

**REAL ESTATE PURCHASE OPTION AGREEMENT  
(PARAGON STAR PROJECT – LOT 2)**

THIS REAL ESTATE PURCHASE OPTION AGREEMENT (this “**Agreement**”), dated as of October 20, 2016 (the “**Effective Date**”), is made between:

**Seller:**                    **CITY OF LEE’S SUMMIT MISSOURI**  
a charter city and political subdivision of the State of Missouri  
220 SE Green Street  
Lee’s Summit, Missouri 64063

**Purchaser:**            **PARAGON STAR, LLC**  
a Missouri limited liability company  
801 NW Commerce Dr.  
Lee’s Summit, MO 64086

**RECITALS**

A. Seller is the owner of approximately 4.21 acres of property situated within the corporate limits of the City of Lee’s Summit, Jackson County, which is legally described in **Exhibit A** which is attached hereto and incorporated herein by reference (the “**Property**”).

B. Seller desires to grant to Purchaser and Purchaser desires to purchase and obtain from Seller the exclusive option to purchase the Property pursuant to the terms and conditions of this Agreement.

**AGREEMENT**

**1. Definitions.** All capitalized terms which are not defined in this Agreement shall have the meanings set forth in the I-470 and View High Tax Increment Financing Agreement dated October 20, 2016 (the “**TIF Agreement**”).

**2. Grant of Option.** Subject to the terms and conditions set forth in this Agreement, in consideration of the sum of One and No/100 Dollars (\$1.00) and other good and valuable consideration, Seller agrees to grant to Purchaser the exclusive right and option to purchase the Property (the “**Option**”). Seller hereby acknowledges the receipt and sufficiency of the consideration recited herein.

**3. Option Period and Exercise of Option.** Purchaser may exercise the Option after all conditions set forth in Section 16 of this Agreement have been satisfied (the “**Option Conditions**”), subject to any City waivers of such conditions as permitted by Section 16. The right to exercise the Option shall remain open until this Agreement is terminated as provided herein. The Option shall be exercised by the Purchaser or a permitted assignee delivering written notice to Purchaser (the “**Exercise Notice**”), and thereafter the parties shall coordinate for the Closing as provided herein.

**4. Assignment.**

(a) Purchaser may assign this Agreement to a Related Entity (as defined in the TIF Agreement) with the City’s prior written consent, which shall not be unreasonably withheld or delayed. . If the City Manager, after consultation with the City’s legal counsel, determines that the proposed assignee is a proper and valid Related Entity , then the City Manager shall provide written consent to the assignment.

(b) Except as provided in paragraph (a) of this Section, neither party shall sell, assign, transfer or convey any of their rights under this Agreement without the prior and express written consent of the other party.

5. Intentionally deleted.

6. **Purchase Price.** In the event Purchaser elects to exercise the Option, the purchase price for the Property (the “**Purchase Price**”) shall be Five Hundred Eighty Eight Thousand Nine Hundred Fifty Eight and No/100 Dollars (\$588,958.00). The Purchase Price shall be paid to the City at Closing.

7. **Prorations.** The parties agree that all general state, county, school and municipal taxes (exclusive of penalties and interest) payable during the calendar year of Closing shall not be due and payable because the Seller will own the property as of January 1<sup>st</sup> of the calendar year in which the Closing will occur if the Option is exercised and is a political subdivision that is exempt from such taxes. To the extent that a court of competent jurisdiction rules that such taxes are due and payable for the calendar year of Closing, such taxes shall be prorated between Seller and Purchaser as of the Closing Date. If the amount of the tax to be prorated can not be ascertained, proration will be computed on the corresponding amount for the preceding year.

8. **Closing Date.** The closing under this Agreement (the “**Closing**”) shall take place at the offices of the Title Company (defined below) at a date and time to be mutually agreed upon by the parties, within thirty (30) days after satisfaction of the Closing Condition (the “**Closing Date**”). Seller shall deliver possession of the Property to Purchaser upon Closing in the same condition as it was on the Effective Date, reasonable wear and tear excepted, notwithstanding any development activities permitted to be performed prior to Closing.

