

FUNDING AGREEMENT

This Funding Agreement (“Agreement”) is entered into as of the ____ day of October, 2023 (“Effective Date”), between KC URBAN INVESTMENT, LLC, a Missouri limited liability company (the “Company”), and the LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI (the “Authority”).

RECITALS

A. The Authority is a public body corporate and politic created by the Land Clearance for Redevelopment Authority Law, Section 99.300, *et seq.*, of the Revised Statutes of Missouri and is transacting business and exercising the powers granted by the Land Clearance for Redevelopment Authority Law by virtue of Committee Substitute for Ordinance No. 16120, duly passed by the City Council of the City of Kansas City, Missouri (“City”), November 21, 1952.

B. The Company is a Missouri limited liability company with offices at 2200 NW 2nd Avenue, Suite 203, Miami, Florida 33127-4821.

C. The Company has requested that the Authority provide certain services and incentives in regard to the multi-family housing project comprising approximately 23 apartment units and related improvements located at 3630 Gillham Road (“Project”) originally developed by Gillham Park Row, LLC, a Missouri limited liability company (“Gillham Park Row”), pursuant to the Redevelopment Contract dated April 14, 2014, and recorded July 2, 2014, as Instrument No. 2014E0053561, as assigned and amended by the Assignment, Assumption and Amendment of Redevelopment Contract dated March 11, 2019, and recorded as Instrument No. 2019E0042093 among Gillham Park Row, as assignor, GCP Gillham Park, LLC, a Missouri limited liability company (“GCP Gillham Park”), as assignee, and the Authority (collectively, the “Redevelopment Contract”).

D. The Authority issued its Certificate of Qualification for Tax Abatement dated December 18, 2014 for the Project effective January 1, 2015 through December 31, 2024.

E. GCP Gillham Park, the current redeveloper for the Project, intends to assign all of its interests, rights and obligations under the Redevelopment Contract to the Company and the Company intends to assume all of GCP Gillham Park’s interests, rights and obligations under the Redevelopment Contract, including the remaining tax abatement term pursuant to the Certificate of Qualification for Tax Abatement dated December 18, 2014. The tax abatement term is effective beginning January 1, 2015 through December 31, 2024.

F. The Authority, the Company, and GCP Gillham Park intend to enter into an Assignment, Assumption and Amendment of Redevelopment Contract (“Assignment”) to effectuate the assignment and assumption as contemplated in this Agreement. As a condition to the Authority’s consent to such assignment and assumption and to the Authority’s execution of the Assignment, the Company agrees to enter into this Agreement.

G. The Project is located within the 36th & Gillham Urban Renewal Area and is to be carried out as a part of the 36th & Gillham Urban Renewal Plan.

H. In order to pay the Authority for services rendered by the Authority and to pay the costs and expenses of the Authority incurred in the course of providing services and incentives related to the Project to or for the benefit of the Company, the Authority requires the Company to provide assurance that the Authority will be paid by providing the initial deposit required by this Agreement and by the further covenants and agreements contained in this Agreement.

AGREEMENT

1. **Services to be Performed by the Authority.** The Authority shall retain administrative and professional staff, outside legal counsel and consultants, and provide services that it determines are necessary to cause the Project to be evaluated and, if appropriate in the Authority's sole discretion, implemented and carried out, including, but not limited to, performance of the Authority's rights and obligations under the Redevelopment Contract, which shall include monitoring and enforcement of the Company's obligations under the Redevelopment Contract.

2. **Payment of Fees, Costs and Expenses.** The Company shall pay to the Authority, pursuant to this Agreement (including the LCRA Funding Schedule, which may be amended from time to time by the Authority, attached to this Agreement as Exhibit A and incorporated into this Agreement) all fees owed to the Authority for services rendered pursuant to this Agreement and all costs and expenses of the Authority incurred in performance of its obligations under this Agreement and the Redevelopment Contract, and in connection with the Project, including, without limitation, legal fees and consultant fees.

3. **Initial Funding.** The Company shall pay to the Authority **One Thousand One Hundred Eighty Dollars (\$1,180.00)** (the "Funds") contemporaneously with its execution of this Agreement. The Funds include an initial advance deposit for anticipated costs for legal services, staff time and related due diligence costs ("Advance Cost Deposit") payable pursuant to this Agreement in the amount of \$1,180.00 for projects involving redevelopment contracts approving standard tax abatement.

The Funds are non-refundable, except for any unused City application fees, recording fees, or Advance Cost Deposit funds. The Authority will disburse the Funds as set forth in Section 6 and will bill the Company pursuant to Section 4 so that additional disbursements may be made by the Authority on a current basis.

4. **Additional Funding.** After exhaustion of the Funds and any other funds over and above the Funds paid by the Company to the Authority, the Authority may require the payment by the Company of additional funds ("Additional Funds") by notifying the Company that the Funds and/or Additional Funds have been, or soon will be, exhausted and that the Authority deems it prudent to require the deposit of Additional Funds to pay anticipated additional expenditures by the Authority in conjunction with the Project; and by sending a statement to the Company for the advance of such Additional Funds.

