



Board of Aldermen Request for Action

MEETING DATE: 3/3/2026

DEPARTMENT: Administration

AGENDA ITEM: Bill No. 3100-26, Redevelopment Agreement for The Shops at Smithville Redevelopment Plan

REQUESTED BOARD ACTION

A motion to approve Bill No. 3100-26, approving the Redevelopment Agreement among the City of Smithville, Missouri, Smithville Holdings LLC, and The Shops at Smithville Redevelopment Corporation to implement The Shops at Smithville Redevelopment Plan.

SUMMARY

Pursuant to Ordinance No. 3277-25 approving The Shops at Smithville Redevelopment Plan, the next step implementing Chapter 353 is the adoption of a redevelopment agreement to provide for the redevelopment of Redevelopment Area, the implementation of the tax abatement pursuant to Chapter 353, RSMo, the remediation of blight, and each party's duties.

As a reminder, under Chapter 353, a redevelopment area may be subject to property tax abatement. This Redevelopment Plan allows for fixed PILOTs (payments in lieu of taxes) for ten years. The taxing jurisdictions will receive a pro-rata portion of a fixed PILOT throughout those ten years.

The Redevelopment Agreement outlines the terms of the tax abatement, the payment of PILOTs as contemplated by the Redevelopment Plan approved by the City, and the redevelopment of the Redevelopment Area.

PREVIOUS ACTION

none

POLICY ISSUE

Economic Development

FINANCIAL CONSIDERATIONS

None.

ATTACHMENTS

- | | |
|--|-----------------------------------|
| <input checked="" type="checkbox"/> Ordinance | <input type="checkbox"/> Contract |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Plans |
| <input type="checkbox"/> Staff Report | <input type="checkbox"/> Minutes |
| <input checked="" type="checkbox"/> Other: Redevelopment Agreement | |

AN ORDINANCE APPROVING THE REDEVELOPMENT AGREEMENT AMONG THE CITY OF SMITHVILLE, MISSOURI, SMITHVILLE HOLDINGS LLC, AND THE SHOPS AT SMITHVILLE REDVELOPMENT CORPORATION TO IMPLEMENT THE SHOPS AT SMITHVILLE REDEVELOPMENT PLAN.

WHEREAS, a development plan as provided for in Chapter 353 titled The Shops at Smithville Redevelopment Plan (the "Redevelopment Plan") was submitted to the City on September 8, 2025 which contemplates the development and redevelopment of an area described therein (the "Redevelopment Area"); and

WHEREAS, a revised development plan was submitted with the City on September 22, 2025 (the "Revised Redevelopment Plan") which contemplates the development and redevelopment of the Redevelopment Area, and included the following revisions: (1) a statement that the tax abatement or exemption period will end after ten years, and (2) increases to the schedule of payments-in-lieu-of-taxes to be paid to affected taxing jurisdictions in years four through ten from a 2% biennial growth rate to a 4% biennial growth rate; and

WHEREAS, the Board of Aldermen of the City of Smithville, Missouri (the "Board of Aldermen"), did on September 23, 2025 and October 7, 2025 hold public hearings regarding the Redevelopment Plan and the Revised Redevelopment Plan, respectively, submitted pursuant to Chapter 353 of the Revised Statutes of Missouri ("Chapter 353"); and

WHEREAS, on October 7, 2025, the Board of Aldermen did pass Ordinance No. 3277-25, which approved the Revised Redevelopment Plan, declared the Redevelopment Area blighted, and made other findings related to the Revised Redevelopment Plan; and

WHEREAS, the ordinance requires that Smithville Holdings LLC (the "Developer") and The Shops at Smithville Redevelopment Corporation (the "Corporation") enter into a redevelopment agreement with the City to implement the goals and objectives of the Revised Redevelopment Plan; and

WHEREAS, the City now desires to enter into a redevelopment agreement with the Corporation and the Developer to set forth their respective duties and obligations with respect to the Revised Redevelopment Plan and the remediation of blight; and

WHEREAS, the Board of Aldermen hereby determines that it is in the best interest of the City to enter into a redevelopment agreement with the Corporation and the Developer in substantially the form attached hereto.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF SMITHVILLE, MISSOURI, AS FOLLOWS:

Section 1. The Board of Aldermen hereby approves, and the Mayor is hereby authorized to execute the Redevelopment Agreement which shall be substantially in the form attached hereto as **Exhibit A**, with such changes therein as shall be approved by the Mayor, the Mayor's signature thereon being conclusive evidence of his approval thereof.

Section 2. City officers and agents of the City are each hereby authorized and directed to take such actions, execute such other documents, certificates and instruments and engage such consultants as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 3. All ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed.

Section 4. This Ordinance shall be in full force and effect from and after its passage, adoption, and approval by the Mayor.

[remainder of page intentionally left blank]

PASSED by the Board of Aldermen, and **APPROVED** by the Mayor, of the City of Smithville, Missouri, this 3rd day of March 2026.

