

FIRST AMENDMENT TO SALES TAX CONTRIBUTION AGREEMENT

THIS FIRST AMENDMENT TO SALES TAX CONTRIBUTION AGREEMENT (this “**Amendment**”) is made as of the 29th day of July, 2020, by and between the CITY OF KANSAS CITY, MISSOURI (the “**City**”), the TAX INCREMENT FINANCING COMMISSION OF KANSAS CITY, MISSOURI (the “**Commission**”), and DELTA QUAD HOLDINGS, LLC (the “**Redeveloper**”).

RECITALS

WHEREAS, by Committee Substitute for Ordinance No. 160163 (“**Ordinance 160163**”), the City Council of the City (the “**City Council**”) approved the Grand Reserve Tax Increment Financing Plan (the “**Original TIF Plan**”), authorized the execution of a Sales Tax Contribution Agreement substantially in form attached to Ordinance 160163, approved an Industrial Development Plan pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution, as amended, and Sections 100.010 to 100.200, inclusive, of the Revised Statutes of Missouri, as amended, and the City of Kansas City Charter (the “**Industrial Development Plan**”) and took certain other actions with respect to the “**Redevelopment Project**” and the “**Adjoining Improvements**” (as defined in the Original TIF Plan); and

WHEREAS, consistent with Ordinance 160163, the City, the Commission and the Redeveloper entered into a Sales Tax Contribution Agreement dated June 14, 2016 (the “**Original Contribution Agreement**”); and

WHEREAS, by Committee Substitute for Ordinance No. 200265 (“**Ordinance 200265**”), the City Council approved the First Amendment to the Original TIF Plan (the “**TIF Plan Amendment**”, and together with the Original TIF Plan, the “**TIF Plan**”), authorized the execution of an amendment to the Original Contribution Agreement substantially in form attached to Ordinance 200265, and approved certain modifications to the Industrial Development Plan, among other things; and

WHEREAS, the TIF Plan Amendment modified the definitions of the terms “**Project Improvements**” and “**Adjoining Improvements**”, revised the Development Schedule and reduced the total “**Reimbursable Project Costs**” that may be reimbursed with “**PILOTs**” and “**EATs**” (as defined in the TIF Plan) and with the “**Additional City Contribution**” (as defined in the Original Contribution Agreement), among other things; and

WHEREAS, as a consequence of the modifications to the Original TIF Plan set forth in the TIF Plan Amendment, the Commission and the Redeveloper have entered into an Amended and Restated Agreement for the implementation of the TIF Plan dated July 29, 2020 (the “**Amended and Restated Redevelopment Agreement**”); and

WHEREAS, as a consequence of the approval of the TIF Plan Amendment and the execution of the Amended and Restated Redevelopment Agreement, the parties, in accordance with Section 12 of the Original Contribution Agreement, desire to amend the Original Contribution Agreement accordingly.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. All capitalized words or terms used but not defined in this Amendment shall have the meanings set forth in the Original Contribution Agreement; provided however (a) with respect to defined terms in the Original Contribution Agreement that incorporate their definitions from the "TIF Plan", the definition of such defined terms shall take into account the TIF Plan Amendment, and (b) the term "Redevelopment Agreement" as used in the Original Contribution Agreement shall mean and refer to the Amended and Restated Redevelopment Agreement.

2. Except as modified by this Amendment, the Original Contribution Agreement remains in full force and effect and is ratified by the parties. From and after the date hereof, the "Contribution Agreement" shall consist of the Original Contribution Agreement as modified by this Amendment.

3. Exhibit A attached to this Amendment is substituted for Exhibit A attached to the Original Contribution Agreement.

4. The term "Project Improvements", as used within the Original Contribution Agreement, shall be modified to mean (A) the historic rehabilitation and adaptive reuse of the approximately 301,533 square foot, 21- story former Federal Reserve Bank of Kansas City building located at 925 Grand Boulevard into an all-suite approximately 284 room hotel (the "Hotel") that will include restaurants, meeting and event facilities and (B) the rehabilitation of the existing adjacent approximately 450-stall parking garage, and the development of an approximately 40,000 square foot family entertainment center in the basement level spanning 925 Grand Boulevard and the existing adjacent approximately 450-stall parking garage and (C) any and all necessary infrastructure to support the Redevelopment Project Area.

