

Exhibit 1

DEVELOPMENT AGREEMENT (LCRA) BETWEEN SF003 LLC (BRIDGE SPACE) AND THE CITY OF LEE'S SUMMIT, MISSOURI

THIS AGREEMENT ("**Agreement**") is made this _____ day of _____ 20____, by and between SF003 LLC, a _____ (the "**Developer**"), and the Land Clearance for Redevelopment authority for the City of Lee's Summit (the "**Authority**") and the City of Lee's Summit, Missouri, a municipal corporation (the "**City**").

WHEREAS, on January 5, 2017, SF003 LLC presented a conceptual presentation to the City Council requesting an incentive above 50% through the Land Clearance for Redevelopment Authority, and received direction to proceed with a Land Clearance for Redevelopment Authority redevelopment application; and,

WHEREAS, on January 25, 2017 the Land Clearance for Redevelopment Authority considered and recommended approval of an estimated annual real property tax abatement of \$25,512 (twenty-five thousand, five-hundred and twelve dollars) for a period of 8 years for a total of \$204,096.00 (two-hundred four thousand and ninety-six dollars); and,

WHEREAS, on February 9, 2017, the City Council having heard and considered the objections, protests, comments and other information presented, voted to adopt Bill No. 17-40 (Ordinance No. 8094) approving the "Cowork Lee's Summit LCRA Redevelopment Project" now known as "Bridgespace"; and,

WHEREAS, on January 24, 2018, the Land Clearance for Redevelopment Authority reconsidered the manner in which the approved abatement for the project is to be implemented and recommends approval of an estimated annual real property tax abatement of \$20,017 (twenty thousand, and seventeen dollars) for a period of 10 years for a total of \$200,170.00 (two-hundred thousand one-hundred seventy dollars); and,

WHEREAS, on February 15, 2018, the City Council having heard and considered the objections, protests, comments, and other information presented, voted to direct City Staff to present an ordinance approving the "Bridge Space Cowork project" with an abatement of 100% of the incremental property taxes for a period of up to 10 years subject to entering into a development agreement specifying certain performance measurements; and,

WHEREAS, the parties have freely negotiated in good faith and this Agreement reflects the desires of the parties.

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions contained herein, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Definitions.** Words or terms not defined elsewhere in this Agreement shall have the following definitions:
 - A. "**Developer**" shall mean SF003 LLC.
 - B. "**Improvements**" shall mean any building improvements constructed by the Developer as a part of the Redevelopment Project.
 - C. "**Property**" shall mean property addressed as 210 SW Market St., in Lee's Summit, Jackson County, Missouri (Parcel No. 61-340-23-14-00-0-000)

D. **"Redevelopment Project"** shall mean the investment, improvements and employment created as described in the Redevelopment Project Application, a true and accurate copy being attached hereto and incorporated herein by reference as Exhibit "A".

2. **Requirements for Improvements.** Developer shall, no later than December 31, 2018 have made a capital investment in furtherance of the Redevelopment Project of no less than One Million Two-Hundred Thousand Dollars (\$1,200,000), which investment shall include the following: (1) land acquisition costs; (2) the costs of construction of the Improvements; (3) the costs of machinery and equipment utilized in the Redevelopment Project; and (4) any soft costs incurred by the Developer in furtherance of the Redevelopment Project. Such expenditures shall be documented by the Developer in a format reasonably acceptable to the City. Additionally, the Developer shall substantially complete the Improvements and obtain a certificate of occupancy for the project. In that by December 31, 2018: (i) the required capital investment has not been made; (ii) the Improvements are not substantially complete; or (iii) a certificate of occupancy for the Improvements is not granted, the abatement contemplated as part of this project shall automatically be revoked unless the Developer obtains the approval of the City Council to extend such date, which approval shall not be unreasonably withheld if such delay is for circumstances beyond the reasonable control of the Developer.

3. **Abatement.** The terms of the abatement shall be as described in Ordinance No. _____ passed by the City Council of the City of Lee's Summit on _____, 2018.

4. **Penalty for Non-Performance and use of property.**

New Businesses - It is anticipated that this redevelopment project will create at least 15 new businesses over the 10 year abatement period. In the event that developer shall fail to create a certain number of new businesses at certain test dates then a penalty for non-performance shall be due. Any such penalty shall be calculated and determined as described in Exhibit "B" attached hereto and incorporated herein by reference.

