

SECOND AMENDMENT TO RESTATED LEASE AND ACQUISITION AGREEMENT

THIS SECOND AMENDMENT TO RESTATED LEASE AND ACQUISITION AGREEMENT (the "Second Amendment") is made this ____ day of _____, 2023, by and between CITY OF KANSAS CITY, MISSOURI (the "City" or "Landlord"), and BLOCK 66, LLC, a Missouri limited liability company ("Tenant"). The City and Tenant are sometimes collectively referred to herein as the "Parties".

WITNESSETH:

WHEREAS, the City and Swope Community Builders, a Missouri not-for-profit corporation ("SCB") executed a certain Restated Lease and Acquisition Agreement dated as of April 10, 2017 (the "Original Lease and Acquisition Agreement");

WHEREAS, SCB, as assignor, and Tenant, as assignee, executed a certain Assignment and Assumption of Restated Lease and Acquisition Agreement dated effective as of April 28, 2017 (the "Lease Assignment");

WHEREAS, City and Tenant executed a certain First Amendment to Restated Lease and Acquisition Agreement dated effective November 13, 2017 (the "First Amendment") (the Original Lease and Acquisition Agreement, the Lease Assignment and the First Amendment are collectively referred to herein as the "Lease and Acquisition Agreement"); and

WHEREAS, the City and Tenant wish for the Tenant to complete the blight remediation at various locations by the Outside Demolition Date (as defined below), including at 606 E. 9th Street, 815 Cherry Street, 703 E 10th Street, and 1000 Charlotte Street, all located in Jackson County, Kansas City, Missouri (the "Identified Properties"); and

WHEREAS, the City and Tenant have agreed to make further modifications to the Lease and Acquisition Agreement, as more fully set forth in this Second Amendment.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, effective on the date first set forth above, the parties agree to the foregoing recitals and as follows:

1. **City Funds; Blight Determination.** Section 14.4 of the Lease and Acquisition Agreement is hereby deleted in its entirety and replaced with the following:

a) The City hereby agrees to contribute funds in the amount equal to One Million Two Hundred Thousand and 00/100 Dollars (\$1,200,000.00) (the "City Contribution") to Tenant for the use by Tenant for its obligations or rights under this Agreement, specifically blight remediation and dangerous building demolition (collectively, the "East Village Reimbursement Expenses"). The City Contribution will be made as a credit or offset to the total purchase price identified in Section 5.1(b). Accordingly, should the Tenant choose to execute its option for the entirety of the Premises, Tenant shall pay a total purchase price of Four Million Two Hundred Dollars (\$4,200,000) on the Closing Date to the City.

b) City Contribution is contingent on Tenant performing the building demolition and blight removal identified on Schedule 1, attached hereto, at 606 E. 9th Street, 815 Cherry Street, 703 E 10th Street, and 1000 Charlotte Street, all located in Jackson County, Kansas City, Missouri (the "Identified Properties") on or before December 31, 2023 (the "Outside Demolition Date").

The Parties acknowledge that all costs related thereto are included within the definition of East Village Reimbursement Expenses (as set forth in Section 2 above).

c) Tenant shall provide to City documentation demonstrating that the demolition and blight removal has been completed and that Tenant expended an amount equal to or exceeding the City Contribution on said building demolition and blight removal on or before June 30, 2024. This documentation shall include paid invoices for the demolition and blight removal. In the event the Closing Date occurs prior to completion of the demolition and blight removal described herein, and thereafter Tenant does not provide to City documentation demonstrating that the demolition and blight removal identified on Schedule 1 at the Identified Properties has been completed and that Tenant expended an amount equal to or exceeding the City Contribution on said building demolition and blight removal on or before June 30, 2024, then Tenant shall pay to the City an amount equal to the difference between the City Contribution (i.e., \$1,200,000.00) and the amount actually expended by Tenant on or before June 30, 2024 in connection with blight remediation and dangerous building demolition at the Identified Properties.

2. **Premises.** Exhibit A attached to the Lease and Acquisition Agreement is hereby deleted in its entirety and replaced with Exhibit A attached hereto.

3. **East Village Project Area.** Exhibit A-1 attached hereto is hereby attached to the Lease and Acquisition Agreement as Exhibit A-1 thereto.

4. **KCPD Lot Sale Conditional on Alternative Parking Agreement.** The Parties acknowledge that Tenant has acquired the non-City owned remainder of Block 99 and desires to acquire the KCPD Lot, more particularly described in Exhibit A. In satisfaction of the condition of Section 15.2(b) of the Lease and Acquisition Agreement that the City identify an alternative parking location, Tenant and the Board of Police Commissioners of Kansas City, Missouri, the governing body of the Kansas City, Missouri Police Department (“KCPD”) have entered into a Parking License Agreement, a copy of which has been provided to the City. Upon request by the KCPD, Tenant agrees to extend the term of the Parking License Agreement until such time as a redevelopment plan for the KCPD Lot has been approved by the City (pursuant to the City’s then-existing ordinances governing development approval).

