

RESOLUTION OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI AUTHORIZING AMENDMENT TO DOCUMENTS TO REDUCE THE AGE ELIGIBILITY FOR THE PROJECT FROM 62 YEARS AND OVER TO 55 YEARS AND OVER AND REDUCE THE NUMBER OF UNITS RESERVED FOR VERY LOW-INCOME RESIDENTS FROM 118 TO 116; AND AUTHORIZING CERTAIN OTHER 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., R.S.Mo, as amended (“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 adopted by the City Council (“City Council”) of the City of Kansas City, Missouri (“City”) on November 21, 1952; and

WHEREAS, the Authority approved the Oak Park Urban Renewal Plan on November 25, 1968, and determined that the portion of the City located within the Oak Park Urban Renewal Area described in the Oak Park Urban Renewal Plan is blighted and insanitary; and

WHEREAS, the City Council initially approved the Oak Park Urban Renewal Plan by Resolution No. 36285, dated January 1, 1969, with respect to the eligibility of the Oak Park Urban Renewal Area (as then described) for urban renewal treatment, by Ordinance No. 36827, adopted January 17, 1969, approving the general urban renewal plan for the Oak Park Urban Renewal Area (as then described); and by Ordinance No. 39874, adopted July 16, 1971, approving a definitive plan for the Oak Park Urban Renewal Area by Ordinance No. 39874 adopted on July 16, 1971, as the Oak Park Urban Renewal Area and the Oak Park Urban Renewal Plan have been subsequently amended and modified, the purpose of which is to eliminate and prevent the spread, development and recurrence of the blighted and insanitary conditions within the Oak Park Urban Renewal Area; and

WHEREAS, as part of the Oak Park Urban Renewal Plan, the Authority approved the 33rd & Montgall Urban Renewal Plan on March 25, 1987, as modified by Resolution No. 88-80 dated October 26, 1988, and as modified by Resolution No. 6-03-06 dated June 28, 2006 (collectively, the “Urban Renewal Plan”), and determined that the portion of the City located within the 33rd & Montgall Urban Renewal Area (the “Urban Renewal Area”) described in the Urban Renewal Plan is blighted and insanitary; and

WHEREAS, the City Council initially approved the Urban Renewal Plan by Ordinance No. 61221 dated September 3, 1987, as modified by Ordinance No. 060807 dated October 26, 2006, 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; and

WHEREAS, pursuant to Resolution No. 10-2-21 dated October 27, 2021, the Authority issued a Request for Proposals for the acquisition and redevelopment of the Palestine Gardens North Apartments located at 3220 Montgall Avenue and the Palestine Gardens Apartments located at 2627 E. 33rd Street within the Urban Renewal Area, as such property is legally

described on the attached Exhibit A (the “Property”), for the preservation and rehabilitation of 118 units reserved for very low-income residents aged 62 and over and other related improvements (the “Project”); and

WHEREAS, pursuant to Section 99.450 of the LCRA Law, the Authority caused to be published two times in a newspaper having a general circulation in its area of operation a request for proposals for redevelopment contract proposals; and

WHEREAS, PG/PGN Owner, LLC, a Missouri limited liability company, timely submitted a redevelopment project application to the Authority to implement the Project; and

WHEREAS, the Authority selected PG/PGN Owner, LLC, (or a controlled affiliate) as redeveloper of the project pursuant to Resolution No. 11-3-21 on November 30, 2021; and

WHEREAS, PG/PGN Owner, LLC initially requested that the Authority (i) issue bonds to finance the Project; (ii) acquire the Project and the Property and lease the Property to PG/PGN Owner, LLC for a period of up to 50 years; (iii) grant a sales tax exemption incentive on construction materials to facilitate construction of the Project on behalf of the Authority; and (iv) grant a property tax exemption on the Property during the term of the lease, subject to completion of the Project in accordance with the redevelopment contract, all for the purpose of preserving existing affordable housing units in the Urban Renewal Area and eliminating blighting conditions found to exist in the Urban Renewal Area and in accordance with and pursuant to the LCRA Law and subject to the terms and conditions of the Project documents; and

WHEREAS, on December 28, 2021, the Authority adopted a resolution expressing its intention to issue its Multifamily Housing Revenue Bonds (Palestine Gardens Project) Series 2022 in one or more series in an aggregate principal amount not to exceed \$11,000,000 for the purpose of financing the costs of the Project (the “Bonds”) (ii) to loan the proceeds from the sale of the Bonds to PG/PGN Owner, LLC for the purpose of financing the costs of the Project, all in accordance with and pursuant to the Act; and

