the Bond Purchase Agreement.

5. The Purchaser acknowledges receipt (through the Trustee) on the date hereof of the Series 2022 Bonds in a form acceptable to the Purchaser.

[The remainder of this page intentionally left blank.]

Dated as of this _____ day of _____, 2022

LEGACY BANK & TRUST

By: _____
Title: _____

[Signature page to Certificate of Purchaser]