5. **Statements and Payments.** The Company shall pay to the Authority the amounts set forth on such statement(s) for Additional Funds within fifteen (15) days of receipt of the Authority's statement(s). If such funds are not received within fifteen (15) days, the unpaid balance of any funds advanced by the Authority pursuant to this Agreement shall be subject to the payment by the Company of a penalty of two percent (2%) per month until paid, but in no

event shall such penalty exceed eighteen percent (18%). The Company shall not be relieved of its obligations under this Agreement until all statements for Additional Funds are paid in full. The Authority may terminate this Agreement pursuant to Section 7.a.

6. **Disbursement of Funds.** The Authority shall apply the Funds and Additional Funds only for the payment of fees owed to the Authority, and the costs of the services and expenses (including, but not limited to, the Authority's legal fees) incurred by the Authority, pursuant to this Agreement. Upon reasonable notice, the Authority shall make its records related to disbursements of the Funds and Additional Funds available for inspection by the Company during normal business hours at the office of the Authority.

The Authority shall refund any unused application fees, recording fees or Advance Cost Deposit funds to the Company at such time as the Authority, in its sole discretion, determines that any such funds are no longer needed to pay any current or anticipated fees or costs payable under this Agreement. Notwithstanding the foregoing, a refund given by the Authority shall not relieve the Company of its obligation under this Agreement to pay any Additional Funds pursuant to a statement issued by the Authority under this Agreement.

The name and address for the Company's account payable department is:

Name: KC Urban Investment, LLC, c/o Bernard Pierson
Address: 2200 NW 2nd Avenue, Suite 203, Miami, Florida 33127-4821
Phone: (786) 540-0660
E-Mail bpierson@equitipartners.com

7. **Termination**

- a. In the event the Company fails to perform any of its obligations under this Agreement, including, but not limited to, the timely payment of the Authority's statement(s) for Additional Funds, or in the event that the Executive Director and/or the Board of Commissioners of the Authority determine, in the exercise of his or its reasonable judgment, that it is in the best interests of the Authority not to go forward with the Project and the services to be performed as provided herein, the Authority may terminate this Agreement, and any other agreement between the parties, at its sole discretion upon ten (10) days written notice to the Company; and if the Authority elects to terminate this Agreement, the Authority shall retain the Funds and Additional Funds, if any, necessary to reimburse the Authority's outstanding costs of services and expenses incurred pursuant to this Agreement and any money due and owing to the Authority pursuant to any other agreement between the parties, and shall thereafter pay any remaining Funds and Additional Funds, if any, to the Company.
- b. The parties acknowledge that the Company may decide to abandon the Project. Upon the receipt of notice of the Company's abandonment of the Project, this Agreement shall terminate and the Authority shall retain the Funds and Additional Funds, if any, necessary to reimburse its staff time accumulated to date of termination and to pay the outstanding costs of services and expenses incurred

pursuant to this Agreement and any money due and owing to the Authority pursuant to any other agreement and shall thereafter pay any remaining Funds and Additional Funds to the Company.

- c. In the event the Funds and Additional Funds are insufficient to reimburse the Authority for fees owed to the Authority and its outstanding costs of services and expenses payable pursuant to this Agreement, the Company shall reimburse the Authority such unpaid balance upon receipt of a statement from the Authority sent to the Company as set forth in Section 4, above.

8. **Notice**. Any notice, approval, request or consent required by or asked to be given under this Agreement shall be deemed to be given if it is in writing and mailed by United States mail, postage prepaid, or delivered by hand, and addressed as follows:

To the 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: Rouse Frets White Goss Gentile Rhodes, P.C.
Attention: Brian E. Engel
4510 Belleview Avenue, Suite 300
Kansas City, Missouri 64111

To the Company: KC Urban Investment, LLC
2200 NW 2nd Avenue, Suite 203
Miami, Florida 33127-4821
Attention: Bernard Pierson

With a copy to: Barber Emerson, L.C.
Attention: Matthew S. Gough
1211 Massachusetts Street
Lawrence, Kansas 66044

Each party may specify that notice be addressed to any other person or address by giving to the other party ten (10) days prior written notice thereof.

9. **Attorneys' Fees**. In the event the Authority commences any action to enforce this Agreement or to pursue or defend its rights under this Agreement, the Company shall be responsible for, and shall pay to the Authority upon demand, all costs and expenses including reasonable attorneys' fees incurred by the Authority in connection with such action.

10. **Jurisdiction**. THE COMPANY IRREVOCABLY SUBMITS TO PERSONAL JURISDICTION IN MISSOURI AND OF THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF MISSOURI OR, AT THE OPTION OF THE AUTHORITY, ANY COURT IN WHICH THE AUTHORITY DECIDES TO INITIATE LEGAL OR EQUITABLE PROCEEDINGS CONCERNING THIS AGREEMENT, PROVIDED SUCH

COURT HAS SUBJECT MATTER JURISDICTION OVER THE MATTER AND CONTROVERSY FOR THE ENFORCEMENT OF THE COMPANY'S OBLIGATIONS UNDER THIS AGREEMENT, AND THE COMPANY WAIVES ANY AND ALL RIGHTS UNDER THE LAW OF ANY OTHER STATE TO OBJECT TO JURISDICTION WITHIN MISSOURI FOR THE PURPOSES OF LITIGATION TO ENFORCE ITS OBLIGATIONS UNDER THIS AGREEMENT.