Use of Property – in the event the use of the property changes during the term of the abatement period, the Land Clearance for Redevelopment Authority and City Council shall reconsider the approved abatement and may revise or terminate said abatement.

5. **Public Improvements.** In the event that any public improvement is required as part of the redevelopment project the provisions of this section 6 and all subsections shall apply. This Section 6 Does _____(initial); Does Not _____(initial) apply.

A. **Right of Way Acquisition.**

(1) The Developer shall be responsible for acquiring or negotiating for the donation of all right-of-way or easements that are needed to construct the Improvements, including all necessary temporary construction easements.

(2) In the event that the Developer is unable, after good faith negotiations, to acquire some or all of the right-of-way or easements necessary for those Improvements over which the City exercises jurisdiction, the Developer may submit a request to the City (in the manner prescribed by Section 26 below) requesting that the City use its authority to acquire the property

interests necessary for the Improvements. The City will respond to such a request within thirty (30) days of receipt of same, and in such response the City will indicate whether it agrees to enter into good faith negotiations or exercise its power of eminent domain to acquire the right-of-way or easements necessary for Improvements over which the City exercises jurisdiction. The City is not obligated to use its authority to assist in the acquisition of property interests necessary for the Improvements.

- (3) In the event the City agrees to enter into good faith negotiations or exercise its power of eminent domain to acquire the right-of-way or easements necessary for Improvements over which the City exercises jurisdiction, prior to beginning any work to acquire said right-of-way or easements, the Developer shall first execute an Acquisition Funding Agreement with the City which provides for the terms and conditions under which the Developer will place all estimated Acquisition Costs in escrow with the City prior to commencement of condemnation for right-of-way or easements. The Acquisitions Costs shall include, but shall not be limited to: the actual price paid for all right-of-way or easements, whether determined by negotiation or eminent domain; expenses related to the establishment of acquisition values of right-of-way or easements, including appraisals; legal fees, other expenses paid to third parties, and expenses incurred by the City related to acquisition of right-of-way or easements, whether through negotiation or eminent domain; and any other reasonable and necessary costs or expenses related to acquisition of the right-of-way or easements. The Acquisition Funding Agreement shall obligate the Developer to reimburse the City in full for all Acquisition Costs that result from the City's use of its authority to acquire any portion of the Improvements.
 - (4) The Developer shall dedicate or convey, as applicable, to the City, at no cost to the City, all property interests owned by the Developer which are necessary for the Improvements.
- B. Utility Relocation. The parties agree that all costs associated with relocating any existing utilities from any existing public or private easement, as a result of construction of the Improvements, shall be paid by the Developer, and are not the responsibility of the City. The parties agree that all costs associated with relocating any existing utilities from any existing right-of-way as a result of construction of the Improvements, which are not paid by a utility company, shall be paid by the Developer and are not the responsibility of the City.
 - C. Inspections and Change Orders. The Developer agrees to permit City employees, agents and contractors to inspect, observe, and oversee the construction of all Improvements in order to ascertain and determine that the standards of the City have been met. The Developer shall obtain the City Engineer's approval of all change orders materially altering the design or specifications of the Improvements.
 - D. Dedication. Upon completion, inspection and approval of the Improvements by the City, the Developer will dedicate the Improvements to the City, for its use, operation and maintenance. The City shall be under no obligation to accept the dedication or conveyance of any Improvements constructed pursuant to this Agreement until it has been inspected and approved to the satisfaction of the Director of Public Works. Upon written notice of the inspection and approval of the Director of Public Works, the Developer agrees to convey all the Improvements to the City free and clear of all liens and encumbrances or other obligations. Said conveyance shall be by appropriate document, and shall be sufficient, in the opinion of the City

Attorney, to convey marketable title of record, as set forth in Title Standard 4 of the Missouri Bar.