9. **Deliveries.** The parties agree that Seller has previously provided copies of all environmental reports, engineering reports, soil reports, surveys, plats, development plans and correspondence relating to the Property that are in possession of Seller, and Buyer has had sufficient time to review such documents prior to the Closing. Seller shall, within ten (10) days after the date of this Agreement (the “**Delivery Date**”), deliver or cause to be delivered to Purchaser a title insurance commitment for the Property (the “**Commitment**”), by the terms of which First American Title of Kansas City, Missouri (attn: Sheryl Snook), or another title insurance company reasonably acceptable to Purchaser (the “**Title Company**”) agrees to issue to Purchaser at Closing an ALTA Owner’s Policy of Title Insurance (the “**Title Policy**”) in the amount of the Purchase Price insuring a merchantable fee simple title in Purchaser’s name as of the time of the recording of the deed to Purchaser. The Title Policy shall contain no “standard” exceptions other than a survey exception limited to matters of record only if Purchaser does not obtain a survey of the Property in accordance with this Agreement.

#### 10. **Inspections.**

(a) The Parties agree that Seller has provided reasonable access to Purchaser and Purchaser’s agents, and will continue to provide such reasonable access after the Effective Date until all Option Conditions have been satisfied pursuant to Section 14 or until this Agreement has been terminated pursuant as provided herein (the “**Review Period**”) for all or any of the following to be done at Purchaser’s option and Purchaser’s expense (collectively, the “**Assessments**”):

- (i) a current survey (the “**Survey**”) of the Property; and
- (ii) physical condition inspections of the Property; and
- (iii) an environmental assessment conducted in accordance with the provisions of the “Environmental Matters” section below by a qualified environmental professional chosen by Purchaser (the “**Environmental Assessment**”).

## 11. Purchaser's Objections.

(a) **Title.** If the Title Policy or the Assessments disclose any title defects or encumbrances to which the Purchaser reasonably objects ("**Title Objections**"), Purchaser may, prior to the expiration of the Review Period, deliver written notice to Seller specifying Purchaser's objections. Seller shall remedy all Title Objections susceptible of being remedied and shall deliver to Purchaser, not less than ten (10) days prior to the Closing Date, a revised Commitment reflecting that the Title Objections have been cured. If Seller fails to or is unable to cure, remove or otherwise correct any of the Title Objections to the satisfaction of Purchaser, then Purchaser may either: (a) elect to accept such Title Policy as Seller is able to deliver and proceed to Closing, or (b) terminate this Agreement. Any matters disclosed by the Title Policy acceptable to Purchaser will be deemed "**Permitted Exceptions**".

(b) **Physical Condition.** If Purchaser is not satisfied with the results of the Assessments, Purchaser shall give Seller written notice specifying Purchaser's objections prior to the expiration of the Review Period. Seller shall have until ten (10) days prior to the Closing Date ("**Seller's Cure Period**") to cure the objections. If Purchaser is not satisfied with Seller's attempts to cure the objections, Purchaser may terminate this Agreement at any time prior to Closing.

**12. Environmental Matters.** The scope, sequence and timing of the Environmental Assessment shall be at the discretion of Purchaser; no invasive or destructive testing shall be done without Seller's prior written consent. Purchaser may terminate this Agreement at any time prior to Closing if the Environmental Assessment reveals or, if at any time prior to the expiration of the Review Period, Purchaser otherwise becomes aware of, the existence of any violation of an environmental law that Purchaser is unwilling to accept.

## 13. Seller's Representations. Seller covenants, represents and warrants to Purchaser, as follows:

(a) Seller is possessed and vested with full power and authority to enter into and consummate this Agreement and to perform Seller's obligations under this Agreement.

(b) There are no leases, tenancies or other rental arrangements or rights of possession pertaining to any portion of the Property, and Seller owns fee simple title to the Property and has full right and lawful authority to enter into and perform Seller's obligations under this Agreement.

(c) Seller has no actual knowledge of any special taxes or assessments levied against the Property which are not yet due and payable at the office of the tax collection authority having jurisdiction or any existing or proposed improvements to be paid for by special taxes or assessments subsequent to the date of this Agreement.

(d) All statements made by Seller in this Agreement are true and correct and the information provided and to be provided by Seller to Purchaser relating to this Agreement does not and will not contain any statement which, at the time and in the light of the circumstances under which it was made, is false or misleading with respect to any material fact, or omits to state any material fact (which is actually known by Seller) necessary in order to make any statement false or misleading in any material respect.

**14. Survival of Representations and Agreements.** All representations, warranties and agreements contained in this Agreement or in any certificate, instrument or document delivered by or on behalf of either party to this Agreement or in connection with the transaction contemplated by this Agreement shall be deemed representations, warranties or agreements of that party, and shall survive, except to the extent waived by the party for whose benefit they exist, the Closing or termination of this Agreement.