5. **Defined Terms.** Unless otherwise defined in this Second Amendment, the defined terms used herein shall have the meanings defined in the Lease and Acquisition Agreement.

6. **Full Force; No Defaults.** Except as modified by the terms of this Second Amendment, the Lease and Acquisition Agreement is hereby reaffirmed and ratified, as amended herein, and shall remain in full force and effect. The Parties acknowledge that, as of the date of this Second Amendment, no defaults or events of default exist under the Lease and Acquisition Agreement.

7. **Multiple Counterparts.** This Second Amendment may be executed in multiple counterparts via facsimile, each of which shall constitute an original, but all of which together shall constitute but one instrument.

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SCHEDULE 1

BLIGHT REMEDIATION

General description of blight remediation and related building demolition work, the exact scope of which to be determined by Tenant, and such work performed by Tenant or its consultants or contractors.

- Hazardous Materials Assessment:
 - Hazardous materials survey and testing performed by licensed professionals.
- Abatement:
 - Removal and disposal of asbestos containing materials (ACM), household hazardous waste (HHW) and other identified materials within the structures in advance of demolition.
 - Third party oversight of abatement activities, testing reports and other documentation as determined by Tenant.
- Demolition:
 - Prepare demolition scope documents and demolition schedule, and perform an engineered demolition plan.
 - Coordinate such work with known utility providers.
 - Where reasonably feasible and economically viable, salvaging of building elements, and furniture, fixtures & equipment (FFE) that can be reused or recycled.
 - Perform certain scrapping operations to remove valuable metals, as reasonably feasible and economically viable, to be recycled.
 - Obtain required demolition permit(s) and street/sidewalk closure permits.
 - Provide temporary fencing, temporary power and temporary water as determined by Tenant.
 - Demolition of buildings foundations (on the Premises or on other sites owned by Tenant subject to the Agreement) within to 5 ft. below grade or 3 ft. below basements where applicable.
 - General surveying of any deep foundations (piers) that remain below grade (on the Premises or on other sites owned by Tenant subject to the Agreement).
 - Demolition of basement foundation walls and basement floor slabs on grade (on the Premises or on other sites owned by Tenant subject to the Agreement).
 - Backfill any such basements with engineered fill as determined by Tenant. Backfill may be accomplished with the use of crushed on-site materials if practical.
 - Generally cap the building area with a layer of topsoil (as determined by Tenant).
 - Dispose of all waste materials in accordance with applicable laws.
- Post Demolition:
 - Remove temporary fencing and other temporary measures.
 - Hydro seed grounds with turf grasses as determined by Tenant.
 - No repairs to drives or parking lots on private property.
 - Repair public curbs and sidewalks damaged during demolition, if any, in a substantially similar manner as existed prior to such demolition (as reasonably determined by Tenant).
- Items not in scope
 - Utility relocations.
 - Roadway and ROW and other public improvements.
 - Any other items not specifically identified above.

EXHIBIT A

Partial Block 49, East Village Planning Area, legally described as follows:

Lot C and the East 9 feet of Lot B, Resurvey of Lots 4, 5, 6, 7, 8 and 9, Block 2, M.M. EVANS 1st ADDITION, a subdivision in Kansas City, Jackson County, Missouri, together with the South ½ of the vacated alley lying North of and adjacent thereto.

Block 66, East Village Planning Area, legally described as follows:

Lots 97 thru 101, both inclusive, and the vacated alley lying East of and adjoining said premises, Block 22, CONTINUATION OF SMART'S ADDITION NO. 3, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof; and

Lots 7 thru 15, both inclusive, and the vacated South 5.25 feet of 9th Street, lying North of and adjoining said premises, Block 5, PEERY PLACE, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof; and

Lots 102 thru 104, both inclusive, and the vacated alley lying East of and adjoining said premises, Block 22, CONTINUATION OF SMART'S ADDITION NO. 3, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof; and

Lots 1 thru 6, both inclusive, Block 5, PEERY PLACE, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

Partial Block 82, East Village Planning Area, legally described as follows:

The South 24 feet of Lot 45 and the North 24 feet of Lot 46, Block 17, SMART'S ADDITION NO. 3, sometimes known and designated as SMART'S 3RD or as SMART'S THIRD ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof; and

The South 24 feet of Lot 46 and all of Lots 47 and 48, Block 17, SMART'S ADDITION NO. 3, sometimes known and designated as SMART'S 3RD or as SMART'S THIRD ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

Block 100, East Village Planning Area, legally described as follows:

All of Block 24, CONTINUATION OF SMART'S ADDITION NO. 3 and all of Block 13, PEERY PLACE, both subdivisions in Kansas City, Jackson County, Missouri, together with the vacated North-South alley East of and adjoining said Block 24 and West of and adjoining said Block 13, and the vacated East-West alley South of and adjoining Lot 70, Block 24, except that part now in 12th Street.