6. **Indemnification.**

- A. **General Indemnity.** The Developer shall indemnify, release, defend, be responsible for and forever hold harmless the Authority and the City, and their respective officers, agents, employees, elected officials, and attorneys, each in their official and individual capacities, from and against all lawsuits, suits, actions, costs, claims, demands, damages, disability, losses, expenses, including reasonable attorney's fees and other defense costs or liabilities of any character and from any cause whatsoever, brought because of bodily injury or death received or sustained, or loss or damage received or sustained, by any person, persons, or property arising out of or resulting from any act, error, or omission of the Developer or its officers, agents, employees, or subcontractors, to the extent such loss or injury arises out of or is related to the performance of this Agreement; provided, however, that the Developer need not save harmless the City or Authority from claims, demands, losses and expenses arising out of or to the extent caused by the sole negligence of the City or Authority, and their respective employees or agents. This indemnification obligation shall survive the termination or expiration of this Agreement.
- B. **No Limitations or Waiver.** The indemnity required hereunder shall not be limited by reason of the specification of any particular insurance coverage in this Agreement, or by a limitation of the amount or type of damages or compensation payable by or for the Developer under Workers' Compensation, disability or other employee benefit acts, acceptance of insurance certificates required under this Agreement, or the terms, applicability or limitation of any insurance held by the Developer. The City and Authority do not, and shall not, waive any rights against the Developer which they jointly or individually may have by reason of this indemnification, because of the acceptance by the City, or the deposit with the City by the Developer, of any of the insurance policies described in this Agreement. In addition, the parties agree that this indemnification by the Developer shall not be limited by reason of whether or not such insurance policies shall have been determined to be applicable to any such damages or claims for damages.
- C. **Notification of Claims.** With respect to any claims which are subject to indemnity hereunder, the Developer shall immediately notify the City of any and all claims filed against the Developer or the Developer and the City jointly, and shall

provide the City with a copy of the same. Such notice shall be given in the manner prescribed by Section 26 of the Agreement.

- D. Use of Independent Contractors. The fact that the Developer carries out any activities under this Agreement through independent contractors shall not constitute an avoidance of, or defense to, the Developer's duty of defense and indemnification under this section.
7. **Insurance.** In the event that any public improvement is required as part of the redevelopment project the provisions of this Section 8 and all subsections shall apply. This Section 8 Does _____(initial); Does Not _____(initial) apply.
- A. General Provisions. Prior to commencing construction of any public improvements, the Developer shall file with the City evidence of liability insurance that is consistent with the requirements of the City's Design and Construction Manual and in the amounts set forth below.
- B. Limits and Coverage. Bodily Injury and Property Damage, Commercial General Liability Coverage – Occurrence Form unless otherwise agreed by the City:
- (1) Commercial General Liability and or Umbrella/Excess liability in a combined total Minimum of \$2,000,000 each occurrence limit for bodily injury and property damage; \$2,000,000 policy aggregate; \$2,000,000 products and completed operations aggregate.
 - (2) Workers' Compensation: As required by state statute; if exempt, must submit letter stating the exemption.

The following endorsements shall attach to the policy, as applicable:

- (1) The policy shall cover personal injury as well as bodily injury.
- (2) The policy shall cover blanket contractual liability subject to the standard universal exclusions of contractual liability included in the carrier's standard endorsement as to bodily injuries, personal injuries and property damage.
- (3) Broad form property damage liability shall be afforded.
- (4) The City and Authority shall be listed as an additional insured's.
- (5) Standard form of cross-liability shall be afforded.
- (6) The policy shall not be cancelled, or materially modified so as to be out of compliance with the requirements of this section, or not renewed without thirty (30) days advance written notice of such event being given to the City and Authority.

The limits of liability for each policy coverage amount stated above may be adjusted upward as necessary to remain at all times not less than the maximum amount of liability set forth in Chapter 537.610 RSMo. applicable to political subdivisions pursuant to 537.600; provided that nothing herein or in any such policy shall be deemed to waive the City's sovereign immunity.

- C. Use of Contractors and Subcontractors. The Developer shall not permit any contractor or subcontractor to commence or continue work until they shall have obtained or caused to be obtained all insurance required under this Section and

the City's Design and Construction Manual. Said insurance shall be maintained in full force and effect until the completion of construction of the Improvements, and issuance of a Certificate of Substantial Completion by the City or MoDOT, as appropriate.