**15. Brokers.** Purchaser represents that Purchaser has not dealt with any brokers or persons who may claim fees in connection with the transaction contemplated by this Agreement. The Parties agree that

no commissions, brokers or finders fees or other like changes will arise out of this Agreement or the transaction contemplated by this Agreement.

**16. Option Conditions.** Purchaser may exercise the Option after all of the following Option Conditions have been satisfied, subject to any City waivers of such conditions in the sole discretion of Seller (all capitalized terms used in this section but not otherwise defined herein shall have the meaning ascribed in the TIF Agreement):

(a) the TIF Agreement has been executed and confirmation by both parties to the TIF Agreement that the TIF Agreement is in full force and effect;

(b) the TDD has been formed, the TDD Cooperative Agreement has been executed, the TDD Sales Tax has been authorized, the TDD has issued debt to fund the road improvements or alternative interim private financing has been completed and all funds required for construction of the road improvements is available for disbursement, and bidding for the road improvements has commenced or a contract for construction of the road improvements has been executed;

(c) MoDOT has provided approvals to make improvements to the I-470 and View High interchange and all other rights-of-way within MoDOT's jurisdiction and control related to the Project;

(d) the expenditure of proceeds from the Seller's general obligation bonds in the amount of \$1 million have been approved by the Seller for road improvements that serve the Redevelopment Project Area;

(e) a plat and a preliminary development plan has been approved for the Property by Seller;

(f) the Seller has granted the Developer an easement for mass and fine grading on the Property and permits have been issued for such grading;

(g) the CID Sales Tax has been authorized;

(h) the Seller, Purchaser and/or Developer have entered into the CID Cooperative Agreement which provides for the statutorily required municipal interaction with the CID, the use of CID revenues, the issuance of debt that is repaid from CID revenues, and other operational issues;

(i) the Seller has received and/or reviewed Documentation that Developer's investors and/or partners have approved project budgets for their respective project components and Seller has received and/or reviewed executed and binding real estate contracts, leases, reciprocal easements, restrictive covenants, engineers and architects contracts, construction contracts, management agreements, performance bonds or other documents which are reasonably acceptable to the Seller which evidence the intent, ability and financial capacity to complete all portions of the private development on the Property;

(j) the Seller has received and/or reviewed Documentation which is reasonably acceptable to Seller to demonstrate that the Developer's investors and/or partners have closed or are prepared to close on all applicable private financing sources for the private components of the entire project, and each commitment to close on the applicable portion of the private financing is subject only to transfer of the Property to the Purchaser;

(k) plans and specifications for the Sports Complex and a final construction estimate with an appropriate contingency have been completed, all loaned funds which are necessary for construction of the Sports Complex are on deposit with a trustee or escrow agent that is acceptable to the Seller and Purchaser and are available for disbursement for construction, and the bidding process for construction of the Sports Complex has resulted in the receipt of bids and the determination that a competitive and complete bid has been received or a construction contract has been executed;

(l) the Seller has received and/or reviewed Documentation that all steps necessary for closing on the private financing for the Sports Complex, by the appropriate investor and/or partner, has been completed and such closing is subject only to transfer of the Property to the Purchaser;

(m) the Seller has received and/or reviewed Documentation that the portion of the state funding to be contributed to the Sports Complex funding has been approved by the appropriate state agency, or alternative private funding sources have been identified in lieu of such state funding and the Seller has received Documentation that the closing of such alternative private funding sources is subject only to the transfer of the Property to the Purchaser;

(n) restrictive covenants, which limits use of applicable portions of the Property for a Sports Complex or similar recreational uses, have been recorded;

(o) the Seller and Developer have coordinated for the issuance of building permits for all development within Redevelopment Project Area 1;

(p) the Seller has received Documentation that the wetlands permit has been issued to construct all improvements within the applicable areas of Redevelopment Project Area 1; and

(q) the County has entered into a long term lease with the CID for the use of the County-owned property within Redevelopment Project Area 1.

**17. Closing.** If Purchaser exercises the Option, the Closing shall be by escrow through the Title Company as follows:

(a) **Seller.** If Purchaser exercises the Option then on or before the Closing Date, Seller shall deliver to the Title Company a special warranty deed (the “**Deed**”), conveying title free and clear of all liens and encumbrances other than the Permitted Exceptions, and containing a right of repurchase in favor of Seller which provides that in the event that a building permit has not been issued for construction on the Property within forty eight (48) months from Closing, then Seller shall have ninety (90) days thereafter to repurchase the Property in the amount of the Purchase Price actually received by Seller at no cost to Purchaser. Within ten (10) days of the issuance of a building permit, Seller shall provide a release of the Right of Repurchase at no cost to Purchaser.