(SEAL)

—

Damien Boley, Mayor

ATTEST:

Linda Drummond, City Clerk

First Reading: 03/03/2026

Second Reading: 03/03/2026

Exhibit A

Redevelopment Agreement

[Attached]

REDEVELOPMENT AGREEMENT
FOR THE
SHOPS AT SMITHVILLE
CHAPTER 353 REDEVELOPMENT PLAN
BY AND AMONG
THE
CITY OF SMITHVILLE, MISSOURI,
SMITHVILLE HOLDINGS LLC,
AND
THE SHOPS AT SMITHVILLE REDEVELOPMENT CORPORATION
March 3, 2026

REDEVELOPMENT AGREEMENT

TABLE OF CONTENTS

	<u>Page</u>
Parties	1
Recitals.....	1

**ARTICLE I
INCORPORATED ITEMS; DEFINITIONS; EXHIBITS**

Section 1.01	Items Incorporated into this Agreement; Coordination with Redevelopment Plan	1
Section 1.02	Definitions	1
Section 1.03	Exhibits	2

**ARTICLE 2
REDEVELOPMENT PROJECT**

Section 2.01	Redevelopment Project	2
Section 2.02	Removal of Blight.....	3
Section 2.03	Use Limitation	3
Section 2.04	Maintenance and Access	3

**ARTICLE 3
TAX ABATEMENT AND PAYMENTS IN LIEU OF TAXES**

Section 3.01	Tax Abatement and PILOTs.....	3
Section 3.02	Full Assessment	3
Section 3.03	Abatement Contingences	3
Section 3.04	Contest of PILOTs	Error! Bookmark not defined.

**ARTICLE 4
TRANSFER OF THE REDEVELOPMENT AREA**

Section 4.01	Sale to Third Party	4
Section 4.02	Novation Agreement	4

**ARTICLE 5
DEFAULT AND REMEDIES**

Section 5.01	Event of Default.....	4
Section 5.02	Full Assessment	5
Section 5.03	Failure to Acquire Redevelopment Area.....	5

**ARTICLE 6
GENERAL PROVISIONS**

Section 6.01	Modifications; Successors and Assigns	5
--------------	---	---

Section 6.02	Term of Agreement	5
Section 6.03	Representatives Not Personally Liable	5
Section 6.04	Developer Funds	6
Section 6.05	Notice.....	7
Section 6.06	Severability	8
Section 6.07	Headings	8
Section 6.08	Recording of Agreement.....	8
Section 6.09	Governing Law	8
Section 6.10	Counterparts.....	8
Section 6.11.	Electronic Transactions.....	8
Section 6.12.	Electronic Transactions.....	9
	Signatures.....	9
Exhibit A	– Legal Description of the Redevelopment Area	
Exhibit B	– Schedule of Payments	
Exhibit C	– Form of Novation Agreement	

REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (the “**Agreement**”) is made and entered into effective as of the ___ day of March, 2026, by and among the **CITY OF SMITHVILLE, MISSOURI** (the “**City**”), a fourth-class and political subdivision of the State of Missouri, **SMITHVILLE HOLDINGS LLC** (the “**Developer**”), an Missouri limited liability company, and the **SHOPS AT SMITHVILLE REDEVELOPMENT CORPORATION** (the “**Corporation**”), a Missouri urban redevelopment corporation, for the implementation of the Chapter 353 Redevelopment Plan for The Shops at Smithville Redevelopment Area.

RECITALS

- A. The Board of Aldermen of the City has passed Ordinance No. 3277-25 approving The Shops at Smithville Redevelopment Plan (hereafter “**Redevelopment Plan**”).
- B. The Corporation, a corporation formed under the Urban Redevelopment Corporations Law (defined below) and in good standing in the State of Missouri, has represented that it has the necessary expertise, skill and ability to carry out the commitments contained in this Agreement.
- C. The Developer intends to provide for the redevelopment of the Redevelopment Area (defined below).

NOW, THEREFORE, for and in consideration of the foregoing Recitals (which are incorporated into this Agreement as an integral part hereof) and the promises, covenants and agreements contained herein, the City, the Developer, and the Corporation do hereby agree as follows:

ARTICLE I INCORPORATED ITEMS; DEFINITIONS; EXHIBITS

Section 1.01 Items Incorporated into this Agreement; Coordination with Redevelopment Plan. The provisions of the Urban Redevelopment Corporations Law (defined below) are hereby incorporated herein by this reference thereto and made in whole a part of this Agreement. To the extent that any of the provisions of this Agreement shall conflict with any of the provisions of the Redevelopment Plan the provisions of this Agreement shall control and govern.

Section 1.02 Definitions. In addition to the terms defined elsewhere in this Agreement and in the Redevelopment Plan, the following words and terms shall have the following meanings:

“**Agreement**” shall mean this Redevelopment Agreement.

“**Authorizing Ordinance**” shall mean Ordinance No. 3277-25 adopted by the City on October 7, 2025.

“**Board of Aldermen**” shall mean the Board of Aldermen of the City.

“**Developer Event of Default**” shall have the meaning set forth in Section 5.01 of this Agreement.

“**Effective Date**” shall mean the effective date of this Agreement, which shall be the date written above in the preamble.

“**Mayor**” shall mean the Mayor of the City.

“**Novation Agreement**” shall have the meaning set forth in Section 4.02 of this Agreement and the general form of which is attached hereto as Exhibit C.

“**PILOTs**” shall mean payments in lieu of taxes as allowed by Section 353.110.4, RSMo.

“**Redevelopment Area**” shall mean all of the real property located within and comprising the Redevelopment Area as legally described on Exhibit A attached hereto, upon which the Redevelopment Project will be constructed pursuant to this Agreement.

“**Redevelopment Plan**” shall mean the Chapter 353 Redevelopment Plan for The Shops at Smithville Redevelopment Area approved by the City pursuant to the Authorizing Ordinance.