Block 99, East Village Planning Area, legally described as follows:

Lots 53, 54, 55 and 56, Block 18, SMART'S ADDITION NO. 3, sometimes known and designated as SMART'S 3RD or as SMART'S THIRD ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, together with all that part of the west ½ of vacated alley lying east of and adjacent to, as vacated by Ordinance No. 47741 recorded June 6, 1977, as Document No. K-329507 in Book K-758, Page 836, except that part now in 12th Street (the "KCPD Lot").

EXHIBIT A-1

EAST VILLAGE PROJECT AREA

The area depicted below as surrounded by the dashed line:



EXHIBIT I

PARKING LICENSE AGREEMENT

PARKING LICENSE AGREEMENT

This Parking License Agreement (“Agreement”) is made and entered into as of the Effective Date (defined below) by and between the Board of Police Commissioners of Kansas City, Missouri, the governing body of the Kansas City, Missouri Police Department (KCPD), and Block 66, LLC, a Missouri limited liability company (“B66”).

RECITALS

WHEREAS, the City of Kansas City, Missouri (“City”) and B66 are parties to a certain Restated Lease and Acquisition Agreement dated as of April 10, 2017 (as assigned and amended, the “Lease and Acquisition Agreement”); and

WHEREAS, the property known as 1119 and 1121 Cherry Street, Kansas City, Missouri, and also known as Block 99, East Village Planning Area, (the “Property”), legally described as:

Lots 53, 54, 55 and 56 Block 18, Smarts Add No. 3, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof;

is subject to the Lease and Acquisition Agreement; and

WHEREAS, as of the Effective Date, B66 will have acquired ownership of the Property pursuant to an option to purchase the Property under the Lease and Acquisition Agreement; and

WHEREAS, KCPD has requested, and B66 has agreed to allow, subject to the terms and conditions hereto, utilization of the Property for temporary parking of KCPD vehicles, in accordance with applicable laws (the “Permitted Activities”);

a) NOW THEREFORE, for and in consideration of the above recitals, as well as the below covenants and agreements, incorporated herein by this reference, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Scope of License. The purpose of this Agreement is to allow KCPD access to the Property solely for the purpose of the Permitted Activities. Activities within the scope of this Agreement shall be at KCPD’s sole cost and expense. KCPD agrees the Property will be free and clear any lien for such Permitted Activities. KCPD’s use of the Property shall comply with all of the terms and conditions of the Lease and Acquisition Agreement, except as specifically addressed in this Agreement.

KCPD's rights under this Agreement shall at all times remain subject and subordinate to the Lease and Acquisition Agreement.

Section 2. Term. The term of this Agreement shall begin on the Effective Date and shall end on the earlier of (i) 30 calendar days after notice from either party of its election to terminate this Agreement and (ii) December 31, 2023 (the "Term"). As used herein, "Effective Date" means the date on which B66 acquires fee ownership of the Property.

Section 3. Condition; Maintenance.

3.1 KCPD acknowledges that B66 has made no representation or warranty with respect to the Property or with respect to the suitability or fitness of the Property for any purpose, and KCPD accepts the Property in an "as is" condition. KCPD agrees that prior to the expiration of the Term of this Agreement, KCPD will return the Property to its condition as of the Effective Date or better, free of all trash and debris, and will vacate and surrender the Property to B66. The provisions of this Section shall survive termination or expiration of this Agreement.

3.2 During the Term of this Agreement, KCPD agrees to use the Property in a safe and careful manner, and to comply, at its own expense, with any and all present or future federal, state, and local laws, statutes, ordinances, rules, regulations, or orders of any and all governmental and/or quasi-governmental authorities having jurisdiction, as applicable to KCPD's use of the Property; provided KCPD shall only be responsible to maintain the Property in its current condition and shall not be required to replace or otherwise upgrade the Property, nor shall B66 be required to replace or upgrade the Property, it being the intention of both parties that the Property be minimally maintained and kept up by KCPD.