5. Section 3 of the Original Contribution Agreement, entitled Estimated Redevelopment Project Costs, is deleted in its entirety and replaced with the following:

3. Estimated Redevelopment Project Costs. The total estimated costs to the Redeveloper to implement the Project Improvements are approximately Two Hundred Eleven Million Three Hundred Eighty-Six Thousand Three Hundred Ninety-Six Dollars (\$211,386,396) as set forth in detail on Exhibit A attached hereto. The TIF Plan provides for the reimbursement to the Redeveloper of Certified Costs in the approximate amount of Four Million One Hundred Ninety-Nine Thousand One Hundred Thirty-Seven Dollars (\$4,199,137), which shall be financed through Economic Activity Taxes generated and collected within the Redevelopment Project Area, as provided by the TIF Act.

6. The first sentence of Section 4 of the Original Contribution Agreement, entitled Additional City Contribution, is deleted in its entirety and replaced with the following:

In accordance with Committee Substitute for Ordinance No. 160163 and Ordinance 200265, and in furtherance of the objectives of the TIF Plan and the

Amended and Restated Redevelopment Agreement, the City agrees to contribute an additional sum not to exceed the aggregate amount of Ten Million Four Hundred Sixty-One Thousand One Hundred Eighty Dollars (\$10,461,180) for the payment of Certified Costs which are specifically identified on **Exhibit A** under the column "**Sales Tax Dedication Reimbursable.**"

7. Section 15 of the Original Contribution Agreement, entitled Notice, is deleted in its entirety and replaced with the following:

8. Notice. All notices required by this Agreement shall be in writing and shall be served either personally or by certified mail, or by any other delivery service which obtains a receipt for delivery unless any such notice is required by law and such law provides a different form of delivery or service. Any such notice or demand served personally shall be delivered to the party being served (provided that such notice may be delivered to the receptionist or any other person apparently in charge of such party's office at its address hereinafter set forth), and shall be deemed complete upon the day of actual or attempted delivery, as shown by an affidavit of the person so delivering such notice. Any notice so served by certified mail shall be deposited in the United States Mail with postage thereon fully prepaid and addressed to the party or parties so to be served at its address hereinafter stated, and service of any such notice by certified mail shall be deemed complete on the date of actual or attempted delivery as shown by the certified mail receipt. Service of any such notice by another delivery service shall be deemed complete upon the date of actual or attempted delivery as shown on the receipt obtained by such delivery service. Notices shall be addressed as follows:

City: Director of Finance
City Hall, 3rd Floor
414 E. 12th Street
Kansas City, MO 64106

with a copy to: City Attorney
City Hall, 28th Floor
414 E. 12th Street
Kansas City, MO 64106

Commission: Tax Increment Financing Commission of Kansas City,
Missouri
300 Wyandotte, Suite 400
Kansas City, MO 64105
Attn: Executive Director

with a copy to: Bryan Cave Leighton Paisner LLP
3800 One Kansas City Place
1200 Main Street
Kansas City, MO 64105
Attn: Wesley O. Fields, Esq.

Redeveloper: Delta Quad Holdings, LLC
c/o Roos Enterprises
70932 Cambridge Court
Niles, Michigan 49120
Attn: David Roos

with a copy to: Lewis Rice
1010 Walnut Street, Suite 500
Kansas City, MO 64106
Attn: Douglas S. Stone, Esq.

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.