WHEREAS, PG/PGN Owner, LLC advised the Authority that the developer entity for the Project is PG/PGN, LP, a Missouri limited partnership and a controlled affiliate of PG/PGN Owner, LLC. To the extent necessary to clarify the Authority’s intent, the Authority desires to designate PG/PGN, LP as the “Redeveloper” for the Project; and

WHEREAS, the Redeveloper modified the requested incentives for the Project by eliminating the sale/leaseback structure for implementation of a sales tax exemption incentive on the purchase of construction materials and of a real property tax exemption for a period of up to 50 years. The Redeveloper’s only remaining requested incentive from the Authority for the Project is the Authority’s issuance of the Bonds; and

WHEREAS, on October 27, 2022, the Authority adopted Resolution No. 10-1-22 authorizing issuance of its Multifamily Housing Revenue Bonds (Palestine Gardens Project) Series 2023 in one or more series in an aggregate principal amount not to exceed \$11,000,000 for the purpose of financing the costs of the Project (“Series 2023 Bonds”), and on March 31, 2023,

the Authority issued the Series 2023 Bonds to Legacy Bank & Trust Company, as the sole bondholder; and

WHEREAS, the Redeveloper and the U.S. Department of Housing and Urban Development (“HUD”) have requested that the Land Use Restriction Agreement (“LURA”) dated as of March 1, 2023, and recorded as Instrument No. 2023E0023492, among the Authority, the Redeveloper, and UMB Bank, N.A. (“Trustee”) be amended by modifying the age eligibility for the Project from 62 years and over to 55 years and over and number of units reserved for very low-income residents from 118 to 116; and

WHEREAS, the Authority desires to amend the LURA as requested, to execute a Modification Agreement in substantially the form (attached hereto as Exhibit B) to make corresponding amendments to Project documents as necessary to ensure that the terms of all Project documents are consistent, including (i) the Redevelopment Contract dated as of March 1, 2023, and recorded as Instrument No. 2023E0023394, between the Authority and the Redeveloper, (ii) the Trust Indenture dated as of March 1, 2023, between the Authority and the Trustee, (iii) the Loan Agreement dated as of March 1, 2023, between the Authority and the Redeveloper, (iv) the Escrow and Disbursing Agreement, dated March 31, 2023, (v) the Continuing Covenants Agreement, dated March 31, 2023 (vi) the Bond, dated as of March 31, 2023. and (vii) such other Project and Bond documents (collectively, the “Documents”).

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. Amendment. Each of the Chair, Vice Chair, and Executive Director of the Authority is authorized to execute and deliver amendments to the LURA and the Documents as described in this Resolution and in substantially the form of the Modification of Land Use Restriction Agreement and the form of the Modification of Documents as presented to and reviewed by the Authority at this meeting (copies of which documents shall be filed in the official records of the Authority), 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 thereof.

Section 2. Further Authority. The Authority shall, and the officers, agents and employees of the Authority are hereby authorized and directed to, take such further action, and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution and to carry out, comply with and perform the duties of the Authority under the LURA and the Documents.

Section 3. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the governing body of the Authority.

ADOPTED by the Board of Commissioners of the Land Clearance of Redevelopment Authority of Kansas City, Missouri, this 27th day of August, 2024.

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

By: _____
Chad Grittman, Chairman

ATTEST:

Daniel Moye, Secretary

EXHIBIT A

Tract 1:

3220 Montgall Avenue (28-930-16-26-00-0-00-000):

Lot 1, PALESTINE GARDENS NORTH, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

Tract 2:

2627 E. 33rd Street (28-930-17-30-00-0-00-000):

Lot 1, PALESTINE GARDENS, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

MODIFICATION OF LAND USE RESTRICTION AGREEMENT

THIS MODIFICATION OF LAND USE RESTRICTION AGREEMENT (this “Modification Agreement”) is made and entered into as of ____ 1, 2024, by and among **LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI** (the “Issuer”), a public body corporate and politic duly organized and existing under the laws of the State of Missouri and the ordinances of the City of Kansas City, Missouri, **PG/PGN, LP**, a limited partnership organized and existing under the laws of the State of Missouri, and its successors and assigns (the “Borrower”), and **UMB BANK, N.A.**, a national banking corporation, as trustee with respect to the Bonds described below (the “Trustee”).

The meaning of capitalized terms can be determined by reference to Section 1 of the original Land Use Restriction Agreement, dated as of March 1, 2023 (the “Original Agreement”).

RECITALS:

1. The Issuer is a public body corporate and politic created by the Land Clearance for Redevelopment Authority Law, Section 99.300, *et seq.*, R.S.Mo, as amended (“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 of the City of Kansas City, Missouri on November 21, 1952.