“**Redevelopment Project**” shall mean the projects to be constructed by the Corporation or its assignee in the Redevelopment Area pursuant to the Redevelopment Plan.

“**RSMo**” shall mean the Revised Statutes of Missouri, as amended.

“**Sale**” shall have the meaning set forth in Section 4.01 of this Agreement.

“**Urban Redevelopment Corporations Law**” shall mean Chapter 353, RSMo, as amended.

Section 1.03 Exhibits. The following exhibits are attached to and incorporated into this Agreement:

- | | |
|-----------|---|
| Exhibit A | Legal Description of the Redevelopment Area |
| Exhibit B | Schedule of Payments |
| Exhibit C | Form of Novation Agreement |

ARTICLE 2 REDEVELOPMENT PROJECT

Section 2.01 Redevelopment Project. The Developer currently owns all property within the Redevelopment Area. The Corporation and the Developer shall, in order to eliminate the conditions that have caused the Redevelopment Area to become blighted within the meaning of the Urban Redevelopment Corporations Law, but subject to the terms and conditions of this Agreement, develop and construct the Redevelopment Project described in the Redevelopment Plan. Subject to the terms and conditions of this Agreement, the Developer shall provide for the transfer of all tracts within the Redevelopment Area from the Developer or its affiliate to the Corporation. The Corporation shall not acquire fee title to any portion of the Redevelopment Area more than three (3) years after the Effective Date, unless the Board of Aldermen shall, in its sole and absolute discretion, grant an extension to the Corporation. The Corporation shall reconvey said tracts back to Developer or, at Developer’s election, to any third parties identified by Developer as part of a Sale (as defined in Article 4). Developer, or its successors and assigns, will develop, construct and operate the Redevelopment Project in accordance with the Redevelopment Plan and all applicable federal, state and local laws, rules, regulations and ordinances. Failure to develop, construct and operate

the Redevelopment Project in conformance with the Redevelopment Plan may cause the revocation of tax abatement pursuant to Article 5 of this Agreement.

Section 2.02 Removal of Blight. Developer, or its successors and assigns, shall clear blight or rehabilitate buildings in the Redevelopment Area, and construct new improvements in the Redevelopment Area, to eliminate the physical blight existing in the Redevelopment Area, or make adequate provisions satisfactory to the City and the Corporation for the clearance of such blight. This obligation shall be a covenant running with the land during the term of this Agreement and shall not be affected by any Sale or disposition of the Redevelopment Area. Any purchaser of property in the Redevelopment Area from the Corporation or any of the Corporation's successors in title shall acquire title subject to this obligation insofar as it pertains to the land so acquired in the Redevelopment Area.

Section 2.03 Use Limitation. Developer and the Corporation covenant that the uses in the Redevelopment Area shall at all times be in accordance with the Redevelopment Plan and the zoning and subdivision approvals granted by the City, and all conditions thereof, for the Redevelopment Area.

Section 2.04. Maintenance and Access. Upon substantial completion of the Redevelopment Project contemplated by the Redevelopment Plan and so long as this Agreement is in effect, the Corporation or the Developer shall maintain or cause to be maintained the buildings and improvements within the Redevelopment Area that it owns in a good state of repair and in conformity with applicable state and local laws, ordinances and regulations.

The City may conduct, with reasonable notice, such periodic inspections of the Redevelopment Area and the projects constructed therein as may be necessary or desirable to confirm compliance with the terms of this Agreement. The Corporation and the Developer shall allow the City and its employees, agents and representatives to inspect, upon request, all contracts and documents pertaining to the construction of the projects in the Redevelopment Area as the City determines is reasonable and necessary to verify the compliance with the terms of this Agreement, subject, however, to any confidentiality requirements or obligations.

ARTICLE 3 TAX ABATEMENT AND PAYMENTS IN LIEU OF TAXES

Section 3.01 Tax Abatement and PILOTs. Tax abatement shall be provided as set forth in the Redevelopment Plan and this Agreement. The Developer shall make all payments required by Exhibit B hereto by December 31 in each of the years for such payment described in Exhibit B. All payments required by Exhibit B are to be made pro rata to all taxing jurisdictions, except as described in Exhibit B.

Section 3.02 Full Assessment. After the period of ten (10) years of tax abatement as set forth in the Redevelopment Plan, but in no event later than December 31, 2035, the real property in the Redevelopment Area shall be subject to assessments by the Clay County Assessor and payment of all *ad valorem* taxes, including, but not limited to, City, state, county and other property taxes, based on the full true value of the real property and the standard assessment percentage then in use for similar property by the Clay County Assessor. Furthermore, after the period of ten (10) years of tax abatement as set forth in the Redevelopment Plan, the real property in the Redevelopment Area shall be owned and operated by the Developer, or its assignee, free from the conditions, restrictions and provisions of the Act, this Agreement, and the City's ordinance approving the Redevelopment Plan.

Section 3.03 Abatement Contingences. The tax relief provided in this section for any property within the Redevelopment Area shall be contingent upon the property's compliance with the

Redevelopment Plan, and shall apply to general *ad valorem* taxes only and shall not be deemed or construed to exempt the Corporation, or its assignee, in whole or in part, from special assessments or from fees, service charges, or other taxes which may be made by the City or other governmental units.