9. Additional City Contribution shall not exceed Ten Million Four Hundred Sixty-One Thousand One Hundred Eighty Dollars (\$10,461,180) in the aggregate, and the dollar amount **"Eleven Million Eight Hundred Five Thousand Nine Hundred Eighty-Nine Dollars (\$11,805,989)"** and the term **"Additional City Contribution"** wherever each appears in the Original Contribution Agreement, shall reference, relate to or be replaced with, in each instance, the dollar amount **"Ten Million Four Hundred Sixty-One Thousand One Hundred Eighty Dollars (\$10,461,180)."**

10. The payment of the Additional City Contribution, and the term of the Contribution Agreement, shall continue until the earlier of (a) the twenty-third annual anniversary of the date the Hotel first opens for business to the public, or (b) the date the City shall have contributed toward Certified Costs the aggregate sum of Ten Million Four Hundred Sixty-One Thousand One Hundred Eighty Dollars (\$10,461,180), subject however to the terms and provisions of the Original Contribution Agreement not modified hereby, including the limitations set forth in Section 4 of the Original Contribution Agreement and including that payment of the Additional City Contribution is subject to annual appropriation.

11. This Amendment may be executed in multiple counterpart copies, each of which will be considered an original and all of which shall constitute but one and the same instrument, binding on all parties hereto, even though all the parties are not signatory to the same counterpart. Any counterpart of this Amendment which has attached to it separate signature pages which together contain the signatures of all parties hereto shall be deemed for all purposes a fully executed original.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed pursuant to due authority as of the date first above set forth.

CITY OF KANSAS CITY, MISSOURI

ATTEST:



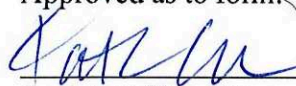
Marilyn Sanders, City Clerk

By: 

Name: _____

Title: _____

Approved as to form:

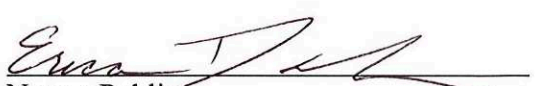


Assistant City Attorney

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

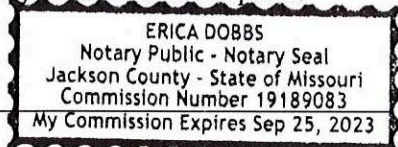
On this 17th day of November, 2020, before me, a Notary Public in and for said State, personally appeared Tammy Queen, Director of Finance of the City of Kansas City, Missouri, and Marilyn Sanders, City Clerk of the City of Kansas City, Missouri, who are personally known to me to be the same persons who executed, as officials, the within instrument on behalf of said City and such persons duly acknowledged to me that they executed the same for the purposes therein stated, and that the execution of the same was the free act and deed of said City.

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



Notary Public

My Commission Expires:



**TAX INCREMENT FINANCING
COMMISSION OF KANSAS CITY,
MISSOURI**

By: _____


Alissia R. Canady, Chair

ATTEST:



Heather A. Brown, Secretary

Approved as to form and legality:


Counsel to the Tax Increment
Financing Commission

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On this 4th day of September, 2020 before me, a Notary Public in and for said state, personally appeared Alissia R. Canady, Chair of the Tax Increment Financing Commission of Kansas City, Missouri, a body politic and corporate and a public instrumentality, personally known by me to be the person who executed the within instrument in behalf of said entity and acknowledged to me that she executed the same for the purposes therein stated.


Notary Public

My Commission Expires:

April 27, 2024



DELTA QUAD HOLDINGS, LLC

By: David L Roos
Name: DAVID L ROOS
Title: Manager

STATE OF Michigan)
COUNTY OF Cass) ss.

On this 20 day of October, 2020, before me, a Notary Public in and for said state, personally appeared DAVID L. ROOS, personally known by me to be the person who executed the within instrument in behalf of said entity and acknowledged to me that he executed the same for the purposes therein stated.