2. The Issuer has agreed to assist in the financing of the acquisition, construction and renovation of two existing buildings consisting of Palestine Gardens North Apartments located at 3220 Montgall Avenue and the Palestine Gardens Apartments located at 2627 E. 33rd Street, Kansas City, Missouri, for the preservation and rehabilitation of 118 units reserved for very low-income residents and other related improvements (the “Project”), for the Borrower. The Project is located within the 33rd & Montgall Urban Renewal Area.

3. The Borrower has requested that the Issuer finance a portion of the costs of the Project by the issuance of its Multifamily Housing Revenue Bonds (Palestine Gardens Project) Series 2023 in the aggregate principal amount of not to exceed \$10,221,000 (the “Bonds”). The Bonds are being issued under the Trust Indenture dated as of March 1, 2023 (the “Indenture”), between the Issuer and the Trustee. A transcript of proceedings was delivered containing final documents in connection with the Bonds (“Transcript of Proceedings”). Terms used in this Modification Agreement without definition shall have the meanings set forth in the Indenture.

4. The interest on the Bonds is excludable from gross income for federal income tax purposes if, among other things, the Project continuously complies during the Qualified Project Period (as hereinafter defined) with Sections 142(a) and 142(d) of the Code (as hereinafter defined) and the Regulations (as hereinafter defined).

5. Compliance of the Project with Sections 142(a) and 142(d) of the Code is in large part within the control of the Borrower and in no part within the control of the Issuer or the Trustee.

6. The Issuer is unwilling to provide proceeds of the Bonds to finance the Project unless the Borrower shall agree to abide by the provisions of this Agreement in order to preserve the exclusion of the interest on the Bonds from gross income for federal income tax purposes and to

assure that housing accommodations are being provided for persons of low and moderate income in accordance with the Act.

7. The Issuer, the Trustee and the Borrower have determined to enter into this Agreement in order to modify the +62 senior designation set forth therein to +55 senior designation certain terms and conditions relating to the financing and operation of the Project and to modify the number of units reserved for very low-income residents from 118 to 116.

NOW therefore, for and in consideration of the mutual covenants and payments hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Borrower, the Trustee, the Bondowner, and the Issuer agree as follows:

AGREEMENT:

Section 1. Modification of Original Agreement. The second recital of the Original Agreement is hereby modified by substituting the original language to read as follows: The Issuer has agreed to assist in the financing of the acquisition, construction and renovation of two existing buildings consisting of Palestine Gardens North Apartments located at 3220 Montgall Avenue and the Palestine Gardens Apartments located at 2627 E. 33rd Street, Kansas City, Missouri, for the preservation and rehabilitation of 116 units reserved for very low-income residents aged 55 and over and other related improvements. (the “Project”), for the Borrower. The Project is located within the 33rd & Montgall Urban Renewal Area.

(b) Exhibit C to the Original Agreement is hereby amended by replacing the original Exhibit C with the attached Exhibit C.

Section 2. Modification of Other Bond Documents to Conform to this Modification Agreement. Since several other documents in the Transcript of Proceedings for the Bonds repeat the same language in recitals and definitions of terms including, without limitation, the Indenture, the Loan Agreement, the Redevelopment Contract, the Deed of Trust, the Affidavit of the Issuer dated March 21, 2023 (“Affidavit”), the Master Subordination Agreement dated as of March 31, 2023 (“Master Subordination Agreement”), the Disbursing Agreement, the Continuing Covenants Agreement, and the Bond, the parties hereto agree that in each instance where the +62 senior designation originally appeared in the Transcript of Proceedings, each of such documents shall be amended to change the senior designation to +55 and the number of units reserved for very low-income residents be reduced from 118 to 116.

By its signature below, the Borrower, the Trustee and the Bondowner consent to this Modification Agreement in accordance with Section 10.05 of the Loan Agreement and Article VIII of the Indenture.

Section 3. Effect of Modification Agreement on Original Agreement. Except for the above amendment, nothing in this Modification Agreement shall be construed as a novation, release, satisfaction, reduction, amendment or modification of any liabilities, duties or obligation of the Borrower, or as a waiver of any prohibitions or restrictions on the Borrower under the LURA and all such liabilities, duties and obligations shall remain in full force and effect, as modified and supplemented hereby.

IN WITNESS WHEREOF, the parties have executed this Modification Agreement by their duly authorized representatives, all on the date first written hereinabove.