Section 3.04 Contest of PILOTs. In consideration for the incentives and benefits provided by this Agreement, the Developer and the Corporation agree that they will not challenge, appeal, or contest to reduce the payments required by *Exhibit B*.

ARTICLE 4 TRANSFER OF THE REDEVELOPMENT AREA

Section 4.01 Sale to Third Party. If Developer (or any of its affiliates that may hold title to the Redevelopment Area) proposes to sell, convey and/or otherwise dispose (hereinafter collectively referred to as a “**Sale**”) of any portion of the Redevelopment Area other than to the Corporation, Developer shall first obtain a fully executed Novation Agreement in accordance with Section 4.02. In the event of such a Sale, all rights and obligations of the Developer and Corporation hereunder with respect to the subject property, including those concerning tax abatement, shall transfer to the transferee; provided, however, if Developer (or any of its affiliates that may hold title to the Redevelopment Area) disposes of less than the entirety of the Redevelopment Area, the tax abatement and the PILOT required by *Exhibit B* provided for in this Agreement shall be applied on a pro rata, per square foot basis of and to the building(s) located upon such portion of the Redevelopment Area, provided the County and Developer cooperate to obtain the necessary tax parcel split or other arrangement necessary to accomplish the property transfer. Any tenant or occupant lease agreement entered into between Developer, or any of its affiliates, and any tenant or occupant for the use of a portion of the Redevelopment Area in accordance with the Redevelopment Plan shall not be deemed a Sale contemplated by this **Article 4**.

Section 4.02 Novation Agreement. In the event of each transfer of property in the Redevelopment Area pursuant to Section 4.01, Developer or its authorized successors and assigns shall require the proposed transferee to execute a Novation Agreement in substantial compliance with the form attached hereto as *Exhibit C* (the “**Novation Agreement**”). No Sale shall occur or be valid with respect to the City and the other taxing districts imposing property taxes in the Redevelopment Area without the prior execution of a Novation Agreement. The parties agree that the intention of each Novation Agreement is to protect the Corporation and the City by ensuring that all transferees in the Redevelopment Area receive actual notice of the rights, duties and obligations contained in this Agreement prior to taking ownership, and nothing contained in a Novation Agreement shall be deemed to impose any rights, duties or obligations that are not imposed pursuant to this Agreement. A Novation Agreement in substantial compliance with the form attached hereto as *Exhibit C* may be executed by the Mayor without further action or approvals by the Board of Aldermen and execution of a Novation Agreement by the City shall not be unreasonably withheld. Substantial changes to a proposed Novation Agreement shall require approval of the Board of Aldermen before such Novation Agreement may be executed by the Mayor.

ARTICLE 5 DEFAULT AND REMEDIES

Section 5.01 Event of Default. It shall constitute a “**Developer Event of Default**” if Developer (including any of its affiliates that may hold title to the Redevelopment Area), or its successors or assigns, fails to timely perform any obligation or covenant of Developer under this Agreement, and such failure is not cured to the City’s reasonable satisfaction within thirty (30) days after the City gives Developer, or its successors or assigns, written notice thereof, or if it cannot reasonably be cured within thirty (30) days,

Developer, or its successors or assigns, is not diligently proceeding to cure same. Upon the occurrence of a Developer Event of Default respecting any portion of the Redevelopment Area which is owned by Developer (or any of its affiliates) at the time of the Developer Event of Default, this Agreement shall be terminated with respect to those portions of the Redevelopment Area for which the Developer Event of Default relates. Upon the occurrence of a Developer Event of Default respecting any portion of the Redevelopment Area which is no longer owned by Developer (or any of its affiliates) at the time of the Developer Event of Default, this Agreement shall be terminated with respect to that portion of the Redevelopment Area which was the subject of the Sale and relates to the Developer Event of Default. For purposes of clarification, in no event shall a Developer Event of Default caused by the failure to complete construction for any portion of the Redevelopment Area impact or terminate the tax abatement for those portions of the Redevelopment Area that the construction of the Redevelopment Projects has been completed.

Section 5.02. Full Assessment. Upon termination of this Agreement pursuant to this section, for the Redevelopment Area as a whole, or for any portion of the Redevelopment Area, a declaration of abandonment shall be filed by the City with the Recorder of Deeds of Clay County, Missouri, and the subject real property shall from that date be subject to assessment and payment of all *ad valorem* taxes based on the true full value of such real property.

Section 5.03. Failure to Acquire Redevelopment Area. If the Corporation acquires fee title to all or any portion of the Redevelopment Area after a date that is three (3) years after the Effective Date, a Developer Event of Default for that portion of the Redevelopment Area shall occur on such date unless the Board of Aldermen shall in its sole and absolute discretion grant an extension to the Corporation.

ARTICLE 6 GENERAL PROVISIONS

Section 6.01 Modifications; Successors and Assigns. The terms, conditions and provisions of this Agreement and of the Redevelopment Plan shall not be modified or amended except by mutual agreement in writing among the City, the Developer, and the Corporation. This Agreement shall be binding upon and inure to the benefit of the City, the Developer, and the Corporation and their respective successors and assigns; provided, however, Developer may not assign its rights under this Agreement except in conjunction with a Sale in accordance with the provisions of Section 4.01 hereof, and then only if the proposed assignee and/or transferee thereof shall execute a Novation Agreement wherein the transferee expressly assumes all obligations of Corporation hereunder.

