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**COMMUNITY BUILDERS OF KANSAS CITY**  
**As Lessor,**

**AND**

**CITY OF KANSAS CITY, MISSOURI,**  
**As Lessee**

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**LEASE AGREEMENT**

**Dated as of \_\_\_\_\_, 2023**

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**LEASE AGREEMENT**

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## LEASE AGREEMENT

**THIS LEASE AGREEMENT** (the “**Lease Agreement**”), dated as of [REDACTED], 2023 (the “**Effective Date**”), between **COMMUNITY BUILDERS OF KANSAS CITY**, a Missouri nonprofit corporation (the “**CBKC**”), as lessor, and **CITY OF KANSAS CITY, MISSOURI**, a constitutional charter city and political subdivision organized and existing under the laws of the State of Missouri (the “**City**”), as lessee;

### RECITALS:

**WHEREAS**, CBKC, by and through a wholly owned affiliate, OZ Development Company, LLC (the “**Development Entity**”), is the owner of an approximately 11 acre parcel of real property located generally adjacent to and south of Dr. Martin Luther King Jr. Boulevard in Kansas City, Missouri (the “**Property**”) and which Property is depicted and legally described on **Exhibit A** attached and incorporated by this reference; and

**WHEREAS**, the Property is within a continually distressed census tract plagued by severe poverty and unemployment and, for nearly 100 years, has been the subject to extreme disinvestment and a lack of new commercial and residential development; and

**WHEREAS**, the Property has been the subject of multiple findings of substantial blight, including, among others, the Brush Creek Corridor Tax Increment Financing Plan Area and the Town Fork Creek Urban Renewal Area, for conditions which include defective and inadequate street layout, insanitary and unsafe conditions, deterioration of site improvements, environmental contamination, and other characteristics adverse to public health, safety and welfare of Kansas City residents; and

**WHEREAS**, an urban redevelopment district plan described in and approved by City Ordinance No. 200858 dated November 5, 2020, as amended (“**UR Plan**”) prepared by CBKC and referred to as the “**Offices at Overlook**” contemplates a plan for a 60,000 square foot, three-story office building having approximately 60,000 square feet of floor area to be known as the (“**Building 1**”) on the westernmost portion of the Property (the “**Building 1 Property**”), as depicted on **Exhibit B**, attached hereto; and (2) 185 surface parking spaces, interior driveways, a health fitness trail, a public plaza and various other improvements ( the “**Building 1 Site Improvements**”) (together, Building 1 and the Building 1 Site Improvements are the “**Building 1 Project**”);

**WHEREAS**, the Property is located within an area (the “**TIF Plan Area**”) described by the Tax Increment Financing Commission of Kansas City, Missouri (the “**TIF Commission**”) as the **Offices at Overlook Tax Increment Financing Plan** (the “**TIF Plan**”), which TIF Plan was filed by Development Entity and approved by the City by its passage of Ordinance No. 200942, and subsequent ordinances (each and collectively, the “**TIF Ordinance**”); and

**WHEREAS**, pursuant to the TIF Ordinance, the City committed, subject to actual collection, that the earnings taxes, utility taxes and the capital improvements portion of sales taxes generated by the TIF Plan Area which are not subject to capture and that would otherwise be deposited into the City’s general fund (the “**Additional City EATs**”) would be allocated to CBKC’s Development Entity, to pay up to \$2,995,838 in certified Building 1 Project costs; and

**WHEREAS**, the Property is also located within an area (the “**PIEA Plan Area**”) described by the Planned Industrial Expansion Authority of Kansas City (the “**PIEA**”) as the **Offices at Overlook**

General Development Plan (the “**PIEA Plan**”), which PIEA Plan was filed by Development Entity and approved by the City by its passage of Ordinance No. 200990; and

**WHEREAS**, the foregoing agreements and CBKC’s obligations concerning implementation of the Building 1 Project are set forth in (a) an agreement (the “**Tax Contribution and Disbursement Agreement**”) dated July 9, 2021 by and among the City, the TIF Commission, the PIEA, the Development Entity and the Cost Certifier (as defined therein), as amended; (b) the agreement (the “**Development Agreement**”) dated July 29, 2021, among the Development Entity, the TIF Commission, and the PIEA, as amended (a Memorandum of which is recorded in the Office of the Recorder of Deeds for Jackson County, Missouri, as Document No. 2021E0080049); and

**WHEREAS**, on December 10, 2020, the City, by Ordinance No. 200996 (the “**CCED Ordinance**”), agreed to provide additional financing in the amount of \$4,000,000 in its fiscal year 2020-21 for certain Building 1 Project costs associated with regrading, parking, curbs and sidewalks, retaining walls, lighting, landscape, stormwater management, Health and Wellness Trail and seven market driven pad sites, which are defined as “Central City EDI” in the TIF Plan, by committing funds previously appropriated to Account No 21-2200-575998-B-57, the Central City Economic Development Sales Tax Fund (the “**Central City Sales Tax**”), and expressed its intent to appropriate an additional \$1,000,000 in its fiscal year 2021-22; and

**WHEREAS**, by separate letters both dated April 28, 2020, the Public Improvements Advisory Committee of the City approved funding for the Building 1 Project in the amount of \$188,000 and \$47,000 from the sales tax for public improvements (the “**PIAC Grant**”); and