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

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS
COUNTY OF JACKSON)

On this ____ day of ____, 2024, before me appeared Melvin Grose, to me personally known, who, being by me duly sworn, did say that he is the President of PG/PGN OWNER, LLC, a Missouri limited liability company and the general partner of PG/PGN LP, a Missouri limited partnership, and that said instrument on behalf of said partnership and company, and such person duly acknowledged the execution of the same to be the free act and deed of said partnership and company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notary seal the day and year last above written.

Notary Public in and for said State
Commission Expires:

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF KANSAS CITY, MISSOURI

By: _____
Name: Daniel Moye
Title: Executive Director

ACKNOWLEDGMENT

STATE OF MISSOURI)
)
COUNTY OF JACKSON) SS.

On this _____ day of _____, 2024, before me personally appeared Daniel Moye to me personally known, who, being by me duly sworn, did say that he is the Executive Director of the Land Clearance for Redevelopment Authority of Kansas City, Missouri, a public body corporate and politic, and that said instrument was signed by the Executive Director on behalf of said redevelopment authority by authority of its Board of Commissioners; and said officer acknowledged said instrument to be the free act and deed of said redevelopment authority.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notary seal the day and year last above written.

Notary Public in and for said State
Commission Expires:

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

UMB BANK, N.A., as Trustee

By: _____

Name: _____

Title: Vice President

ACKNOWLEDGMENT

STATE OF MISSOURI)

)

SS.

COUNTY OF JACKSON)

On this _____ day of _____, 2024, before me appeared _____, to me personally known, who, being by me duly sworn, did say that /s/he is a _____ of UMB Bank, N.A., a national banking association, and that said instrument was signed on behalf of said association by authority of its Board of Directors; and said individual acknowledged said instrument to be the free act and deed of said association.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notary seal the day and year last above written.

Notary Public in and for said State

Commission Expires:

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

LEGACY BANK & TRUST COMPANY, as
Bondowner

By: _____
Name: Eric Leonard
Title: Executive Vice President

ACKNOWLEDGMENT

STATE OF MISSOURI)
)
COUNTY OF _____) SS.

On this _____ day of _____, 2024, before me appeared Eric Leonard, to me personally known, who, being by me duly sworn, did say that he is the Executive Vice President of Legacy Bank & Trust Company, a Missouri chartered bank, and that said instrument was signed on behalf of said chartered bank by authority of its Board of Directors; and said individual acknowledged said instrument to be the free act and deed of said chartered bank.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notary seal the day and year last above written.

Notary Public in and for said State
Commission Expires:

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

EXHIBIT A
PROJECT SITE

Tract 1:

3220 Montgall Avenue (28-930-16-26-00-0-00-000):

Lot 1, PALESTINE GARDENS NORTH, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

Tract 2:

2627 E. 33rd Street (28-930-17-30-00-0-00-000):

Lot 1, PALESTINE GARDENS, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

EXHIBIT C
QUARTERLY TENANT REPORT

Project Name	Palestine Gardens
Total Number of Units	One Hundred Sixteen (116)
Calendar Quarter of Report	_____

(a)	(b)	(c)
Total No. of Units Occupied or Treated as Occupied by <u>Qualified Tenants</u>	Total No. of Available <u>Units</u>	% of Total Units Occupied or Treated as Occupied by <u>Qualified Tenants⁽¹⁾</u>
_____	_____	_____

⁽¹⁾ (c) is (a)/(b); must be at least 40.00%.

Attached as **Schedule 1** is a current listing of Qualified Tenants and all vacant units treated as occupied by Qualified Tenants. Also attached are copies of the initial Income Certifications for all Qualified Tenants that moved into the Project during the calendar quarter set forth above (____ Qualified Tenants).

The Borrower has in its permanent records a signed Income Certification in substantially the form set forth as **Exhibit B** to the Land Use Restriction Agreement dated as of March 1, 2023 for each Qualified Tenant and with respect to each vacant unit treated as occupied by a Qualified Tenant, in each case dated as of the initial certification date (i.e., Move-In Date) or the Recertification Date set forth on **Schedule 1**.

As of the date of this Quarterly Tenant Report, no default has occurred in the observance of the covenants contained in the Land Use Restriction Agreement dated as of March 1, 2023 with respect to the Project, and no event has occurred in connection with the operation of the Project which has caused or will cause the Project to cease to meet the requirements of the Land Use Restriction Agreement.

The information on this Quarterly Tenant Report, including the attached **Schedule 1**, has been verified as required by the Land Use Restriction Agreement. I certify the incomes reported on **Schedule 1** are true and complete to the best of my knowledge and belief and are given under the penalty of perjury.

DATED: _____

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