Section 6.02 Term of Agreement. This Agreement shall remain in full force and effect for so long as any portion of the real property comprising and located within the Redevelopment Area is or could be subject to abatement of general *ad valorem* taxes pursuant to Section 3.01 hereof and upon the expiration of such period for all parcels in the Redevelopment Area this Agreement shall terminate. The rights and privileges given to Developer and Corporation by this Agreement and the duties and obligations imposed on Developer and Corporation shall apply only to the Redevelopment Area. Notwithstanding anything herein to the contrary, any liability of Developer to the City accruing prior to the termination of this Agreement and remaining unsatisfied at the time of such termination, shall continue and remain actionable beyond such date of termination.

Section 6.03 Representatives Not Personally Liable; Indemnification. No elected or appointed official, agent, employee or representative of the City shall be personally liable to the Developer or the Corporation in the event of any default or breach by any party under this Agreement, or for any amount which may become due to any party or on any obligations under the terms of this Agreement.

The Developer and the Corporation shall jointly and severally indemnify, protect, hold harmless, save and keep the City harmless from and against any and all liability, obligation, loss, claim, tax and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith (including counsel fees and expenses) arising out of or as the result of (a) the entering into of this Agreement, (b) the negligence or intentional misconduct of the Developer, the Corporation, their employees, agents, contractors or subcontractors, (c) injury, actual or claimed, of whatsoever kind or character, to property or persons, occurring or allegedly occurring in, on or about the Redevelopment Area, (d) the breach of any covenant by Developer or the Corporation herein or any material misrepresentation by Developer or the Corporation contained herein, or (e) the presence of hazardous wastes, hazardous materials or other environmental contaminants on any property within the Redevelopment Area. The indemnification arising under this section shall continue in full force and effect notwithstanding the termination of this Agreement for any reason. The indemnification arising under this section shall not extend to any breach, gross negligence or intentional misconduct by or of the City, or its officials, agents, employees or representatives, arising out of this Agreement, the Redevelopment Project or the Redevelopment Plan.

Section 6.04 Developer Funds. The City shall submit an itemized statement for actual and reasonable out-of-pocket third-party expenses necessary to perform its obligations hereunder or for any additional reasonable obligations or expenditures incurred by the City, including copies of paid invoices for such obligations and expenditures. Such statements shall be submitted on a regular periodic basis but no more often than monthly. The Developer shall pay the City the amounts set forth on such statements (the “**Administrative Costs**”) within thirty (30) days of receipt thereof. If such funds are not so received, the unpaid balance shall be subject to a penalty of one and one-half percent (1.5%) per month until paid, but in no event shall such penalty exceed eighteen percent (18%) per annum, and City shall be relieved of any and all obligations hereunder until paid or may terminate this Agreement pursuant to **Article 5**. Developer shall supply the Administrative Costs in a timely manner so that City activities may continue without interruption.

The City and the Developer agree that the Developer shall reimburse the City for its actual and reasonable out-of-pocket expenses necessary to perform the City’s obligations hereunder (including its attorneys fees incurred in the approval of the Redevelopment Plan and the delivery of this Agreement), using Gilmore & Bell, P.C., for special legal counsel, and other consultants as approved according to this paragraph. The City shall advise the Developer in writing if it intends to utilize the services of any other consultant to perform its obligations under the terms of this Agreement. Such written notice shall include the name of the consultant, the service to be performed and an estimate of the cost expected. If the Developer, in writing, within ten (10) business days from receipt of the City’s notice, objects to either the consultant named or the service to be performed, the City and Developer shall negotiate in good faith to resolve the Developer’s objections. If the City and Developer cannot agree on the consultant to be used or the service to be performed, the City shall have no obligation to perform that service under the terms of this Agreement and the Developer shall have no obligation to pay for such service under the terms of this Agreement.

The City shall disburse the Administrative Costs for reimbursement of actual and reasonable costs to the City on or before the thirtieth (30th) day of each month, and for actual and reasonable consulting fees and the payment of all actual and reasonable out-of-pocket third-party expenses incurred by the City in connection with the performance of its obligations under this Agreement as payment for such expenses become due. The City shall send to the Developer a copy of the record for each disbursement made to the Developer pursuant to this Agreement within five (5) business days of such disbursement along with documents evidencing such expenses.

The City may be required to provide services from time to time for the continuing administration of the Corporation or the Developer and any contracts entered into in furtherance of the Redevelopment Plan. Upon appropriate itemization, the City shall be reimbursed by the Developer for actual meeting expenses and other expenses that are reasonable or incidental to the general operations of the City and its consultants with respect to administration of the Corporation, and any contracts entered into in furtherance of the Redevelopment Plan.

Upon completion of the construction of the Redevelopment Projects, any remaining funds held in escrow by the City shall be returned to the Developer.

Section 6.05 Notice. Whenever notice or other communication is called for herein to be given or is otherwise given pursuant hereto, it shall be in writing and shall be personally delivered or sent by registered or certified mail, return receipt requested, addressed as follows:

If to the City:

City of Smithville, Missouri
Attn: Assistant City Administrator
107 W Main Street
Smithville, Missouri 64089

With copy to:

Gilmore & Bell, P.C.
Attn: Megan Miller
2405 Grand Boulevard, Suite 1100
Kansas City, Missouri 64108

If to the Developer:

Smithville Holdings LLC
Attn: John Davis
1000 Progress Drive, #299
Liberty, Missouri 64069

With copy to:

Smithville Holdings LLC
Attn: Shane Crees
PO Box 475
Smithville, Missouri 64089

With copy to:

Polsinelli, PC
Attn: Curt Petersen and Vince Cuezze
900 West 48th Place, Suite 900
Kansas City, Missouri 64112

If to the Corporation:

The Shops At Smithville Redevelopment Corporation

1000 Progress Drive, #299

Liberty, Missouri 64069
Attn: John Davis

With copy to:

The Shops At Smithville Redevelopment
Corporation

PO Box 475
Smithville, Missouri 64089
Attn: Shane Crees

All said notices by mail shall be deemed given on the day of deposit in the mail. A change of designated officer or address may be made by a party by providing written notice of such request to the other parties.