11. **Material Inducement**. In recognition of the tax incentives granted and approved by the Authority for the benefit of the Project and the Company, the Company acknowledges that payment of the Authority's costs and expenses as provided in this Agreement is a continuing obligation of payment and is a material inducement for the Authority to undertake its obligations under this Agreement and the Redevelopment Contract.

12. **Recitals and Exhibits**. The Recitals and exhibits attached to this Agreement are incorporated into and made a part of this Agreement as if fully set forth herein.

13. **Execution in Counterparts**. This Agreement may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

14. **Assignment**. The Company agrees that this Agreement and the rights, duties and obligations hereunder may not and shall not be assigned by the Company without the prior written consent of the Authority, which consent may be given by the Executive Director of the Authority in his or her discretion; provided, however, that the Executive Director may present an assignment request to the Authority for approval as he or she may deem appropriate. Any approved assignee shall, by an instrument in writing, for itself and its successors and assigns, and expressly for the benefit of the Authority, assume all of the obligations of the Company under this Agreement and agree to be subject to all the conditions and restrictions to which the Company is subject.

15. **Amendment, Changes and Modifications**. This Agreement may not be effectively amended, changed, modified, altered or terminated without the prior concurring written consent of the parties hereto.

16. **Entire Agreement**. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof, and supersedes and replaces any and all prior oral agreements or written agreements, arrangements, and understandings related thereto.

17. **Severability**. If any provision of this Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into or taken thereunder, or any application of such provision, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement or any other covenant, stipulation, obligation, agreement, act or action, or part thereof, made, assumed, entered into, or taken, each of which shall be construed and enforced as if such illegal or invalid portion were not contained herein. Such illegality or invalidity of any application thereof shall not affect any legal and valid application thereof, and each such provision, covenant, stipulation, obligation, agreement, act or action, or part thereof, shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

18. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

The parties have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

“AUTHORITY”

[SEAL]

LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF KANSAS CITY, MISSOURI

Dated: October ____, 2023

By: _____
Daniel Moye, Executive Director Chairman

ATTEST:

Susan Tumey, Assistant Secretary

“COMPANY”

KC URBAN INVESTEMENT, LLC

Dated: October ____, 2023

By: KC Urban Manager, LLC,
a Missouri limited liability company, Manager

By: _____
Name: Joseph M. Sullivan
Title: Authorized Member

EXHIBIT A

EXHIBIT A LCRA FEE SCHEDULE

Adopted by LCRA Board of Commissioners 6/23/99
(Revised 6/22/05; 1/25/06; 3/28/07; 2/27/08; 3/05/10; 9/15/17; 6/27/18)¹

Cost Recovery for Agency Expenses (in addition to fees identified below)	Prof. Service Fees (e.g., appraisal, title, financial analysis, etc.)	100%
	Legal Service Fees	100%
	Other Due Diligence Costs	100%
	Blight Study	100%

I. <u>Urban Renewal Plan or Plan Amendment</u>		
A. <u>Base Fee</u>		\$3,500.00
1. With Staff blight study		\$1,000.00
2. Surcharge for inclusion of eminent domain		\$2,500.00
*Plus all applicable City Plan Commission application fees		At cost
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II. <u>Redevelopment Project Applications</u>		
A. <u>Multifamily (no commercial tenants)</u>		\$2,000.00
*\$300 Redevelopment Contract recording fee included		Included
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B. <u>Mixed-Use or Commercial Development</u>		\$3,500.00
* \$300 Redevelopment Contract recording fee included		Included
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III. <u>Real Property Tax Abatement/Exemption Fees</u> (Upon project completion)		
A. <u>Multifamily, Mixed-Use or Commercial Projects</u>		
Construction costs < \$300,000		\$500.00
Construction costs > \$300,000 – Total Development Cost x 0.3%		Calculate ²
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IV. <u>Special Financing and Assistance Fees</u>		
A. <u>Bond Financing</u>		
Application Fee		\$3,500.00
Annual Administrative Fee		\$1,500.00
Issuance Fee – LCRA Originated		
.5% of bond, plus Issuance expenses		Calculate
Conduit Issuance Fee		
.375% of first \$10,000,000		Calculate
.25% of next \$15,000,000		Calculate
125% of amount above \$25,000,000		Calculate
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B. <u>Land Acquisition</u>		
Offer to Purchase - 1% if ≤ \$2,500		Calculate
Acquisition Fee - 5% if ≥ \$2,500		Calculate
Eminent Domain – all professional and legal service fees and court fees/costs		At cost
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C. <u>Sale/Leaseback and/or Tax Exemptions</u>		
Personal Property Tax Exemption - .30% of original asset cost		Calculate ²
Construction Material Sales Tax Exemption - .30% of construction material cost		Calculate ²

1. Which may be amended from time to time by the Authority
2. Abatement/Exemption fees: capped at \$150,000 per line item and \$250,000 in aggregate.