

**ABATEMENT AGREEMENT  
FOR THE STANLEY EVENT SPACE REDEVELOPMENT PROJECT**

This **ABATEMENT AGREEMENT FOR THE STANLEY EVENT SPACE REDEVELOPMENT PROJECT** (the “**Agreement**”) is made this 17<sup>th</sup> day of March, 2020, between the Land Clearance for Redevelopment Authority of the City of Lee’s Summit, Missouri, a public body corporate and politic created pursuant to the Land Clearance for Redevelopment Authority Law (the “**LCRA**”), and Stanley Event Space, LLC (the “**Company**”). The LCRA and Company may be referenced herein as a “**Party**” or collectively as the “**Parties.**”

**RECITALS**

WHEREAS, in 1961, a ballot question was approved to form the LCRA pursuant to the Land Clearance for Redevelopment Authority Act set forth in Sections 99.300 to 99.715, RSMo (the “**LCRA Act**”); and

WHEREAS, the LCRA was formed for the purposes of redeveloping and rehabilitating property within the areas that have been found by the City Council to be blighted areas under the LCRA Act; and

WHEREAS, following Ordinance No. 7251 that was approved by the City Council on October 22, 2012, the Company has undertaken redevelopment and rehabilitation of certain property (the “**Redevelopment Project**” or “**Project**”) for the Stanley Event Space which is located at 306 SE Douglas Street and which is legally described in the attached **Exhibit A**; and

WHEREAS, following amendment of the City’s Economic Development Incentive Policy pursuant to Ordinance No. 8801(a) on January 14, 2020, Company made application to the City to amend the terms of the abatement approved by Ordinance No. 7251 so that the duration of the tax abatement would be extended for a longer period of time to provide additional value of tax abatement, so that such value of abatement more closely reflects the actual extraordinary costs incurred by Company through the Redevelopment Project; and

WHEREAS, the LCRA Board of Commissioners (the “**Board**”) heard Company’s request for an extension of the tax abatement on January 22, 2020 and thereafter voted unanimously to recommend that tax abatement should last for an additional period of time so that the value of the abated real property taxes reaches a total of \$192,011; and

WHEREAS, the City Council heard Company’s request for an extension of the tax abatement on March 3, 2020 and thereafter adopted Ordinance No. \_\_\_ on March 17, 2020 (the “**Amending Ordinance**”) which approved an extension of the duration of tax abatement until the value of the abated taxes equals \$192,011, and ordered that the Company thereafter make a PILOT Payment for the remaining balance of the taxes due in the final year of abatement according to the terms of this Agreement; and

WHEREAS, tax abatement was commenced in calendar year 2014 and through 2019, which is the sixth year of tax abatement, the value of the abatement received by Company was \$170,321; and

WHEREAS, the Company is entitled to another \$21,690 in value of the tax abatement pursuant to the City Council’s approval granted in the Amending Ordinance, which is expected to occur in calendar year 2020, and thereafter Company will make a PILOT Payment as required by this Agreement and then the property will be returned to the tax rolls as fully taxable.

NOW, THEREFORE, for and in consideration of the above recitals, the mutual promises, covenants, undertakings and understanding hereinafter set forth, and other good valuable consideration, LCRA and Company agree that:

1. **Definitions.** In additions to the terms defined elsewhere in this Agreement, the following capitalized words and terms shall have the following meanings:

**“Applicable Laws and Requirements”** means any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, authorization, requirement or decision of or agreement with or by any governmental entity.

**“Base Taxes”** means the real property taxes that are due and payable during each year of tax abatement, which is attributable to the value of the Property prior to undertaking the Project, as reflected on the Jackson County tax bill for each calendar year.

**“Certificate of Qualification”** means the Certificate of Qualification for Tax Abatement issued by the LCRA for the Redevelopment Project pursuant to Sections 99.700 to 99.715, RSMo.

**“Company”** means the party described in the introductory paragraph of this Agreement and any purchaser of the Property that is authorized to continue to receive tax abatement as described in this Agreement.

**“PILOT Payment”** means payments in lieu of taxes allowed by the LCRA Act and as provided in this Agreement.

2. **Representations of Company.** Company represents that:

A. Company is a Missouri limited liability company, duly created and existing under the laws of Missouri and is authorized to do business in Missouri.

B. Company has full power and authority to enter into this Agreement and to carry out its obligations under this Agreement, and, by proper actions of its members has been duly authorized to execute and deliver this Agreement.

