

VIA ELECTRONIC MAIL (Stephen.Arbo@cityofls.net)

Mr. Stephen Arbo
City Manager
City of Lee's Summit, MO
220 SE Green Street
Lee's Summit, MO 64063

Re: Westcott Group Follow-up Meeting

Dear Steve:

Thank you for taking the time to coordinate a conference call with Springsted. Based upon our conversation, below please find the updated proposal from Westcott Investment, LLC ("Westcott") which expands upon Westcott's financial commitment to construct and develop a first class business park in Lee's Summit, Missouri. Westcott will agree to the following:

- A commitment to build a minimum of 500,000 square feet of building space within a 5-year period, with 200,000 s.f. completed by August 15, 2019 and an additional 300,000 s.f. completed by December 1, 2022. If we fail to build, we lose our rights to any undeveloped property. Assuming the PMIX zoning plan and plat are approved by January 2017, construction could start in the summer of 2017.
- Currently the sole shareholder of Westcott is Diede Construction, Inc. Additional investors are contractually committed to the Project upon the approval of the Assignment of Development Rights to Westcott and the approval of the PMIX zoning plan. Since these other investors are not currently investors in the Project, Westcott, as a condition of encumbering the property in any way, transferring the property without the City's consent or issuance of a building permit, will provide to the City's financial consultant, on a confidential basis, evidence that Westcott has the financial capacity to construct, by August 15, 2019 either independently or through traditional financing sources, a building of at least 200,000 square feet. This financial capacity will further be demonstrated by Westcott posting a completion bond or other surety in favor of the City equal to the cost to construct a 200,000 s.f. building on the property but in all regards in a minimum amount of \$5 million. The completion bond will be posted as a condition of recording the first plat. The City will be entitled to call on the completion bond if Westcott does not construct 200,000 s.f. of building by August 15, 2019.
- A financially backed guarantee for the construction, by December 1, 2022, of all on-site and off-site infrastructure necessary to support development of the Property. The financial guarantee will run in favor of the City and allow the City of Lee's Summit to draw funds to build the infrastructure we fail to build. The

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amount deposited (whether in the form of a performance bond, letter of credit, etc.) will be equal to the City's cost to complete all public infrastructure required (both on-site and off-site) to fully build out the Property.

- The public infrastructure costs and the amount of the financial guarantee will be based upon estimates acceptable to the Director of Public Works and reflect the infrastructure needed to fully support the Preliminary PMIX Development Plan to be approved by the City Council.
- The financial guarantee will be in a form acceptable to the Director of Finance and City Attorney and provided to the City as a condition of recording of the first plat of the development.
- Participation in a confidential independent financial review of Westcott and the Westcott investors to further confirm their fiscal strength and capability to successfully develop the Property as proposed.
- Participation in the City's corridor plan in order to submit a Preliminary PMIX Development Plan that supports and incorporates the City's development standards.
- We very much like the idea of locating an EMS/fire station facility within the project. During the PMIX process, we will work with Staff to find the appropriate location for this facility. We will agree to dedicate this 2 acre +/- site to the City at no cost.

I cannot convey to you how broad ranging Westcott's vision is for the corridor. The approval of the Assignment will allow Westcott to move forward with its other significant plans. To that end, we would appreciate the City Council's consideration of our expanded financial commitment in early May.

If you have any questions regarding this matter, please feel free to call.

Very truly yours,

A handwritten signature in black ink that reads "Aaron". The signature is stylized with a large, prominent 'A' and a cursive 'aron'.

Aaron G. March

AGM:jjw

cc: Mr. Brian Head (via e-mail, Brian.Head@cityofls.net)
Mr. Steve Singh (via e-mail, stevesingh@ymail.com)
Mr. Daren Fristoe (via e-mail, daren@thefristoegroup.com)