Section 6.06 Severability. The provisions of this Agreement shall be deemed severable. In the event that any provision of this Agreement is found by a court of competent jurisdiction to be invalid, the remaining provisions of this Agreement shall remain valid unless the court finds that the valid provisions are so essentially and inseparably connected with and so dependent upon the invalid provision that it cannot be presumed that the parties hereto would have agreed to the valid provisions of this Agreement, or unless the court finds the valid provisions, standing alone, are incomplete and incapable of being executed in accordance with the contracting parties' intent.

Section 6.07 Headings. The headings and captions of this Agreement are for convenience and reference only, and in no way define, limit, or describe the scope or intent of this Agreement or any provision hereof.

Section 6.08 Recording of Agreement. A memorandum of this Agreement shall be recorded by the Developer in the real property records of Clay County, Missouri, at its sole expense, and the rights and obligations set forth herein shall be a covenant running with the Redevelopment Area throughout the term of this Agreement.

Section 6.09 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.

Section 6.10 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

Section 6.11. Electronic Transactions. The parties agree that the transaction described herein may be conducted and related documents may be sent, received and stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will 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 6.12. Anti-Discrimination. By entering into this Agreement, the Corporation and the Developer each certify that it and any parent company, wholly or majority-owned subsidiary, and other affiliate, if any, are not currently engaged in, or for the duration of this Agreement will not engage in, a boycott of goods or services from the State of Israel; companies doing business in or with the State of Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel. The parties understand that “boycott” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations, but does not include an action made for ordinary business purposes.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have set their hands and seals the day and year first above written.

CITY:

CITY OF SMITHVILLE, MISSOURI

By: _____
Damien Boley, Mayor

ATTEST:

Linda Drummond, City Clerk

Notary for City of Smithville

STATE OF MISSOURI)
) ss.
COUNTY OF CLAY)

BE IT REMEMBERED, that on this _____ day of March, 2026, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Damien Boley, the Mayor of the City of Smithville, Missouri, a City duly incorporated and existing under and by virtue of the laws of the State of Missouri, who is 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 City, and such person duly acknowledged the execution of the same to be the act and deed of said City.

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

NOTARY PUBLIC

[SEAL]

DEVELOPER:

SMITHVILLE HOLDINGS LLC

By: _____
Name: _____
Title: _____

Notary for Smithville Holdings, LLC

STATE OF MISSOURI)
) ss.
COUNTY OF _____)

BE IT REMEMBERED, that on this _____ day of March, 2026, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____, the _____ of Smithville Holdings LLC, a Missouri limited liability company, who is personally known to me to be the same person who executed the within instrument on behalf of said corporation, and such person duly acknowledged the execution of the same to be the act and deed of said corporation.

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

NOTARY PUBLIC

[SEAL]

EXHIBIT A

LEGAL DESCRIPTION OF THE REDEVELOPMENT AREA

All that part of the Northwest Quarter of Section 35, Township 53, Range 33, in the City of Smithville, Clay County, Missouri, more particularly described by Phillip James Schnitz PLS2014020715, on April 19, 2022, as follows (Basis of Bearings: South 03°08'49" West as determined by global positioning system observations to the Missouri State Plane Coordinate System, West Zone along the East line of the surveyed tract, being the West line of SEA PORT ONE, a subdivision of land file for record on February 11, 1992, in Cabinet B, in sleeve 189 in the Clay County Recorder of Deeds office):

Commencing at the intersection of the South line of said Northwest Quarter with the previous Easterly Right of Way line of Missouri State Highway No. 169; Thence North 3° 19 32 East (Deed: North 2° 23 00 East) along said previous Easterly Right of Way line, a distance of 479.42 feet; Thence South 86° 53 17 East, 16.3 feet, to the currently established Easterly Right of Way line of said 169 Highway and the True Point of Beginning of the tract of land herein described; Thence North 3° 19 32 East (Deed: North 2° 23 00 East), 300.44 feet (Deed: 300.0 feet), along said current Easterly Right of Way line; Thence South 86° 47 42 East (Deed: South 87° 37 00 East), 437.86 feet (Deed: 455.0 feet) to the West line of the Plat of SEA PORT ONE, a subdivision of land recorded February 11, 1992, in the Office of the Clay County Recorder of Deeds, in Cabinet B, in Sleeve 189; Thence South 3° 08 49 West, (Deed: South 2° 28 00 West), 299.73 feet (Deed: 300.0 feet) on said West line to the Southwest corner of said plat of SEA PORT ONE, being a point on the North line of B.R.A.A.G. DEVELOPMENT, a subdivision of land recorded May 10, 1999, in the Office of the Clay County Recorder of Deeds, in Cabinet E, in Sleeve 104; Thence North 86° 53 17 West (Deed: North 87° 37 00 West), 438.80 feet (Deed: 455.0 feet), on said North line and the westerly extension thereof to the True Point of Beginning. The above written description excludes, however, that part of the tract of land dedicated to the Missouri Highways and Transportation Commission as set forth in the General Warranty Deed Filed April 26, 2000, in Book 3142 at Page 48.