- D. Worker s' Compensation. The Developer shall ensure that all contractors or subcontractors performing work for the Developer obtain and maintain Workers' Compensation Insurance for all employees, and in case any work is sublet, the Developer shall require any subcontractors to provide Workers' Compensation insurance for all subcontractor's employees, in compliance with State laws, and to fully protect the City from any and all claims arising out of occurrences during construction of the Improvements. The Developer agrees to hold harmless, indemnify and reimburse the City for any damage, loss, costs, payments or expenses of any kind (including the City's reasonable attorney's fees) incurred or sustained by the City as a result of the failure of either the Developer or any contractor or subcontractor of the Developer to obtain and maintain such insurance. The Developer further waives its rights to subrogation with respect to any claim against the City for injury arising out of performance under this Agreement. The Developer shall provide the City with a certificate of insurance indicating Workers' Compensation coverage prior to commencing construction of the Improvements.
8. Prevailing Wage. To the extent that any portion project is deemed by the appropriate state agency to be legally required to do so, the Developer, and all contractors and subcontractors performing work for or on behalf of the Developer with respect to the Improvements, shall pay wages in accordance with, and in all respects comply with, Missouri's Prevailing Wage Law (sections 290.210 – 290.340, RSMo.) and all other laws relating to the payment of wages. The Developer agrees to hold harmless, indemnify and reimburse the City for any damage, loss, costs, payments or expenses of any kind (including the City's reasonable attorney's fees) incurred or sustained by the City with regard to the failure of the Developer or any contractor or subcontractor to pay prevailing wages as required by law. The Developer shall submit sufficient information to the City's Director of Finance to allow City staff to verify that the Developer, and its contractors and subcontractors, have complied with prevailing wage laws and regulations, if the Developer is deemed to be required to do so by the appropriate state agency. Notwithstanding the foregoing, the City and Authority hereby acknowledge that the Developer is not contractually required by this Agreement to comply with Missouri Prevailing Wage Law unless the appropriate state agency deems that the Redevelopment Project is subject to such law.
9. Remedies. Each party to this Agreement agrees that if it fails to perform when due any act required by this Agreement to be performed, then, in addition to whatever other remedies are available to the non-defaulting parties hereto, the non-defaulting party shall have the right to enforce specific performance of this Agreement against the defaulting party, and such non-defaulting party shall, to the extent permitted by law, be entitled to its reasonable costs, attorneys' fees and court costs in connection with such enforcement. Notwithstanding the foregoing, the Developer shall not be compelled by specific performance to undertake the Redevelopment Project, construct the Improvements, or hire any employees.
10. Rights and Remedies Non-Exclusive. No right or remedy conferred upon or reserved to any party in this Agreement is intended to be exclusive of any rights or remedies, and each and every right and remedy shall be cumulative and shall be in addition to every right and remedy given now or hereafter existing at law or in equity.

11. **Non-Waiver**. No waiver of any condition or covenant contained in this Agreement or of any breach thereof, shall be taken to constitute a waiver of any subsequent condition, covenant or breach.
12. **Applicable Law**. This Agreement shall be governed by and construed according to the laws of the State of Missouri.
13. **Venue**. In the event this Agreement is litigated, venue shall be proper only in the Circuit Court of Jackson County, and the parties expressly waive any rights to venue inconsistent therewith.
14. **City Requirements and Prior Approval**. The Developer agrees to comply with all applicable laws and City ordinances, including, but not limited to, the City's Unified Development Ordinance, the Design and Construction Manual, and all planning or infrastructure requirements related to the development of the Property. The Developer acknowledges and agrees that the City is not, and shall not be, in any way liable for damages, losses or injuries that may be sustained as a result of the City's review and approval of any Plans or Plats of or relating to the Development, the Property or the Improvements, or as a result of the issuance of any approvals, permits, certificates or acceptances for the development or use of any portion of the Development, the Property or the Improvements. The Developer further acknowledges and agrees that the City's review and approval of any such Plans or Plats and the issuance of any such approvals, permits, certificates or acceptances does not, and shall not, in any way be deemed to insure the Developer, or any of its successors, assigns, tenants, licensees or any third party, against damage or injury of any kind at any time. The parties agree that execution of this Agreement in no way constitutes a waiver of any requirements of applicable City ordinances or policies with which the Developer must comply and does not in any way constitute prior approval of any future proposal for development.
15. **Recording and Binding Effect**. The Developer shall file a copy of this Agreement or a memorandum of this Agreement in the office of the Recorder of Deeds for Jackson County, Missouri ("Office"). No building permits shall be issued for any structure in the development until written proof is provided to the City that this Agreement has been recorded with the Office. This Agreement shall run with the land and be binding on and inure to the benefit of the parties and their respective legal representatives, successors in interest, successors and assigns. The City Manager and Authority Chairman may execute, on behalf of the City and Authority, a document suitable for recording in the Office, in such form as is approved by the City Attorney, that acknowledges the completion of the Developer's obligations under the Agreement upon certification by the City Engineer of the completion of the Developer's obligations under this Agreement.
16. **Time of Essence**. Time is of the essence with respect to the duties and obligations set forth herein.
17. **Estoppel Letter**. Upon request by Developer made from time to time, the City shall prepare and deliver to Developer an estoppel letter confirming for the benefit of any purchaser or lender whether the Developer is or is not in default under this Agreement and verifying the status of Developer's performance of its obligations under this Agreement.