(b) Each party shall deliver all other documents reasonably necessary to complete the Closing and may deliver closing or escrow instructions to the Title Company consistent with the provisions of this Agreement.

**18. Closing Costs.** Except as otherwise provided in this Agreement, each party shall be responsible for the payment of its own attorneys’ fees incurred in connection with the transaction that is the subject of this Agreement. Purchaser shall pay all charges and fees of the Title Company for or regarding the issuance of the Commitment and the Title Policy, including any costs imposed by reason of the issuance of subsequent Commitments to satisfy any Title Objections, the filing fees for recording the Deed, all charges and fees for or regarding the Assessments, and any other fees charged by the Title Company, including closing fees, escrow fees, or any other recording costs. Purchaser may seek reimbursement for engineering, legal and consulting fees which are eligible for reimbursement as Redevelopment Project Costs.

**19. Default and Remedies.**

(a) **Default by Seller.** If Seller defaults in the performance of its obligations under this Agreement, and does not cure the same within ten (10) business days after receipt of written notice from Purchaser (or such longer time as reasonably necessary to effect such cure), Purchaser may (i) terminate this Agreement, or (ii) elect to treat this Agreement as being in full force and effect, in which case Purchaser may take such other actions as are available under or with respect to this Agreement or otherwise at law or equity, including but not limited to the remedy of specific performance. With respect

to any of Seller's obligations accruing after or surviving termination or Closing of this Agreement, Purchaser shall be entitled to all remedies provided by law and equity.

(b) **Default by Purchaser.** If Purchaser defaults in the performance of its obligations prior to Closing, Seller may terminate this Agreement. With respect to any of Purchaser's obligations accruing after or surviving termination or Closing of this Agreement, Seller shall be entitled to all remedies provided by law and equity.

**20. Easement Agreement.** Prior to Closing, and at no cost to Purchaser, the Seller and Purchaser may enter into a separate temporary construction and permanent right-of-way easements or dedications for the purpose of allowing road construction on the Property in accordance with the terms of the TIF Agreement.

**21. Miscellaneous.**

(a) **Time for Performance.** If the date for the performance of the obligations of Seller and Purchaser under this Agreement falls on a Saturday, Sunday or observed banking holiday by national banks in Lee's Summit, Missouri, the date of performance shall be extended to the next regular business day.

(b) **Business Day.** A "business day" as used herein is a day other than a Saturday, Sunday or observed banking holiday by national banks in Lee's Summit, Missouri.

(c) **Entire Agreement; Amendment.** This Agreement constitutes the entire agreement of the parties concerning the Property and supersedes any and all prior oral representations, covenants, understandings or agreements between the parties or their agents, and may be modified only by written agreement signed by both parties.

(d) **Governing Law.** This Agreement shall be governed by Missouri law.

**22. Notices.** All notices or deliveries required under this Agreement shall be hand delivered or given by mail (return receipt requested) or overnight courier (signature required) directed to Purchaser and Seller at the address stated on the first page of this Agreement. All notices so given shall be considered effective if hand delivered, when received; if delivered by courier, one (1) business day after timely deposit with the courier service, charges prepaid; or if mailed, three (3) days after deposit, first class postage prepaid, with the United States Postal Service. Either party may change the address to which future notices shall be sent by notice given in accordance with this Section.

**23. Termination.** This Agreement shall terminate if the Exercise Notice has not been delivered within one year after the Effective Date.

*[Remainder of this page intentionally left blank, signature pages to follow]*

**EXECUTED** as of the Effective Date written above.

**SELLER:**

**CITY OF LEE'S SUMMIT,**  
A charter city and political subdivision of the State  
of Missouri

\_\_\_\_\_  
Randall L. Rhoads  
*Mayor*

**PURCHASER:**

**PARAGON STAR, LLC,** a Missouri limited  
liability company

By: \_\_\_\_\_

Phillip D. Short, Manager

|

**EXHIBIT A**

**LEGAL DESCRIPTION**

All of Lot 2 of the Final Plat of Paragon Star, a subdivision within Jackson County, Lee's Summit, Missouri.