The foregoing described property is intended to be the same as the legal description contained in vesting deed to Kays Furniture Co., Inc. recorded in 1974 in Book 1165 at Page 676, Clay County Recorder of Deeds, excluding, however, that part of the tract of land subsequently dedicated to the Missouri Highways and Transportation Commission as set forth in the General Warranty Deed Filed April 26, 2000, in Book 3142 at Page 48, Clay County Recorder of Deeds.

EXHIBIT B

SCHEDULE OF PAYMENTS

The total payments to be made with respect to the Property to all taxing jurisdictions except the Fire District and the Ambulance District under the Redevelopment Plan and the Redevelopment Agreement in the years shown below, including both taxes and payments in lieu of tax are as follows:

<u>Year</u>	<u>Total Payment</u> <u>Base Value Property Tax plus PILOT</u>
2026	\$45,383
2027	58,468
2028	58,468
2029	60,807
2030	60,807
2031	63,239
2032	63,239
2033	65,769
2034	65,769
2035	68,399

“**Base Value**” means, for all years, the amount equal to \$620,960 (the assessed value of the property for tax purposes for tax year 2025) and multiplied by the Current Tax Rate.

“**Current Tax Rate**” the total of all *ad valorem* real property tax levy rates imposed by all applicable taxing jurisdictions for the applicable year for the subclass of property being taxed.

“**PILOT**” means, for each year, a payment equal to the difference between the tax calculated on the Base Value using the Current Tax Rate and the Total Payment shown above, and should be distributed to the taxing jurisdictions pro rata, with the exception of the Smithville Area Fire Protection District (the “Fire District”) and the Northland Regional Ambulance District (the “Ambulance District”).

The Fire District and the Ambulance District will receive 100% of the taxes otherwise due to such districts in absence of the Redevelopment Plan. The Company will pay the amounts as calculated by the Clay County Assessor.

EXHIBIT C

FORM OF NOVATION AGREEMENT

NOVATION AGREEMENT

THIS NOVATION AGREEMENT (“Novation Agreement”) is entered into this ____ day of _____, 20__, by and among the City of Smithville, Missouri, a fourth-class and political subdivision of the State of Missouri (“the City”), The Shops at Smithville Redevelopment Corporation, a corporation duly organized and existing pursuant to the Urban Redevelopment Corporations Law of Missouri (“The Redevelopment Corporation”), Smithville Holdings LLC, a Missouri limited liability company (the “Developer”), with the City, the Developer and The Redevelopment Corporation collectively being referred to as “Assignors”) and _____ (“Assignee”).

WHEREAS, the City by its Ordinance No. 3277-25, duly passed and enacted by its Board of Aldermen on October 7, 2025 (the “Redevelopment Plan Ordinance”), has granted to The Shops at Smithville Redevelopment Corporation certain redevelopment rights under and pursuant to the Missouri Urban Redevelopment Corporations Law, Sections 353.010, *et seq.*, RSMo, for all property contained within the Redevelopment Area (the “Redevelopment Area”) for The Shops at Smithville Redevelopment Plan (the “Redevelopment Plan”); and

WHEREAS, the City by its Ordinance No. _____, duly passed and enacted by its Board of Aldermen on [March __, 2026] approved the execution of a Redevelopment Agreement (the “Redevelopment Agreement”) by and among the City, The Redevelopment Corporation, and the Developer related to the implementation of the Redevelopment Plan; and

WHEREAS, Assignee desires and is willing and able to assume all obligations of The Shops at Smithville Redevelopment Corporation and the Developer to the City under the Redevelopment Plan and the Redevelopment Agreement in order to redevelop the Redevelopment Area described in *Exhibit I* attached hereto (the “Property”), as provided for under the Redevelopment Plan Ordinance, the Redevelopment Plan, and the Redevelopment Agreement, including compliance with all provisions of the Missouri Redevelopment Corporations Law, Sections 353.010, *et seq.*, RSMo; and

WHEREAS, The Redevelopment Corporation and the Developer are agreeable to assigning to Assignee, and the City desires to consent to the assignment of, their rights and obligations under the Redevelopment Plan and the Redevelopment Agreement with respect to the Property in consideration of Assignee’s willingness, ability and agreement to assume all obligations of The Redevelopment Corporation and the Developer to the City under the Redevelopment Plan and the Redevelopment Agreement in order to redevelop the Property as provided for under the Redevelopment Plan Ordinance, the Redevelopment Plan, and the Redevelopment Agreement, including compliance with all provisions of the Missouri Redevelopment Corporations Law, Sections 353.010, *et seq.*, RSMo.

NOW, THEREFORE, in consideration of the premises and additional consideration, the receipt and sufficiency of which are hereby acknowledged, Assignors and Assignee hereby agree as follows:

1. **Assignment of Rights.** The Redevelopment Corporation and the Developer, without reservation of rights, hereby assigns, releases, quitclaims and sets over to Assignee all its rights, title and interest of The Redevelopment Corporation and the Developer under the Redevelopment Plan Ordinance, the Redevelopment Plan, and the Redevelopment Agreement, subject to all obligations, requirements and

conditions thereof to, among other matters, redevelopment of the Property legally described on Exhibit I attached hereto.