18. **Representations.** The Developer represents that it owns the property described in Section 1(c) above on the date that this Agreement is executed. Each party represents and warrants that it (a) has made due and diligent inquiry into the facts and matters which are the subject matter of this Agreement; (b) fully understands the legal effect of this Agreement; (c) is duly authorized and empowered to execute, deliver and perform this Agreement according to its terms and conditions; and (d) has not assigned or transferred any claim against the other party that is the subject of this Agreement. The parties agree that the obligations assumed by the Developer pursuant to this Agreement are reasonably related to the impact that will be caused by the Development on the public services provided by the City and other public jurisdictions and on facilities that are constructed and maintained by the City and other public jurisdictions.
19. **Rules of Construction.** Each party to this Agreement has received independent legal advice from its attorneys of choice with respect to entering this Agreement and the advisability of agreeing to the provisions herein. Because each party has had its respective legal counsel review the terms of this Agreement, the normal rules of construction to the effect that any ambiguities in its terms be resolved against the drafting party shall not be employed with regard to issues of its validity, interpretation, performance or enforcement.
20. **Assignment.** The Agreement may not be assigned or transferred, in whole or part, to any other person, firm, corporation, or entity without the prior, express, written consent of the City Manager, which consent shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, the Developer may with notice to the City and Authority assign the rights and obligations of this Agreement to any affiliate entity of the Developer that owns the Property, provided that the Developer continues its business upon the Property in the ordinary course.
21. **Entire Agreement.** This Agreement and the acts provided for herein is the entire agreement between the parties with respect to the subject matter hereof, the terms and provisions of this Agreement are contractual and not mere recitals and no alterations, amendment, modification, or interpretation hereof shall be binding unless in writing and signed by all parties.
22. **Exhibits.** All Exhibits referenced in this Agreement are incorporated into this Agreement by such reference as if set forth in full in the text of this Agreement.
23. **Headings.** The paragraph headings contained herein are for convenience in reference and are not intended to modify, expand or limit the scope of any provision of the Agreement.
24. **Severability.** Any provision of this Agreement which is not enforceable according to law will be severed herefrom, and the remaining provisions shall be enforced to the fullest extent permitted by law.
25. **Counterparts.** This Agreement may be executed in three or more counterparts, each of which shall be deemed to be an original but all of which together shall be deemed to be one and the same instrument.
26. **Notice.** Any notice required by this Agreement shall be deemed to be given if it is mailed by United States registered mail, postage prepaid, and addressed as hereinafter specified.

Any notice to the LCRA shall be addressed to

Land Clearance for Redevelopment Authority Chairman
City Hall
220 SE Green Street
Lee's Summit, Missouri 64081

Any notice to the City shall be addressed to:

City Manager City Hall
220 SE Green Street
Lee's Summit, Missouri 64063

With a copy to:

City Attorney City Hall
220 SE Green Street
Lee's Summit, Missouri 64063

Notices to Developer shall be addressed to:

Each party shall have the right to specify that notice be addressed to any other address by giving to the other party ten (10) days' written notice thereof.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto on the date first above written.

**Land Clearance for Redevelopment Authority
For the City of Lee's Summit, Missouri.**

By: _____
Donna Gordon, *Chairman*

Accepted by:

CITY OF LEE'S SUMMIT, MISSOURI

By: _____
Stephen A. Arbo, *City Manager*

Attest:

Trisha Fowler Arcuri, *City Clerk*

Approved as to form:

By: _____
Brian W. Head, *City Attorney*

(DEVELOPER)
SF003 LLC

Ben Rao, *SF003 LLC*

ATTEST:

By: _____

Notary for City of LCRA

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

BE IT REMEMBERED, that on this day of _____, 20 , before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Donna Gordon, the Chairman of the Land Clearance for Redevelopment Authority of the City of Lee's Summit, a, authority duly incorporated and existing under and by virtue of the laws of the State of Missouri, who are personally known to me to be the same person who executed, as such official, the within instrument on behalf of and with the authority of said Authority, and such persons duly acknowledged the execution of the same to be the act and deed of said Authority.

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

NOTARY PUBLIC

My Commission Expires:

[SEAL]