**WHEREAS**, the City, pursuant to Ordinance No. 220563 dated July 14, 2022, allocated an additional \$150,000 of Central City Sales Tax to the Development Entity, to assist the Development Entity in paying for infrastructure preparedness for the Building 1 Site Improvements; and

**WHEREAS**, in furtherance of the public purposes achieved from supporting CBKC’s charitable purpose and its community mission to implement the Building 1 Project in the PIEA Plan Area and the TIF Plan Area, to enable CBKC to secure financing for the Building 1 Project in a severely distressed census tract which is plagued by discrimination, disinvestment and perceptions of investment risk, and to maximize the impact of the City’s investment in the Building 1 Project through the TIF Plan, the PIEA Plan, and to leverage its additional investments made by the Additional City EATs, the PIAC Grant, and the CCED Grant, the City desires to lease approximately 40,000 total square footage of the Building 1 Project (the “**Leased Property**”); and

**WHEREAS**, the City is authorized to lease the Leased Property to assist CBKC in securing financing for the Property and to promote economic development and/or revitalization of the Building 1 Property within the City; and

**WHEREAS**, CBKC desires to lease the Leased Property to the City, upon the terms and conditions hereinafter set forth, to further and carry out the City's public purpose and to facilitate the charitable purposes realized from implementing the Building 1 Project.

#### **Agreement**

**NOW, THEREFORE**, in consideration of the premises and the mutual representations, covenants and agreements herein contained, and City and CBKC (the “**Lessor**”) do hereby represent, covenant and agree as follows:

**ARTICLE I**  
**DEFINITIONS**

**Section 1.1. Rules of Interpretation.**

(a) The foregoing recitals are true and correct and incorporated by reference as if fully set forth below.

(b) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(c) Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including governmental entities, as well as natural persons.

(d) Wherever in this Lease Agreement it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

(e) All references in this instrument to designated "Articles," "Sections" and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words "herein," "hereof," "hereunder" and other words of similar import refer to this Lease Agreement as a whole and not to any particular Article, Section or other subdivision.

(f) The Table of Contents and the Article and Section headings of this Lease Agreement shall not be treated as a part of this Lease Agreement or as affecting the true meaning of the provisions hereof.

(g) Whenever an item or items are listed after the word "including," such listing is not intended to be a listing that excludes items not listed.

**ARTICLE II**  
**REPRESENTATIONS**

**Section 2.1. Representations by the City.** The City makes the following representations as the basis for the undertakings on its part herein contained:

(a) The City is a constitutional charter city and municipal corporation duly organized and validly existing under the laws of the State of Missouri. The City has lawful power and authority to enter into the transactions contemplated by this Lease Agreement and to carry out its obligations hereunder notwithstanding any provision of Missouri law. By proper action of its governing body, the City has been duly authorized to execute and deliver this Lease Agreement, acting by and through its duly authorized officers.

(b) The Leased Property site is located wholly within the incorporated limits of the City.

(c) No member of the governing body of the City or any other officer of the City has any significant or conflicting interest, financial, employment or otherwise, in CBKC or in the transactions contemplated hereby.

**Section 2.2. Representations by Lessor.** Lessor makes the following representations as the basis for the undertakings on its part herein contained:

(a) Lessor is a Missouri nonprofit corporation and federally recognized 501(c)(3) organization validly existing and in good standing under the laws of the State of Missouri and duly authorized to transact business in the State of Missouri.

(b) Lessor will exercise commercially reasonable efforts to construct and complete Building 1 and the Building 1 Project in accordance with the TIF Plan, the PIEA Plan, and the UR Plan, by and through its Development Entity.

(c) Lessor proposes to lease the Leased Property to the City.

(d) CBKC has lawful power and authority to enter into this Lease Agreement and to carry out its obligations hereunder and CBKC has been duly authorized to execute and deliver this Lease Agreement, acting by and through its duly authorized officers and representatives.

(e) The execution and delivery of this Lease Agreement, the consummation of the transactions contemplated hereby, and the performance of or compliance with the terms and conditions of this Lease Agreement by Lessor will not, to the best of Lessor's knowledge, conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease or any other restrictions or any agreement or instrument to which Lessor is a party or by which it or any of its Leased Property is bound, or Lessor's organizational documents, or any order, rule or regulation applicable to Lessor or any of its Leased Property of any court or governmental body, or constitute a default under any of the foregoing, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the Leased Property or assets of Lessor under the terms of any instrument or agreement to which Lessor is a party.

(f) Upon issuance of the Certificate of Occupancy, the Building 1 Project, inclusive of the Leased Property, will comply in all material respects with all presently applicable building and zoning, health, environmental and safety orders and laws and all other applicable laws, rules and regulations.

### ARTICLE III

#### GRANTING PROVISIONS

**Section 3.1. Granting of Leasehold Estate.** Lessor shall rent, lease and let the Leased Property to the City, and the City shall rent and lease or sublease the Leased Property from Lessor or its Development Entity, as applicable, subject to permitted encumbrances, for the rentals and upon and subject to the terms and conditions contained herein.