2. **Assumption of Obligations.** Assignee hereby unconditionally assumes and accepts assignment of all rights, title and interest of The Redevelopment Corporation and the Developer under the Redevelopment Plan Ordinance, the Redevelopment Plan, and the Redevelopment Agreement with respect to the Property, subject to all obligations, requirements and conditions thereof including and without limitation the obligations to construct and operate the project on the Property as described in the Redevelopment Plan and the limitations upon and requirements of a statutory redevelopment corporation under the Missouri Redevelopment Corporations Law, Sections 353.010, *et seq.*, RSMo, as if it were such a redevelopment corporation notwithstanding the fact that it is a different legal entity, other than any restriction of earnings from the project under the Missouri Urban Redevelopment Corporations Law, Sections 353.010, *et seq.*, RSMo.

3. **Consent of City and Novation.** The City hereby consents to the assignment of all rights, duties, obligations, requirements, conditions and interests of The Redevelopment Corporation and the Developer to the City under the Redevelopment Plan Ordinance, the Redevelopment Plan, and the Redevelopment Agreement, with respect to the Property, to the Assignee, and the assumption by the Assignee of all such rights, duties, obligations, requirements, conditions and interests of The Redevelopment Corporation and the Developer, and, further, hereby forever and without limitation whatsoever releases, discharges and holds harmless The Redevelopment Corporation and the Developer from any and all rights, duties, obligations, requirements and conditions under the Redevelopment Plan Ordinance, the Redevelopment Plan, and the Redevelopment Agreement with respect to the Property. From this day forward the City will look only to the Assignee for the performance of the duties, obligations, requirements and conditions under the Redevelopment Plan Ordinance, the Redevelopment Plan, and the Redevelopment Agreement, with respect to the Property, and not to The Redevelopment Corporation or the Developer. This Novation Agreement is intended by the parties to be an agreement of novation and not mere assignment, intending to substitute for all purposes the Assignee for The Shops at Smithville Redevelopment Corporation and the Developer as an obligor and party under the Redevelopment Plan, The Shops at Smithville Redevelopment Corporation and the Developer from this day forward having no further duties, obligations, requirements and conditions under the Redevelopment Plan Ordinance, the Redevelopment Plan, and the Redevelopment Agreement with respect to the Property.

4. **Defined Terms.** All definitions of terms as are specifically defined in the Redevelopment Plan are incorporated herein by reference and shall have the same meaning, force and effect upon the rights and obligations of the parties to this Novation Agreement as they do under and pursuant to the Redevelopment Plan.

5. **Integration, Modification and Waiver.** This Novation Agreement constitutes the complete and final expression of the agreement of the parties relating to the assignment of redevelopment rights for the Property and supersedes all previous contracts, agreements and understandings of the parties, whether oral or written, relating to such assignment. This Novation Agreement cannot be modified, or any of the terms hereof waived, except by an instrument in writing referring specifically to this Novation Agreement executed by the party against whom enforcement of the modification or waiver is sought.

6. **Headings and Construction.** The headings which have been used throughout this Novation Agreement have been inserted for convenience of reference only and do not constitute matters to be construed in interpreting this Novation Agreement. Words of any gender used in this Novation Agreement shall be held and construed to include any other gender and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise. The words “herein,”

“hereof,” “hereunder” and other similar compounds of the word “here” when used in this Novation Agreement shall refer to the entire Novation Agreement and not to any particular provision or section.

7. **Invalid Provisions.** If any one or more of the provisions of this Novation Agreement, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Novation Agreement and all other applications of any such provision shall not be affected thereby.

8. **Binding Effect.** This Novation Agreement shall be binding upon and inure to the benefit of Assignors and Assignee and their respective heirs, representatives, successors and assigns. This Novation Agreement may not be assigned by any party hereto without the express prior written consent of all other parties. Except as expressly provided herein, nothing in this Novation Agreement is intended to confer on any person, other than the parties hereto and their respective successors and assigns, any rights or remedies under or by reason of this Novation Agreement as third party beneficiaries or otherwise.

9. **Governing Law.** The laws of the State of Missouri shall govern the validity, enforcement and interpretation of this Novation Agreement.

10. **Further Acts.** In addition to the acts recited in this Novation Agreement to be performed by Assignors or Assignee, Assignors and Assignee agree to perform or cause to be performed any and all such further acts as may be reasonably necessary to consummate the transactions contemplated in this Novation Agreement.

11. **Effective Date of Agreement.** The effective date of this Novation Agreement shall for all purposes be the date first above written, regardless of the dates of the signatures of the parties to this Novation Agreement.

[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF, Assignors and Assignee have caused this Novation Agreement to be executed as of the dates set forth after each of their respective signatures.

CITY OF SMITHVILLE, MISSOURI

A fourth-class and political subdivision

ATTEST:

By _____

City Clerk

(Seal)

By _____

Printed Name: _____

Title: _____

Date: _____

**THE SHOPS AT SMITHVILLE
REDEVELOPMENT CORPORATION**

By _____

Printed Name: _____

Title: _____

Date: _____

SMITHVILLE HOLDINGS LLC

By _____

Printed Name: _____

Title: _____

Date: _____

ASSIGNEE:

By _____

Printed Name: _____

Title: _____

Date: _____

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

[to be added at time of property transfer]