C. Company is authorized to take the actions described in this Agreement with respect to the Property and this Agreement will be the valid and binding obligation of Company, enforceable against Company in accordance with its terms.

D. There is no litigation or other proceedings pending or threatened against the Company or any other person affecting the right of the Company to execute or deliver this Agreement or the ability of the Company to comply with its obligations under this Agreement.

E. Company will pay, or cause to be paid, the property taxes and PILOT Payment assessed against the Property as set forth in this Agreement.

F. Company understands the potential effect that participation in this program may have on existing liens, title insurance policies and other encumbrances that have or may be placed on the Property.

**3. Representations of the LCRA.**

A. The Authority is a public body corporate and politic duly organized under the laws of the State and ordinances of the City and has corporate power to enter into this Agreement. The Board has duly authorized the negotiation, execution and delivery of this Agreement.

B. No commissioner of the LCRA or any other officer of the LCRA has any conflicting interest (financial, employment or otherwise) in the Company, the Project or the transactions contemplated by this Agreement.

**4. Notice to Proceed.** The LCRA, concurrent with the LCRA's execution of this Agreement, hereby consents to the extension of tax abatement as requested by Company and approved by the City Council, upon satisfaction of the terms and conditions of this Agreement.

**5. Transfer of the Property.** Company may transfer the property and assign the right to receive tax abatement to the purchaser and subsequent re-purchasers of the Property, and the tax abatement provided by this Agreement shall be deemed assigned to any purchaser and each re-purchaser of the Property provided that all terms and conditions of this Agreement are satisfied at the closing of such transaction and continue to be satisfied on the Property in order to maintain the tax abatement authorized by this Agreement. Company and each subsequent Company that seeks to transfer the property shall provide written notice of the intention to transfer the property at least 30 days prior to such transfer. Tax abatement for the Property may be terminated pursuant to the terms and conditions of this Agreement.

**6. Improvements for the Redevelopment Project.**

The Company has already completed the Redevelopment Project.

**7. Terms of Tax Abatement.**

A. **Completion of the Project.** The Project has already been completed and abatement is already in effect for the Project.

B. **Commencement of Abatement.** Tax abatement commenced in 2014.

C. **Duration of Tax Abatement and Termination.**

1. **Amount of Abatement.** Tax abatement has been approved by the City Council in the amount of \$192,011 (the "**Abatement Amount**"). It is projected that the tax abatement provided by this Agreement is anticipated to last until 2020, based on the data collected by the City for the Property, but the actual duration of tax abatement shall be as provided in this Section. Tax abatement will be in effect under this Agreement until the calendar year that the cumulative value of the abated real property taxes, as calculated by Jackson County on an annual basis in the process of assessing real property taxes against the Property, has reached the Abatement Amount. The Abatement Amount shall be tracked by the City during the effective term of this Agreement, and the City shall provide to Company a statement of the then-remaining Abatement Amount upon request by Company, which may be made not more than once per calendar year.

2. **PILOT Payment in Final Year.** In the calendar year that the value of the abated real property taxes has exceeded the Abatement Amount, the City shall send a bill (the "**PILOT Bill**") to Company for a payment (the "**PILOT Payment**") in the amount of (a) the total amount of the tax bill for that calendar year, less (b) the Base Taxes and the amount of abated real property

taxes which is necessary to achieve the Abatement Amount.

3. **Payment in Lieu of Taxes for Project.** The Company covenants and agrees to make the PILOT Payment to the City on or before December 1 in the year in which the PILOT Bill is delivered to Company. The PILOT Payment due under this Agreement which is not paid when due shall bear interest at the interest rate imposed by Missouri law on overdue *ad valorem* real property taxes from the date such payment was first due. If the Company does not make the PILOT Payment by February 1 of the next calendar year, the City shall notify Jackson County that a supplemental tax bill shall be issued for the Property by the County in the amount of the outstanding PILOT Payment, which shall be treated as a tax bill pursuant to all Applicable Laws and Requirements.

4. **Distribution of PILOT Payment.** Within 30 days of the date of receipt of each PILOT Payment, the City shall distribute the PILOT Payment among the taxing jurisdictions in proportion to their tax levies.

5. **Notification to County.** When the bill for the PILOT Payment has been sent to Company, the City shall also notify the County that the tax abatement provided by this Agreement is terminated and the Property shall return to the tax rolls as fully taxable property in the next following calendar year.