**Section 3.2. Lease Term.** This Lease Agreement and the City's obligation to pay Rent (defined in Article IV below) will commence on the Effective Date. The City's right to take occupancy of the Leased Property (the "**Occupancy Date**") shall commence upon Lessor's receipt of a temporary certificate of occupancy (a "**Certificate of Occupancy**") and shall, subject to Section 7.2 below, expire on the date that is fifteen (15) years from the date of the temporary Certificate of Occupancy, subject to earlier termination pursuant to the provisions of this Lease Agreement.

**Section 3.3. Possession and Use of the Leased Property.**

(a) The City covenants and agrees that as long as Lessor has not exercised any of the remedies set forth in **Article VIII** following the occurrence and continuance of an Event of Default, the City shall have sole and exclusive possession of the Leased Property as of the Occupancy Date, subject to any partial subleases on part of the facilities, and shall and may peaceably and quietly have, hold and enjoy the Leased Property during the Lease Term. Lessor covenants and agrees that it will not take any action, other than expressly pursuant to **Article VIII** hereof, to prevent the City from having quiet and peaceable possession and enjoyment of the Leased Property during the Lease Term and will, at the request and expense of the City, cooperate with the City in order that the City may have quiet and peaceable possession and enjoyment of the Leased Property and will defend the City's enjoyment and possession thereof against all parties.

(b) Subject to the provisions of this Section, the City shall have the right to use the Leased Property for any lawful purpose contemplated by this Lease Agreement, subject to commercially reasonable declarations and covenants of record, as of the Occupancy Date. The City shall comply in all material respects with all such declarations and covenants and statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Leased Property, as to the manner of use or the condition of the Leased Property. CBKC shall also comply with the mandatory requirements, rules and regulations of all insurers under the policies carried under the provisions of **Article VI** hereof.

**ARTICLE IV**

**RENT PROVISIONS**

**Section 4.1. Basic Rent.**

(a) The City covenants and agrees, subject to the annual appropriation of amounts due hereunder while this Lease Agreement is in effect, to pay to Lessor \$33.00 per square foot as Basic Rent for the Leased Property, which sum is based upon the per square footage cost to construct and operate the Building 1 Project and is a comparable market rate rent for Class A office buildings located within two and one-half miles of the Property for similar types of property for lease.

(b) Prior to the Occupancy Date, the Basic Rent will be deposited by Lessor into a segregated, interest bearing account (the "**Reserve Account**"). Following the Occupancy Date, the Reserve Account will be applied to deficiencies in the City's payment of Basic Rent or Additional Rent (defined in Section 5.1 below), if any. Any monies collection in the Reserve Account between the Effective Date and the Occupancy Date may be pledged by Lessor as security for the Building 1 Project financing.

(c) The Basic Rent will be reduced in the event of a Reduction of the Leased Property pursuant to Section 7.2 below.

(d) Basic Rent, as the same may be adjusted pursuant to Section 7.2 below, is payable annually in arrears of the first day of the month which is one-year after the Occupancy Date and the anniversary of each such month thereafter throughout the Term. All payments of Basic Rent shall be paid directly to Lessor at 4001 Dr. Martin Luther King Jr. Boulevard, Suite 301, Kansas City, Missouri 64130, or at such other address as Lessor shall designate to the City from time to time, in writing.

#### **Section 4.2 Additional Rent.**

(a) From and after the Occupancy Date, in addition to Basic Rent, the City shall pay, as “**Additional Rent**,” its pro rata share of the Building 1 Project’s operating costs. A description of the operating costs is set forth on **Exhibit C** attached and incorporated by reference. The percentage used to determine the City’s pro rata share of the operating cost shall be a fraction, the numerator of which is the number of square feet of the Leased Property and the denominator of which is the number of square feet of the Building 1 Project, whether leased, vacant or occupied (the “**Pro Rata Share**”). The City’s Pro Rata Share is 67%. Lessor’s estimate of the City’s Pro Rata Share for insurance for the year in which this Lease Agreement is executed is \$ [REDACTED] (\$7.00 per square foot, per year).

(b) From and after the Commencement Date, in addition to Basic Rent, the City shall also pay, as Additional Rent, its pro rata share of the Building 1 Property’s insurance premiums for all insurance deemed necessary by Lessor for the Building 1 Property. Lessor’s estimate of the City’s Pro Rata Share for insurance for the year in which this Lease Agreement is executed is \$ [REDACTED] (\$ [REDACTED]/per square foot, per year).

(c) The Additional Rent will be adjusted annually at the end of each fiscal year (which fiscal year shall be determined by Lessor) of the Building 1 Project, which adjustment shall be based upon Lessor’s estimation of the next year’s ensuing Building 1 Project’s operating costs.