K Luczkowski
Notary Public

My Commission Expires:

4/24/2026

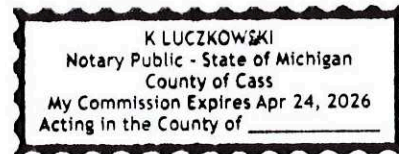


Exhibit A

Estimated Redevelopment Costs

DEVELOPMENT COSTS	COST	DEVELOPER PORTION	TIF REIMBURSABLE	SALES TAX DEDICATION REIMBURSABLE	CID SALES TAX REIMBURSABLE ¹
Building Acquisitions/Carry Costs	\$ 22,121,475	\$ 22,121,475	\$ -	\$ -	\$ -
Construction & Rehab Costs	\$ 69,727,627	\$ 62,936,012	\$ 1,923,568	\$ 4,868,048	\$ -
Parking Garage Costs	\$ 3,500,000	\$ 2,671,065	\$ -	\$ -	\$ 828,935
Work in Public ROW	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000
Construction Contingency	\$ 4,725,000	\$ 4,725,000	\$ -	\$ -	\$ -
Cost Certification & Audit Fee	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ -
Architect's Fee - Design	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -	\$ -
Architect's Fee - Supervision Fee	\$ 130,000	\$ 130,000	\$ -	\$ -	\$ -
Survey	\$ 110,000	\$ 110,000	\$ -	\$ -	\$ -
Hotel Market Study	\$ 38,000	\$ 38,000	\$ -	\$ -	\$ -
Hotel Consultant	\$ 350,000	\$ 350,000	\$ -	\$ -	\$ -
Hotel Pre-Sales & Pre-Opening	\$ 460,900	\$ 460,900	\$ -	\$ -	\$ -
Historic Tax Credit Consultant	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -
TIF Program - Legal, Consultants & Studies	\$ 225,000	\$ 225,000	\$ -	\$ -	\$ -
Exterior Signage	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ -
FF&E	\$ 8,000,000	\$ 8,000,000	\$ -	\$ -	\$ -
FF&E - FEC	\$ 6,000,000	\$ 6,000,000	\$ -	\$ -	\$ -
Construction Interest	\$ 2,862,951	\$ 2,862,951	\$ -	\$ -	\$ -
Insurance - Construction Period GL	\$ 372,564	\$ 372,564	\$ -	\$ -	\$ -
Real Estate Taxes - Construction Period	\$ 1,028,513	\$ 1,028,513	\$ -	\$ -	\$ -
Legal - Construction Loan	\$ 400,000	\$ 400,000	\$ -	\$ -	\$ -
Title & Recording - Construction Loan	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -
Construction Loan Fee	\$ 1,266,185	\$ 1,266,185	\$ -	\$ -	\$ -
Bridge/Mezzanine Loan Fee	\$ 630,000	\$ 630,000	\$ -	\$ -	\$ -
Construction Inspection Fee	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ -
Interest - Construction Period	\$ 2,625,000	\$ 2,625,000	\$ -	\$ -	\$ -
Misc. Costs	\$ 693,937	\$ 693,937	\$ -	\$ -	\$ -
Bridge Loan Interest	\$ 3,175,000	\$ 3,175,000	\$ -	\$ -	\$ -
National Park Service Fee	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -
Operating Reserves	\$ 7,216,428	\$ 7,216,428	\$ -	\$ -	\$ -
State Tax Credit Issuance Fee	\$ 465,339	\$ 465,339	\$ -	\$ -	\$ -
Development Fee	\$ 12,500,000	\$ 12,500,000	\$ -	\$ -	\$ -
Total Development Costs	\$ 153,033,919	\$ 144,663,368	\$ 2,173,568	\$ 4,868,048	\$ 1,328,935
Percentages	100.00%	94.53%	1.42%	3.18%	0.87%
Permanent Interest Cost	\$ 58,352,477	\$ 49,294,854	\$ 2,025,569	\$ 5,593,132	\$ 1,438,922
Grand Total	\$ 211,386,396	\$ 193,958,222	\$ 4,199,137	\$ 10,461,180	\$ 2,767,857
Percentages	100.00%	91.76%	1.99%	4.95%	1.31%

¹ Anticipated use, but not binding. CID revenue not captured as EATs may be used for any lawfully permitted cost.