6. **10-Year Limitation on Abatement.** In the event that the full Abatement Amount has not been realized in the 10<sup>th</sup> calendar year of abatement, the City shall notify the County that abatement shall terminate at the end of the 10<sup>th</sup> year in accordance with the limitation set forth in Section 99.710, RSMo, and the property shall thereafter return to the tax rolls as fully taxable property in the 11<sup>th</sup> year after the tax abatement was commenced. In no event will tax abatement under this Agreement last for a period greater than ten years, in accordance with the limitation set forth in Section 99.710, RSMo.

C. **Payment of Base Taxes.** Company shall be responsible for paying the Base Taxes each year that tax abatement is in effect under this Agreement. In the event that Developer fails to pay the base taxes in accordance with Applicable Laws and Requirements, such failure may serve as the basis for the City to terminate tax abatement and this Agreement as set forth in paragraph E of this Section.

D. **Early Termination of Abatement.** The following events shall provide the LCRA with the right to terminate the tax abatement:

1. Failure of the Company or an authorized purchaser to observe and perform any covenant, condition or agreement as provided in this Agreement.

2. The filing by the Company or an authorized purchaser of a petition in involuntary bankruptcy, or failure by the Company to promptly lift any execution, garnishment or attachment of such consequence as would impair the ability of the Company to carry on its operation, or adjudication of the Company as bankrupt, or assignment by the Company for the benefit of creditors. To the extent that Company is a bank, then the placement of Company in an involuntary receivership (or similar legal process) by its chartering authority.

3. Failure to pay all Base Taxes which are assessed against the Property before they become delinquent.

4. Failure of the Company to pay any personal property or business license taxes which are attributable to the Property or any activities on the Property.

5. Company fails to cooperate with and permit, at a reasonable time and upon reasonable prior notice, authorized representative of the City or the LCRA to enter upon the Redevelopment Project during the period of any construction and after completion of the Improvements to determine whether the Redevelopment Project conforms to this Agreement.

6. The failure of Company to comply with all Applicable Laws and Requirements.

7. Foreclosure on the Property or any portion thereof by a lender and transfer of the Property or any portion thereof to the lender or a subsequent Company, and the lender or subsequent Company fails to cooperate with and permit, at a reasonable time and upon reasonable prior notice, authorized representative of the City or the LCRA to enter upon the Redevelopment Project during the period of any construction and after completion of the Improvements to determine whether the Redevelopment Project conforms to this Agreement.

F. **Obligation of the City to Effect Tax Abatement.** The City agrees to take all actions within its control to obtain and/or maintain in effect the abatement provided by this Agreement; provided, however, the City shall not be liable for any failure of Jackson County, Missouri or any other governmental taxing authority to recognize the abatement provided herein. The City covenants that it will not voluntarily take any action that may cause or induce the levy or assessment of ad valorem taxes on the Project that is not in compliance with this Agreement. In the event such a levy or assessment should occur, the City shall, at the Company's request and at the Company's expense, fully cooperate with Company in all reasonable ways to correct such levy or assessment against the Project that does not carry out the intended abatement.

G. **No Abatement on Special Assessments, Licenses or Fees.** The City and the Company hereby agree that the property tax abatement provided in this Agreement shall not apply to special assessments and shall not serve to reduce or eliminate any other licenses or fees owing to the City or any other taxing jurisdiction with respect to the Project. Company hereby agrees to make payments with respect to all special assessments, licenses and fees that are otherwise be due with respect to the Project.

8. **Inspections.** The LCRA or the City may conduct on-site inspections on a periodic basis to ensure compliance with this Agreement. The Company shall cooperate with the LCRA and the City to permit access to the Project for such inspections at reasonable times, upon request and with reasonable notice.

9. **Excusable Delays.** The Parties understand and agree that neither Party shall be deemed to be in default of this Agreement because of Excusable Delays. "**Excusable Delay**" means any delay beyond the reasonable control of the Party affected, caused by damage or destruction by fire or other casualty, strike, shortage or materials, unavailability of labor, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or abnormal duration, tornadoes, and any other events or conditions, interfering with the redevelopment and rehabilitation of the Redevelopment Project through the completion of all or any portion of the Improvements, which in fact prevents the Party so affected from discharging its respective obligations hereunder.