**Section 4.3 Annual Reconciliation of Additional Rent.** Within a reasonable time after the end of each fiscal year of the City, Lessor shall provide the City with a statement of the prior year’s operating costs, insurance costs, and taxes and assessments (collectively, the “**Building 1 Additional Costs**”). The statement of the Building 1 Additional Costs (the “**Additional Cost Statement**”) will include a statement of the total deposits the City made toward such year’s Building 1 Additional Costs and the total share of the actual Building 1 Additional Costs. There shall be an appropriate adjustment made between Lessor and the City based thereon. If such adjustment shows a balance due to Lessor, such balance shall be payable by the City within thirty (30) days after delivery of the statement of the adjustment; if such adjustment shows a balance due to the City, then the City shall have a credit against the next payments of Basic Rent in the amount of the balance due (or such shall be paid within thirty (30) days after its determination if after the expiration or termination of the Lease), in either case after first deducting therefrom any due and outstanding Basic Rent then owed to Lessor. The foregoing reconciliation shall survive the expiration or earlier termination of this Lease Agreement. The City shall have the right, at the City’s expense, to audit Lessor’s books and records relating to Building 1 Additional Costs after receipt of Lessor’s Additional Cost Statement upon delivery of at least 30 days’ prior written notice within one (1) year after delivery of such Additional Cost Statement. If the audit reveals that Lessor’s statement of Building 1 Additional Costs varies from the audited costs thereof, the difference shall be adjusted between the parties as provided above. If Lessor’s statement exceeds the audited Building 1 Additional Costs by more than five percent (5%) in the aggregate, Lessor shall pay the reasonable expenses and costs of the audit not to exceed \$500.00 for each audit. The foregoing shall survive the expiration or earlier termination of this Lease.

## ARTICLE V

### MAINTENANCE, TAXES AND UTILITIES;

**Section 5.1. Maintenance and Repairs.** Lessor shall, at its own expense, keep the Leased Property in reasonably safe operating condition and keep the Leased Property in good repair, reasonable wear, tear, depreciation and obsolescence excepted, making from time to time all repairs thereto and renewals and replacements thereof it determines to be necessary.

**Section 5.2 Taxes.** The City acknowledges that, pursuant to the PIEA Plan, the Building 1 Project, inclusive of the Leased Property, is subject to partial real property tax abatement. The City and Lessor acknowledge that the City's allocation of cost to pay taxes which are unabated shall constitute Additional Rent and be subject to Section 5.4 below.

**Section 5.3 Utilities.** The City will be solely responsible for the timely payment of utilities consumed by the City at the Leased Property. The City's cost for utilities for the Building 1 Project common areas shall constitute Additional Rent and be subject to Section 5.4 below.

## ARTICLE VI

### INSURANCE

**Section 6.1. Title Insurance.** The City shall be named as an additional insured on any title policy purchased by Lessor.

**Section 6.2. Casualty Insurance.**

(a) Lessor shall at its sole cost and expense obtain and shall maintain throughout the Lease Term, a policy or policies of insurance (including, if appropriate, builder's risk insurance) to keep the Leased Property constantly insured against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State of Missouri in an amount equal to the Full Insurable Value thereof (subject to reasonable loss deductible provisions). The insurance required pursuant to this Section shall be maintained with a generally recognized responsible insurance company or companies authorized to do business in the State of Missouri or generally recognized international insurers or reinsurers with an A.M. Best rating of A or the equivalent thereof or better as may be selected by Lessor. Certificates of the insurance policies required under this Section shall be delivered by Lessor to the City annually commencing on the date of execution of this Lease Agreement and shall name the City as an additional insured.

**Section 6.3. Public Liability Insurance.**

(a) Lessor shall at its sole cost and expense maintain or cause to be maintained at all times during the Lease Term general accident and public liability insurance (including but not limited to coverage for all losses whatsoever arising from the ownership, maintenance, operation or use of any automobile, truck or other motor vehicle), under which the City, shall be named as additional insureds.

**Section 6.4. Blanket Insurance Policies.** Lessor may satisfy any of the insurance requirements set forth in this Article by using blanket policies of insurance, provided each and all of the requirements and specifications of this Article respecting insurance are complied with.

## ARTICLE VII

### SPECIAL COVENANTS

**Section 7.1. Exculpation and Indemnification.** Lessor releases the City from, agrees that the City shall not be liable for and agrees to hold the City harmless against, any loss or damage to Leased Property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Leased Property or the City's use thereof, unless and to the extent such loss is the result of, with respect to the City, the City's gross negligence or willful misconduct. This provision shall survive termination of this Lease Agreement.

**Section 7.2. Reduction of Leased Property.**

(a) The City is the first tenant of the Leased Property.

(b) Lessor may lease all or any portion of the Leased Property to a party other than the City ("**New Lease**") with prior written notice (the "**New Lease Notice**") to and consent of the City (the "**New Lease Consent**"), which consent shall be (a) deemed provided, in the event City is not occupying all or any portion of the Leased Property, and (b) required, but not unreasonably withheld, conditioned or delayed, in the event City is occupying all or any portion of the Leased Property. The New Lease Notice will indicate the amount of square footage the New Lease will reduce from the Leased Property square footage. In the event the New Lease Consent approves reducing the Leased Property footage in favor of the tenant to the New Lease, the City, in its New Lease Consent, shall specifically state whether the City's consent to the New Lease is for all of the square footage described in the New Lease and, in the event such New Lease Consent does not consent to all of the square footage of the Leased Property, the parties will cooperate in good faith to define the amount and location of Leased Property which will remain subject to the City's Lease Agreement, following occupancy of the Leased Property by the tenant party to the New Lease. After the actual reduction in square footage of the City's Leased Property is determined, (i) 90 days following the date on which Lessor commencing collecting basic rent under the New Lease, the City will be released from its obligation to make payments of Basic Rent and Additional Rent, if and to the extent such Building 1 Project is subject to the New Lease as reduces the City's Pro Rata share; and (ii) the parties shall file and record an amendment to the Memorandum of Lease setting forth the revised area of the Leased Property subject to this Lease Agreement.