3.3 Prior to taking any action to enforce or remedy any alleged or perceived breach of the terms of this section, or any other section of this Agreement, B66 shall make a good-faith effort to come to a mutually agreeable resolution by contacting the Office of the General Counsel (OGC) of KCPD via email at ogc@kcpd.org, well in advance of said action.

b) **Section 4. Liability for Damages.** KCPD shall, to the fullest extent permissible by law, indemnify, cover, release, defend, and become responsible for and forever hold harmless and defend B66, and the B66's affiliates, managers, members, designees, and/OR their officers, directors, employees and agents (collectively, "Indemnified Parties") from all liabilities, charges, expenses and costs arising on account of or by reason of any injuries, liabilities, claims, suits, or losses directly and solely resulting from KCPD's use of the Property. The provisions of this Section shall survive termination or expiration of this Agreement.

c) **Section 5. Insurance.** KCPD maintains a "Liability Self-Insurance Subsidiary Account" for accounting for and financing its uninsured risks of loss from its reserve funds, except for all claims which are barred by sovereign immunity as provided in §537.600, RSMo, or other applicable law. B66 accepts such Account in lieu of a commercial general liability insurance policy.

Section 6. Governing Law. This Agreement shall be construed and governed in accordance with the laws of the State of Missouri without giving effect to Missouri's choice of law provisions. The

parties: (1) shall submit exclusively to the jurisdiction of the state and federal courts located in Jackson County, Missouri; (2) shall waive any and all objections to jurisdiction and venue; and (3) shall not raise forum non convenience as an objection to the location of any litigation.

Section 7. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes any prior understanding or representation of any kind preceding the date of this Agreement, provided however, nothing herein shall be deemed to modify or amend the Lease and Acquisition Agreement except as expressly provided for in this Agreement.

Section 8. Notices. All notices required by this Agreement shall be in writing sent by regular U.S. mail, postage prepaid, delivered by courier, or delivered in person. Unless a party to this Agreement has given three (3) business days' notice of a change of person and address for purposes of notice under this Agreement to the other party in writing, notices shall be directed to the following:

KCPD: Office of the General Counsel
Kansas City Police Department
1125 Locust Street
Kansas City, MO 64106

B66: c/o VanTrust Real Estate
Attn: Richard L. Muller
4900 Main Street, Suite 400
Kansas City, MO 64112

All notices are effective (a) upon receipt when delivered in person, (c) upon receipt after dispatch by registered or certified mail, postage prepaid, (d) on the next business day if transmitted by overnight courier (with confirmation of delivery), or (e) three (3) business days after the date of mailing.

Section 9. Assignment. KCPD shall not assign or transfer any part of all of KCPD's rights, obligations or interest in this Agreement without prior written approval of B66, which may be withheld in B66's sole discretion.

Section 10. Modification. No provision of this Agreement may be waived, modified, or amended except in writing signed by all parties.

Section 11. Compliance with Laws. The parties shall comply with all federal, state and local laws, ordinances, and regulations applicable to this Agreement. KCPD shall obtain any and all permits or other approvals required for the Permitted Activities, and shall comply with all applicable laws.

Section 12. Amendment. This Agreement shall not be amended, modified, canceled or abrogated without the written consent of the parties.

Section 13. Representations. The parties certify that they have the power and authority to execute and deliver this Agreement and to perform this Agreement in accordance with its terms.

Section 14. Non-Dedication. Nothing contained in this Agreement shall be deemed to be a gift or dedication of any portion of the Property to the general public or for any public use or purpose whatsoever, it being the intention of the parties and their successors and assigns that nothing in this Agreement, expressed or implied, shall confer upon any person, other than the parties hereto and their respective successors and assigns, any rights or remedies under or by reason of this Agreement. The parties hereby agree that this Agreement (i) is a revocable license that shall not be recorded by either party, (ii) does not convey any interest in the Property, and (iii) shall not be construed in any event as an easement.

Section 15. Default. If KCPD fails to comply with any provision of this Agreement then, with due notice and after making a good-faith attempt to select a mutually agreeable time to vacate the lot, B66 shall have the right to (i) terminate this Agreement; and/or (ii) pursue all rights or remedies available to B66 under this Agreement, or at law or in equity. Written notice shall be proper if sent via certified mail through U.S. Postal Service (USPS), return-receipt requested, or the same sent via email at ogc@kcpd.org.

Section 16. Attorneys' Fees. In the event any party initiates or defends any legal action or proceeding to enforce or interpret any of the terms of this Agreement, the prevailing party in any such action or proceeding shall be entitled to recover from the non-prevailing party in any such action or proceeding its reasonable costs and attorneys' fees (including its reasonable costs and attorneys' fees on any appeal). All such costs and attorneys' fees shall be deemed to have accrued on commencement of any legal action or proceeding and shall be enforceable whether or not such legal action or proceeding is prosecuted to judgment.

Section 17. Counterpart Signature Pages. This Agreement is being executed in counterpart with separate signatures pages for each party, which when assembled together will constitute one binding agreement upon all parties.

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**BOARD OF POLICE COMMISSIONS
OF KANSAS CITY, MISSOURI**

By: _____

Name: _____

Title: _____

Date: _____, 2023

BLOCK 66, LLC, a Missouri Limited Liability Company

By: _____

David M. Harrison, Manager

Date: _____, 2023