10. **Risk of Loss and Indemnification.**

A. While the Property is receiving tax abatement pursuant to the Approving Ordinance, all risk of loss with respect to such Property and the Improvements shall be borne by the Company and its successors in interest to the Property.

B. The Company shall indemnify the LCRA and the City and their officers, employees and agents (the “**Indemnified Parties**”) from any liability for injury or damage arising from any casualty to persons or property due to the negligence, omission or willful, wrongful act of the Company in connection any and all work on the Redevelopment Project. The Company is responsible for compliance with all Applicable Laws and Requirements and agrees to hold harmless and indemnify the Indemnified Parties from and against all suits, claims, costs of defense, damages, injuries, liabilities, costs and expenses, including court costs and attorneys’ fees, resulting from, arising out of, or in any way connected with the Company’s failure to comply with any Applicable Laws and Requirements.

**11. Dealings between the Parties.** The Parties agree to and shall cooperate and deal with each other in good faith, and shall assist each other whenever possible, appropriate or necessary in the performance of this Agreement. The Parties agree to take such actions (including adopting additional and further resolutions, rules, regulations or codes) and to make, execute and deliver such further and/or additional documents, agreements, instruments and/or understanding as may be required, necessary or convenient to effectuate fully this Agreement and all of the terms, conditions and provisions. The Company acknowledges that City staff and City representatives work closely with the LCRA, and the rights, duties and obligations of the LCRA under this Agreement may be carried out and completed with the assistance of City staff on behalf of the LCRA.

**12. Recording.** This Agreement or a memorandum of this Agreement shall be recorded by the City in the office of the Department of Records of Jackson County, Missouri.

**13. No Waiver.** Any failure by either Party to insist upon or enforce any of their respective rights or duties hereunder shall not constitute a waiver, nor shall a failure to insist upon or enforce any rights preclude either Party from insisting upon or enforcing any of their respective rights or duties during the remaining term of this Agreement.

**14. Governing Law.** This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Missouri without giving effect to any choice or conflict of law provision or rule (whether of the State of Missouri or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Missouri.

**15. Severability.** If any one or more of the terms, provisions or conditions of this Agreement shall be declared unconstitutional, invalid, illegal or unenforceable by a court of competent jurisdiction, the validity of the remaining terms, conditions and provisions contained herein shall in no way be affected, prejudiced, limited or impaired thereby.

**16. Entire Agreement.** This Agreement and all Exhibits attached hereto constitute the entire understanding between the Parties and supersede any and all prior agreements or understanding, whether oral or written, pertaining to the subject matter of this Agreement. This Agreement may be amended only by the mutual consent of the Parties, and by the execution of an amendment by the Parties or their respective successors in interest.

IN WITNESS WHEREOF, the Parties have set their hands the date and years first above written.

**STANLEY EVENT SPACE, LLC**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date \_\_\_\_\_

STATE OF MISSOURI     )  
                                          )   SS.  
COUNTY OF JACKSON    )

**BE IT REMEMBERED**, that on this \_\_\_\_\_ day of \_\_\_\_\_, 2020, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came \_\_\_\_\_ who is the manager for Stanley Event Space, LLC who is personally known to me to be the same person who executed the within instrument on behalf of said company, and such person duly acknowledged the execution of the same to be the free act and deed of such entity

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

[SEAL]

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:

\_\_\_\_\_

**LAND CLEARANCE FOR REDEVELOPMENT  
AUTHORITY OF LEE’S SUMMIT, MISSOURI**

\_\_\_\_\_  
By: Donna Gordon, Chairperson

**STATE OF MISSOURI        )**  
                                          )  
**COUNTY OF JACKSON     )**   **SS.**

**BE IT REMEMBERED**, that on this \_\_\_\_\_ day of March, 2020 before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Donna Gordon who is the Chairperson of the Land Clearance for Redevelopment Authority of Lee’s Summit, Missouri (the “LCRA”), who is personally known to me to be the same person who executed the within instrument on behalf of the LCRA, and such person duly acknowledged the execution of the same to be the free act and deed of the LCRA.

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

[SEAL]

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:

\_\_\_\_\_



**EXHIBIT A**

**LEGAL DESCRIPTION OF THE PROPERTY**

Lot 2A, Gano Addition, a subdivision in Lee's Summit, Jackson County, Missouri, according to the recorded plat thereof. Said area contains 9307.86 square feet, more or less.