(c) In the event all of the Leased Property is leased to a new tenant under a New Lease, this Lease Agreement will, at the option of Lessor: (i) terminate on the effective date of the New Lease, and thereafter, be of no further force and effect, except for the provisions set forth in this Lease Agreement which expressly survive the termination or cancellation hereof; or (ii) Lessor may assign the Lease Agreement, with notice to but without the consent of the City, to one or more other commercial properties owned and controlled by Lessor located within a severely distressed census tract in the City of Kansas City, Missouri, plagued by discrimination, disinvestment and perceptions of investment risk (each, a "**Transfer Lease**"); provided, however, the parties agree the term of the Transfer Lease shall be no less than 15 years from the date of the Transfer Lease. In the event of a Transfer Lease, the parties agree to amend this Lease Agreement to set forth specific terms and conditions of the Transfer Lease, subject to the foregoing limitation, and file and record an amendment to the Memorandum of Lease setting forth a legal description of the property subject to the Transfer Lease. In the event of a Transfer Lease, the funds remaining in the Reserve Account, if any, will be released to the City, after deducting any unpaid Basic Rent, Additional Rent, and costs and fees to Lessor to enforce the City's obligations under this Lease Agreement; provided, however, the City may authorize the transfer of the Reserve Account, as adjusted, to be transferred pursuant to the Transfer Lease.

**Section 7.3. Indemnification of City.** Lessor shall indemnify and save and hold harmless the City and their governing body members, officers, agents and employees from and against all third party claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, by or on behalf of any person, firm or corporation arising from the execution of this Lease Agreement or from any work or thing done in connection with the Leased Property during any Lease Term, and against and from all third party claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, arising during any Lease Term from (a) any condition of the Leased Property, (b) any breach or default on the part of Lessor in the performance of any of its obligations under this Lease Agreement, or any related document, (c) any contract entered into in connection with the acquisition, purchase, installation or improvement of the Leased Property, (d) and any act of negligence of Lessor or of any of its agents, contractors, servants, employees or licensees, provided, however, the indemnification contained in this **Section 7.3** shall not (i) extend to the City if it's a result of gross negligence or willful misconduct by the City, or are the result of the performance or failure to perform by the City of its obligations hereunder. This **Section 7.3** shall survive any termination of this Lease Agreement.

**Section 7.4. Equal Opportunity in Employment.** Lessor will refrain from any unlawful employment practice at the Leased Property site as presently defined in the Code of Ordinances of the City. Lessor will post at the Leased Property site notices of the provisions of Section 38-103 of the Code of Ordinances of the City. Lessor will not, and will contractually obligate its contractors at the Leased Property site to not, discriminate against any employee or applicant for employment because of race, color, religion, ancestry or natural origin, sex disability, age, sexual orientation or gender identity in a manner prohibited by Chapter 38 of the City's Code of Ordinances. The City has the right to take action as directed by the City's Human Relations Department to enforce this provision.

**Section 7.5. TIF Reporting.** In accordance with the Recitals set forth on page one of this Lease Agreement, the City acknowledges that the Leased Property is within a TIF Plan Area and that certain taxes generated by economic activities will be applied by the Development Entity toward the costs of constructing the Building 1 Project. The City agrees to shall forward to the Tax Increment Financing Commission and Lessor copies of reports and returns regarding other local taxes generated by the City's economic activities as the Tax Increment Financing Commission or Lessor shall require, all in the format prescribed by them.

## ARTICLE VIII

### DEFAULTS AND REMEDIES

**Section 8.1. Events of Default.** If any one or more of the following events occurs and is continuing, it is hereby defined as and declared to be and to constitute an "**Event of Default**" or "default" under this Lease Agreement:

- (a) Default in the due and punctual payment of Basic Rent; or
- (b) Default in the due observance or performance of any other covenant, agreement, obligation or provision of this Lease Agreement on the City's part to be observed or performed, and such default continues for 30 days after Lessor has given the City written notice specifying such default (or such longer period as is reasonably required to cure such default; provided that (1) the City has commenced such cure within said 30-day period, and (2) the City diligently prosecutes such cure to completion); or

(c) Default in the due observance or performance of any other covenant, agreement, obligation or provision of this Lease Agreement on Lessor's part to be observed or performed, and such default continues for 30 days after the City has given Lessor written notice specifying such default (or such longer period as is reasonably required to cure such default; provided that (1) Lessor has commenced such cure within said 30-day period, and (2) Lessor diligently prosecutes such cure to completion); or

(d) Default if Lessor does not begin construction and renovations on the Leased Property with three (3) months of the Effective Date of this Lease Agreement and complete such construction and renovations within twelve (12) months of this Lease Agreement; or

(e) Default in Lessor's failure to notify the City of any New Lease and failure to amend this Lease Agreement when a New Lease is effective for the Leased Property.

