

## DISBURSEMENT AGREEMENT

This **DISBURSEMENT AGREEMENT** (“**Agreement**”) is made and entered into as of [\_\_\_\_\_, 2025], by and among the **CITY OF LEE’S SUMMIT, MISSOURI**, a political subdivision of the State of Missouri (“**City**”), **PARAGON STAR, LLC**, a Missouri limited liability company (“**Developer**”), and the **I-470 WESTERN GATEWAY TRANSPORTATION DEVELOPMENT DISTRICT**, a transportation development district and political subdivision of the State of Missouri (“**TDD**”) (the City, Developer, and TDD being sometimes collectively referred to herein as the “**Parties**”, and individually as a “**Party**”, as the context so requires).

### RECITALS

**WHEREAS**, the City, the Developer, and the TDD have entered into various agreements relating to the funding, engineering, design and construction of public improvements; and

**WHEREAS**, pursuant to the Cooperative Agreement dated as of March 9, 2017, as assigned under the Assignment and Assumption of Cooperative Agreement, dated September 4, 2018 (the “**Cooperative Agreement**”), the TDD authorized the City to perform the function of “Sales Tax Administrator,” as defined under the Cooperative Agreement; and

**WHEREAS**, the TDD desires to further authorize the City to perform the function of “TDD Disbursing Agent (defined herein) for Cost Share Funds (defined herein) to pay the costs related to the Missouri Highways and Transportation Commission Project No. STP-3400(444)/J413470 described in the Cost Share Agreement (defined herein), such project being referred to herein as the “**Cost Share Project**”; and

**WHEREAS**, the Parties desire to enter into this Agreement to establish (1) the obligation of the City to deposit its \$1,000,000 contribution to the Cost Share Project costs through deposit into and disbursement from the TDD Disbursement Account (defined herein) of such funds (“**City Funds**”), and (2) the process by which Cost Share Funds shall be disbursed from the TDD Disbursement Account.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties to this Agreement hereby agree as follows:

1. Disbursement Account.

1.1. The City and the TDD, simultaneously with the execution and delivery of this Agreement shall cooperate to establish a separate, segregated trust account or depository bank account (the “**TDD Disbursement Account**”) for the TDD which shall be maintained at all times until termination of this Agreement as set forth in Section 4.5. The deposits into the TDD Disbursement Account shall be accounted for separately as (1) City Funds and (2) Cost Share Funds. The TDD shall cooperate to the extent necessary to give the TDD Disbursing Agent control over all withdrawals and disbursements from the TDD Disbursement Account. It is the intent of the Parties to execute either an account control agreement or an escrow agreement for such purpose.

1.2. The City, simultaneously with the execution and delivery of this Agreement shall deposit \$1,000,000 into the TDD Disbursement Account to be accounted for as the City Funds.

1.3 The Parties agree to the deposit into and disbursement from the TDD Disbursement Account of all funds disbursed to the TDD from the Missouri Highways and Transportation Commission (“**MHTC**”) for costs incurred in the construction of the Cost-Share Project pursuant

to the provisions set forth in the Missouri Highways and Transportation Commission Cost Share Agreement dated as of September 23, 2020 between MHTC and the TDD, as supplemented by the Missouri Highways and Transportation Commission Cost Share Program Supplemental Agreement dated as of [\_\_\_\_\_, 2025] between MHTC and the TDD (together, the “**Cost Share Agreement**”) in the anticipated amount of \$5,194,470 (the “**Cost Share Funds**”).

1.4 Any interest earned on amounts deposited in the TDD Disbursement Account shall accrue and be held for distribution in accordance with this Agreement.

2. Disbursement Procedure. Each disbursement of funds from the TDD Disbursement Account (each, a “TDD Disbursement” and, collectively, the “TDD Disbursements”) hereunder shall consist of and be processed as follows:

2.1 *Disbursement of TDD Disbursement Account Funds*

2.1.a. All requests for disbursement of TDD Disbursement Account funds shall be submitted to the TDD Disbursing Agent contemporaneously with the TDD Local Public Agency (LPA) submission of such costs to MHTC and shall include the payment application submitted to the MHTC (the “**MHTC Payment Application**”) which includes the supporting invoice(s).

2.1.b. Each request shall be supplemented with (1) evidence of approval of the applicable MHTC Payment Application from MHTC when received, and (2) proof of payment, satisfactory to the TDD Disbursing Agent, of the portion of the costs described in such approved MHTC Payment Application that will not be paid from Cost Share Funds (the “**Non-MHTC Portion**”).

2.1.c. Upon approval of a TDD Disbursement in accordance with Section 2.2 and, to the extent of available Cost Share Funds, the Cost Share Funds shall be disbursed by the TDD Disbursing Agent to the contractors or subcontractors for which payment is shown as due under the approved MHTC Payment Application as payable from Cost Share Funds (the “**MHTC Portion**”), which may include payment to the Developer if the Developer provides proof of payment to such contractors or subcontractors.

2.1.d. No disbursement from the City Funds shall occur until the TDD Disbursing Agent has received (1) Cost Share Funds, and (2) satisfactory proof of payment of Non-MHTC Portion of Cost Share Project costs, together totaling \$8,418,940. After such threshold is met, each TDD Disbursement under Section 2.1.c relating to Cost Share Project costs in excess of such threshold may include a disbursement from the City Funds (to the extent of available funds) to the contractors or subcontractors for which payment is shown as due for Non-MHTC Portion Cost Share Project costs under the approved MHTC Payment Application, which may include payment to the Developer if the Developer provides proof of payment to such contractors or subcontractors.

