

**ABATEMENT AGREEMENT
FOR THE MAR BUILDING SOLUTIONS REDEVELOPMENT PROJECT**

This **ABATEMENT AGREEMENT FOR THE MAR BUILDING SOLUTIONS REDEVELOPMENT PROJECT** (the “**Agreement**”) is made this 01 day of March, 2021, 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 Mar Building Solutions, LLC, a Missouri limited liability company (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, the LCRA took evidence and testimony and reviewed the Company’s application at a meeting of the LCRA Board of Commissioners (the “**Board**”) that was held on August 22, 2018 and the Board thereafter recommended that the City Council approve the Application; and

WHEREAS, the City Council adopted Ordinance No. 8461 on September 21, 2018 (the “**Approving Ordinance**”) which approved the redevelopment project on property located at 1445 Broadway in Lee’s Summit which is legally described in the attached **Exhibit B** (the “**Property**”) which consists of the redevelopment and rehabilitation of the Property for the construction of a new 7,150 square foot headquarters for the Company as more fully set forth in the application materials and drawings set forth in **Exhibit A** (the “**Redevelopment Project**” or “**Project**”), and authorized the issuance of a Certificate of Qualification for the Project for the purpose of providing tax abatement for the Project according to the terms of the approving ordinance; and

WHEREAS, following the approval of Ordinance No. 8461, the Company has undertaken the Redevelopment Project and completed the improvements (the “**Improvements**”), which were completed in 2019 and for which the tax abatement authorized by the City Council should start for tax year 2020 and last for a period of five (5) years with the last year of abatement being the year 2024; and

WHEREAS, the Parties wish to enter into this Agreement to memorialize the terms under which the tax abatement that has been approved by the City Council will be implemented for the Project.

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 define 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.

“Full-Time” means, with respect to a person employed, thirty-five hours or more per week of employment, having wages that exceed the average annual average wage for Jackson County (\$58,114 for 2019), in the category of Total Wages for All Industries, Public and Private, as determined by the Missouri Economic Research and Information Center, Missouri Department of Economic Development, and normal full-time employee benefits.

“Job” means the number of Full-Time employees employed by the Company at the Property.

“Test Date” means September 30 of each year.

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 assessed against the Property as required by law.

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 provide the tax abatement 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.**

A. **Completion.** The Parties agree that the Company has completed the Project in accordance with the Application set forth in **Exhibit A**. The Certificate set forth in **Exhibit C** memorializes the completion of the Project.

B. **Maintenance of Improvements.** The Company has caused to be made all Improvements in a workmanlike manner and in accordance with all Applicable Laws and Requirements. The Company has obtained all licenses, permits or other approvals required by any governmental authorities to complete the Improvements.

C. **Final Inspection.** Upon request by the LCRA of the City, the Company shall submit to the LCRA copies of all paid invoices, approved permits, records, contracts, bills and other documents relating to the Redevelopment Project and any Improvements to verify the completion of the Redevelopment Project and that the costs actually incurred match the representations of Company with respect to construction and completion of the Redevelopment Project. Representatives of the LCRA or the City shall have the right to enter upon the Property to determine whether the Improvements conform to this Agreement, upon coordination with the Company as to the time and manner for entering the Property.

7. **Terms of Tax Abatement.**

A. **Completion of the Project.** The City shall issue a Certificate of Qualification to initiate the commencement of tax abatement as set forth in paragraph B of this subsection.

B. **Commencement of Abatement.** Tax abatement will commence in the calendar year 2020. The Certificate of Qualification shall be issued to Company, who shall be responsible for transmitting the Certificate of Qualification to Jackson County by the Company, in compliance with the requirement set

forth in Section 99.705, RSMo. Company shall provide a copy of such transmission to the City. The parties agree to cooperate in good faith to ensure that Jackson County recognizes the proper commencement date and the proper Base Taxes when the Certificate of Qualification has been issued by the City.