**Section 8.2. Remedies on Default.** If any Event of Default referred to in **Section 8.1** hereof has occurred and continues beyond the period provided to cure, then the non-defaulting party may give the defaulting party written notice of intention to terminate this Lease Agreement on a date specified therein, which date shall not be earlier than 30 days after such notice is given, and if all defaults have not then been cured, on the date so specified, non-defaulting party may terminate this Lease Agreement.

**Section 8.3. Rights and Remedies Cumulative.** The rights and remedies reserved by the City and Lessor hereunder and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. The City and Lessor shall, to the extent provided for by law, each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Lease Agreement, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity.

**Section 8.4. Waiver of Breach.** No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement.

## ARTICLE IX

### ASSIGNMENT; SUBORDINATION; ATTORNMENT; ESTOPPEL

**Section 9.1. Assignment.** Lessor may pledge, assign and transfer the Reserve Account and Lessor's rights to receive Basic Rent and to a third-party lender or successor owner of the Building 1 Project, with prior written notice to and consent of the City. Lessor may assign this Lease Agreement to any entity under the majority control of Lessor, or to an unrelated party, with the City's advance written consent. The City may assign this Lease Agreement subject to the advance written consent of Lessor; provided, however, no such assignment by the City will constitute a novation of the Lease Agreement, and all the terms and conditions thereof will continue in full force and effect, unless otherwise agreed to by Lessor.

**Section 9.2. Subordination.** This Lease Agreement is subject and subordinate to all mortgages, trust deeds, and ground and underlying leases and other financings and re-financings (each, an "Underlying Mortgage") which now or hereinafter encumber the Building 1 Project, and to all renewals,

modifications, consolidations, replacements and extensions of any such Underlying Mortgages. This subordination clause shall be self-operative and no further instrument of subordination need be required by the City or any mortgagee, ground lessor or beneficiary, affecting any Underlying Mortgage in order to make such subordination effective. The City agrees to execute, within twenty (20) business days following receipt of Lessor's written request, any commercially reasonable certificate or document that Lessor may request to effectuate, evidence or confirm such subordination.

**Section 9.3. Attornment.** If Lessor's interest in the Building 1 Project is sold or conveyed upon the exercise of any remedy provided for in any Underlying Mortgage, or otherwise by operation of law, then, subject to the terms and provisions of the a non-disturbance agreement executed in connection with any such Underlying Mortgage: (a) at the election of the new owner, the City will attorn to and recognize the new owner as the City's landlord under this Lease Agreement, and upon request, the City shall enter into a new lease containing all of the terms and provisions of this Lease Agreement, with such new owner for the remaining term hereof, or, at the election of such new owner, this Lease Agreement shall automatically become a new lease between the City and such new owner, upon the terms and provisions hereof for the remaining term hereof, and the City will confirm such attornment and new lease in writing within twenty (20) days after request. As of the Effective Date, the City acknowledges that all or a portion of the Building 1 Property may be transferred to a condominium created by Lessor, pursuant to Missouri's Uniform Condominium Act.

**Section 9.4. Estoppel Certificates.** The City agrees to execute within fifteen (15) business days after request, and as often as reasonably requested, estoppel certificates confirming any factual matter requested by Lessor which is true and is within the City's knowledge regarding this Lease Agreement, the Property, and the Building 1 Project, including but not limited to: (i) the date of occupancy, (ii) the Term, (iii) the amount of Basic Rent due and date to which Basic Rent is paid, (iii) whether the City has any defense or offsets to the enforcement of this Lease Agreement or the Basic Rent payable, (iv) any default or breach by Lessor, and (v) whether this Lease Agreement, together with any modifications or amendments, is in full force and effect.

## ARTICLE X

### AMENDMENTS, CHANGES AND MODIFICATIONS

**Section 10.1. Amendments, Changes and Modifications.** Except as otherwise provided in this Lease Agreement, this Lease Agreement may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the party against whom enforcement of any such modification, amendment, alteration or termination is sought, which consent, however, shall not be unreasonably withheld.

## ARTICLE XI

### MISCELLANEOUS PROVISIONS

**Section 11.1. Notices.** It shall be sufficient service of any notice, certificate or other communication required or desired to be given hereunder to be given or filed with the City, or CBKC if the same is duly mailed, postage prepaid, sent by overnight delivery or other delivery service or sent by facsimile with receipt confirmed by telephone, addressed as follows:

(a) To the City:

City of Kansas City, Missouri  
Attention: Tammy Queen, Director of Finance

414 East 12<sup>th</sup> Street, 1<sup>st</sup> Floor East  
Kansas City, Missouri 64106  
Facsimile: (816) 513-1020

with a copy to:

City Attorney  
Attention: Matthew Gigliotti, Esq.  
414 East 12<sup>th</sup> Street, 28<sup>th</sup> Floor  
Kansas City, Missouri 64106  
Facsimile: (816) 513-3133  
Email: [matthew.gigliotti@kcmo.org](mailto:matthew.gigliotti@kcmo.org)

(b) To Lessor:

Community Builders of Kansas City  
Attention: Emmet Pierson, Jr., President & CEO  
4001 Dr. Martin Luther King Jr. Boulevard, Suite 301  
Kansas City, MO 64130  
Facsimile: (816) 448-2943  
Email: [epierson@cb-kc.org](mailto:epierson@cb-kc.org)

with copies to:

Hardwick Law Firm, LLC  
Attention: Allison Bergman, Esq.  
2405 Grand Boulevard, Suite 800  
Kansas City, Missouri 64108  
Facsimile: (816) 221-1132  
Email: [abergman@hardwicklaw.com](mailto:abergman@hardwicklaw.com)

All notices given by certified or registered mail as aforesaid shall be deemed fully given as of the date they are so mailed. The City and Lessor may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

**Section 11.2. Lessor Shall Not Unreasonably Withhold Consents and Approvals.** Wherever in this Lease Agreement it is provided that Lessor shall, may or must give its approval or consent, or execute supplemental agreements or schedules, Lessor shall not unreasonably, arbitrarily or unnecessarily withhold or refuse to give such approvals or consents or refuse to execute such supplemental agreements or schedules.

**Section 11.3. Limitation on Liability of City.** No provision, covenant or agreement contained in this Lease Agreement or any obligation herein or therein imposed upon the City, or the breach thereof, shall constitute or give rise to or impose upon the City a pecuniary liability or a charge upon the general credit or taxing powers of the City or the State of Missouri.

**Section 11.4. Governing Law.** This Lease Agreement shall be construed in accordance with and governed by the laws of Missouri.

**Section 11.5. Binding Effect.** This Lease Agreement shall be binding upon and shall inure to the benefit of the City and CBKC and their respective successors and assigns.



**Section 11.6. Severability.** If for any reason any provision of this Lease Agreement shall be determined to be invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected thereby.

**Section 11.7. Electronic Storage.** The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 11.8. Execution in Counterparts.** This Lease Agreement may be executed in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

[The remainder of this page intentionally left blank.]

**IN WITNESS WHEREOF**, the City has caused this Lease Agreement to be executed by its duly authorized signatories, as of the Effective Date first above written.

**CITY OF KANSAS CITY, MISSOURI**

By: \_\_\_\_\_  
Name: Tammy Queen  
Title: Director of Finance

[SEAL]

ATTEST:

By: \_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
City Attorney

Approved as to form:

\_\_\_\_\_

[SIGNATURES CONTINUE ON NEXT PAGE]

**IN WITNESS WHEREOF**, Lessor has caused this Lease Agreement to be executed by its duly authorized signatories, as of the Effective Date first above written.

**COMMUNITY BUILDERS OF KANSAS CITY**

By: \_\_\_\_\_  
Name: Emmet Pierson, Jr.  
Title: Managing Member

**ACKNOWLEDGMENT**

STATE OF MISSOURI        )  
  ) SS  
COUNTY OF JACKSON     )

**BE IT REMEMBERED**, that on this \_\_\_\_ day of \_\_\_\_\_, 2023, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Tammy Queen, Director of Finance of **KANSAS CITY, MISSOURI**, a body politic and corporate duly authorized, incorporated and existing under and by virtue of the laws of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of said City, and that said instrument was signed and sealed in behalf of said City by authority of its Governing Body, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

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

Printed Name: \_\_\_\_\_  
Notary Public in and for said State

[SEAL]

My commission expires:

**ACKNOWLEDGMENT**

STATE OF MISSOURI        )  
  ) SS.  
COUNTY OF JACKSON     )

On this \_\_\_\_ day of \_\_\_\_\_, 2023, before me, the undersigned, a Notary Public, appeared Emmet Pierson, Jr., to me personally known, who, being by me duly sworn, did say that he is the President and CEO of Community Builders of Kansas City, a Missouri nonprofit corporation, that said instrument was signed in behalf of said corporation by authority of its Board of Directors, that said officer acknowledged said instrument to be executed for the purpose therein stated and as the free act and deed of said corporation.

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

\_\_\_\_\_  
Typed or Printed Name: \_\_\_\_\_  
Notary Public in and for said State

[SEAL]