2.2 *Funding of Approved Request.*

2.2.a. Within 7 business days after receipt by the TDD Disbursing Agent of a completed request for TDD Disbursement pursuant to Section 2.1 herein (including all information described in the applicable subsection(s) thereof), the TDD Disbursing Agent shall respond to the request and, if approved, disburse the appropriate funds, to the extent available, in accordance with Section 2.1. In the event the TDD Disbursing Agent fails to

timely respond to a request for TDD Disbursement, it shall state the reasons for such failure to the Developer and the Developer and TDD Disbursing Agent shall meet and confer and use their reasonable best efforts to resolve any disagreements as soon as possible thereafter. A request for TDD Disbursement shall not be deemed approved due to the passage of time after the request nor shall it be unreasonably withheld.

Funds shall be disbursed from the TDD Disbursement Account to pay for costs incurred and submitted to the TDD Disbursing Agent in accordance with this Section 2. The Parties understand that, due to the nature of the Cost Share Agreement, the TDD will receive approximately \$5,194,470 from Cost Share Funds. The TDD will also receive \$1,000,000 from City Funds. The total costs of the Cost-Share Project is estimated at \$10,697,141. Any costs not paid from such sources shall be the responsibility of the Developer. Developer shall have the obligation to complete the Cost-Share Project and shall bear sole responsibility for any costs in excess of the \$10,697,141 total cost estimate. The Parties acknowledge that Developer funding of the Cost-Share Project costs in excess of TDD funds and Cost Share Funds are eligible for reimbursement by the TDD pursuant to the funding mechanisms contemplated under the Cooperative Agreement. The Parties understand that the City's only payment obligations under this Agreement or otherwise related to the Cost Share Project are to make the \$1,000,000 deposit described above and to administer the TDD Disbursement Account and related accounting under this Agreement.

3. Fees. The City agrees to act as disbursing agent (the “**TDD Disbursing Agent**”) in regards to the TDD Disbursement Account pursuant to this Agreement. In light of the City receiving a 1.5% fee for its function of Sales Tax Administrator for the TDD pursuant to the Cooperative Agreement, the City shall not receive an administrative fee for its role as the TDD Disbursing Agent.

4. Miscellaneous.

4.1. Notices. All notices, deliveries or other communications required or permitted to be given hereunder shall be in writing and shall be deemed given, if not sooner received: (a) if sent by electronic mail to the recipient's designated email address, on the date of transmission, provided confirmation of receipt is obtained; (b) if hand delivered, on the date of delivery; (c) if sent by certified mail, return receipt requested, three (3) business days after mailing; or (d) if sent by a nationally recognized overnight delivery service, on the next business day after deposit with the carrier. Notices shall be sent to the addresses and email addresses designated below by the Parties, and any changes to such information shall be provided in writing:

If to the City:	City Manager City of Lee's Summit, Missouri 220 SE Green Street Lee's Summit, MO 64063 Email:
With a copy to:	City Attorney City of Lee's Summit, Missouri 220 SE Green Street Lee's Summit, MO 64063 Email:
If to Developer:	Paragon Star, LLC Attn: William Brown 4025 NE Lakewood Way, Suite 250

Lee's Summit, Missouri 64064  
Email: billbrownspectrum@gmail.com

With a copy to:

Bushyhead Law, LLC  
Attn: Christine Bushyhead  
315 SE Main Street  
Lee's Summit, MO 64063  
Email: christine@bushyheadlaw.com

If to TDD:

I-470 Western Gateway TDD  
Attn: William Baird  
220 SE Green Street  
Lee's Summit, MO 64063  
Email:

With a copy to:

Gilmore & Bell  
Attn: Megan Miller  
2405 Grand Boulevard, Suite 1100  
Kansas City, MO 64108  
mmiller@gilmorebell.com

If to TDD Disbursing Agent

City of Lee's Summit, Missouri  
Briana Burrichter, Finance Director  
220 SE Green Street  
Lee's Summit, MO 64063  
taxincentive@cityofls.net

4.2. Entire Agreement. Except as provided herein, this Agreement constitutes the entire agreement among the parties with respect to disbursing and escrow matters, and supersedes any and all prior oral or written agreements among the parties respecting disbursement of funds with respect to the Cost-Share Project.

4.3. Counterparts. This Agreement and any amendments hereto may be executed in several counterparts (including by facsimile or other electronic signature transmission), each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all parties shall not have signed the same counterpart.

4.4. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

4.5. Termination of Disbursement Agreement. This Agreement may only be terminated by mutual agreement of the City, Developer, and TDD in writing.

4.6. Electronic Transactions. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall 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.

5. Anti-Boycott of Israel. By entering into this Agreement, the Developer certifies that it and its parent company, wholly or majority-owned subsidiaries, and other affiliates, 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 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 Underwriter acknowledges 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 this page intentionally left blank]**  
**[Signature pages follow]**

Each of the undersigned acknowledges acceptance of and agreement to the terms contained in this Agreement as of the date first above written.

**CITY OF LEE'S SUMMIT, MISSOURI**

By: \_\_\_\_\_  
William A. Baird, Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM

\_\_\_\_\_  
David Bushek, Chief Counsel of  
Economic Development & Planning

**PARAGON STAR, LLC**

By: \_\_\_\_\_  
Phillip D. Short, Manager

**I-470 WESTERN GATEWAY TRANSPORTATION  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Executive Director