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

1. **Amount of Abatement.** Tax abatement has been approved by the City Council in an amount equal to the real property taxes attributable to the increased value of the Property as determined by the Jackson County Assessor above the base assessed value of \$1,210 as assigned to the property in calendar year 2019 (the “**Abatement Amount**”). The tax abatement provided by this Agreement is anticipated to last for a period of five years (the “**Abatement Period**”), subject to the Company complying with the terms and conditions of this Agreement.

3. **Payment in Lieu of Taxes for Project.** The Company shall not be required to make a payment in lieu of any portion of the abated taxes during the Abatement period.

6. **5-Year Limitation on Abatement.** The tax abatement provided by this Agreement shall last no longer than the Abatement Period described above. The tax abatement provided by this Agreement may be terminated before the end of the Abatement Period due to non-compliance with this Agreement as set forth in paragraph F of this Section.

D. **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 F of this Section.

E. **Annual Reporting and Compliance.**

1. The tax abatement provided by this Agreement is contingent upon the Company maintaining not less than six (6) Jobs each year, subject to unforeseen business conditions as set forth in **Subsection 7.E.2**. On or before the Test Date beginning in 2021 and through the remaining term of this Agreement, the Company shall file with the City an executed copy of the Annual Compliance Form in substantially the form attached hereto as **Exhibit D** to certify that the Company has maintained the required number of Jobs to maintain the tax abatement. The Company shall also promptly provide to the City such supporting documentation as may reasonably be requested by the City to verify the number of Jobs.

2. If the Company certifies that unforeseeable business conditions have caused the Company to employ fewer Jobs than required by **Subsection 7.E.1**, the City may waive the Jobs requirement, or any portion thereof, in the City’s sole discretion.

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

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

2. Failure to comply with the schedule of development as set forth in **Exhibit A**.

3. 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.

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

5. 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.

6. 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.

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

8. Failure to maintain the required number of Jobs as required by **Section 7.E**.

9. 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.

G. **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.

H. **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.

Mar Buildings Solutions, LLC

Chad Anderson

Name: Chad Anderson

Title: President

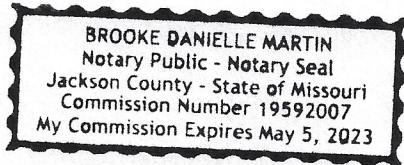
Date 12-15-21

STATE OF MISSOURI)
) SS.
COUNTY OF JACKSON)

BE IT REMEMBERED, that on this 15th day of December, 2021, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Chad Anderson who is the President for Mar Building Solutions, 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 company.

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

[SEAL]



Brooke Danielle Martin
NOTARY PUBLIC

My Commission Expires:

5/5/23

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

By: Gary Fruits, Chairperson

STATE OF MISSOURI)
) SS.
COUNTY OF JACKSON)

BE IT REMEMBERED, that on this _____ day of March, 2021, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Gary Fruits 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
APPLICATION AND DESCRIPTION OF THE REDEVELOPMENT PROJECT

[See Attached]

EXHIBIT B

LEGAL DESCRIPTION OF THE PROPERTY

Lot 295 of the “Final Plat of Newberry Landings First Plat”, a subdivision in Lee’s Summit, Jackson County, Missouri.

EXHIBIT C
CERTIFICATE OF QUALIFICATION

EXHIBIT D

LCRA ANNUAL COMPLIANCE REPORT

To be filed on or before the Test Date each year during the term of the Agreement, beginning November 2021.

Business Name Mar Building Solutions, LLC	MO. Tax I.D. Number
City, State, Zip Code 1445 Broadway, Lee's Summit, MO	Federal Employer I.D. Number (FEIN)
Number of "Jobs" during the reporting period as defined in the Abatement Agreement	Report Due September 30, 20__

The undersigned, duly authorized representative of Mar Building Solutions, LLC, hereby states and certifies that the information set forth in this report is true and correct.

Authorized Signature	Date
Contact Name	Phone Number

Please send form to:

City of Lee's Summit
Attn: Mark Dunning, Assistant City Manager
223 Green Street
Lee's Summit, MO 64081
mark.dunning@cityofLS.net