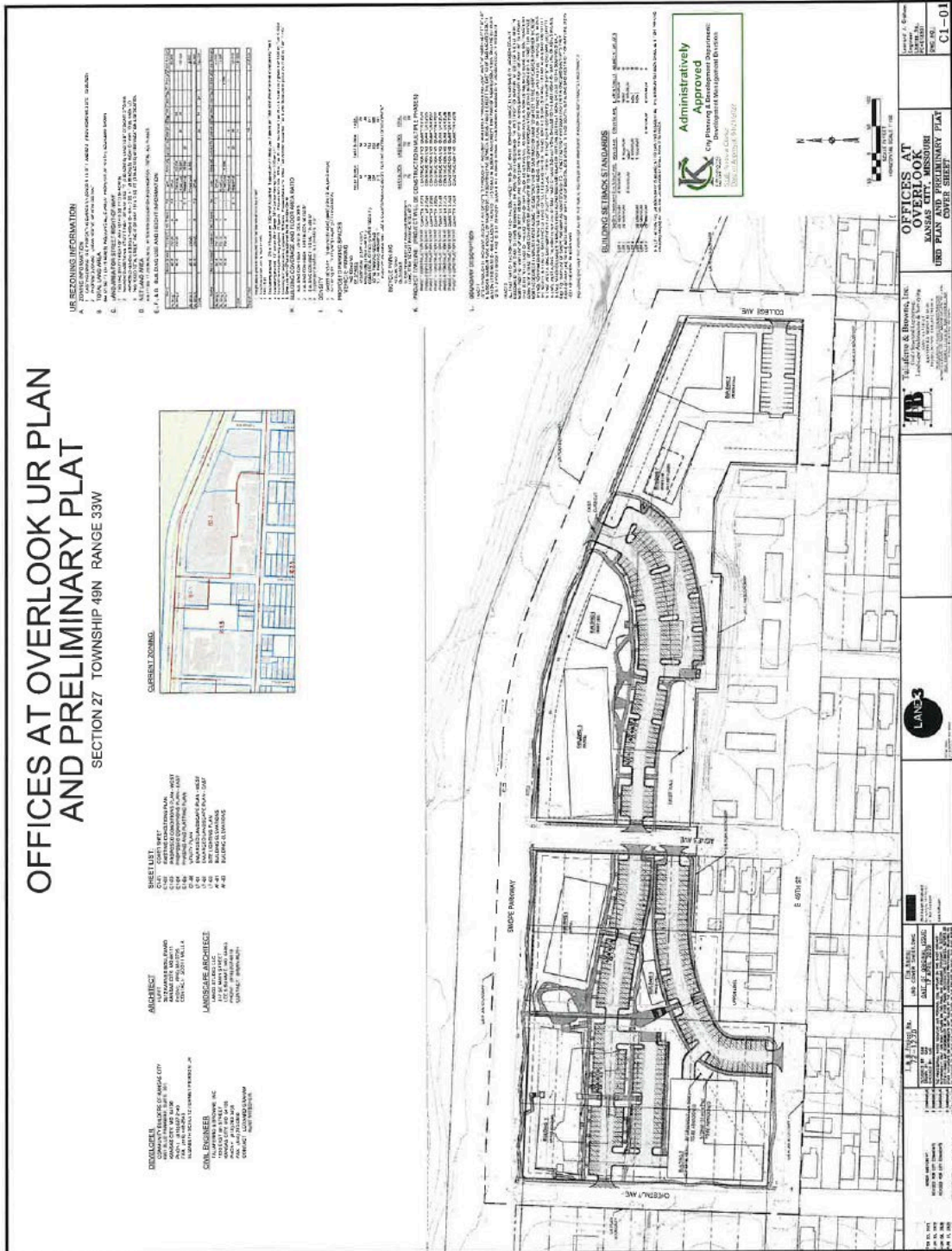
My commission expires:

\_\_\_\_\_



# EXHIBIT B

## DEPICTION OF OFFICE BUILDING



## EXHIBIT C

### **BUILDING 1 PROPERTY OPERATING COSTS**

“Operating Costs” shall mean and include all costs and expenses of every kind and nature as may be paid or incurred in operating, policing, protecting, insuring, managing, equipping, landscaping, lighting, repairing, renovating, modifying, replacing and maintaining the common areas of the Building 1 Project including, without limitation, the cost and expense of providing or causing any or all of the following to be provided:

- (i) operating, maintaining, repairing, replacing, renovating, modifying, lighting, cleaning, sweeping, painting and resurfacing including, without limitation: parking lots, curbs, roofs, gutters, sidewalks, paving, vehicle area lighting facilities, lighting and sound facilities, storm and sanitary drainage systems and other utility conduit systems, ducts and similar items, security, fire protection systems, sprinkler systems, security alarm systems, signs, retaining walls, fences, canopies, steps, escalators and ramps, exclusive of casualty loss replacement covered by insurance;
- (ii) a reserve for resurfacing and/or replacing the parking lot, curbs, roofs, gutters and sidewalks;
- (iii) gardening, landscaping and maintenance of grass, trees and shrubbery;
- (iv) personal property taxes on equipment and systems in, pertaining to, or used in maintaining or operating the common areas of the Building 1 Project (“Common Elements”);
- (v) utility charges, including water and sewer charges (if not separately metered) and costs of lighting the Common Elements, the vehicle areas, Building 1 Property signs and other similar facilities;
- (vi) removal of snow and ice;
- (vii) collection and removal of trash from all Common Elements;
- (viii) equipment, machinery and supplies used in the operation and/or maintenance of the Common Elements (including cleaning and snow removal equipment) and of Building 1 Property signs, fixtures, furnishings (including the cost of inspection and depreciation thereof, unless the original cost was included in Building 1 Property operating costs);
- (ix) power and fuel for operating the Common Elements’ equipment and systems, and for operating vehicles and equipment used for cleaning, maintenance or snow removal;
- (x) salaries of personnel directly engaged in operating, cleaning and maintaining the Common Elements and/or the Building 1 Property (including security personnel and parking attendants) and all related payroll charges, benefits and taxes;
- (xi) any management fees paid for the management of the Building 1 Property, not in excess of amounts paid for other comparable centers in the area in which the Building 1 Property is located; and
- (xii) an administrative fee in an amount equal to fifteen percent (15%) of the total of said Building 1 Project operating costs.

END OF EXHIBIT