

EXHIBIT A

CONTRACT FOR PURCHASE OF REAL ESTATE

1. **PARTIES.** This Contract is made by HARRIS INVESTMENT, INC. (hereinafter "Seller"), and the CITY OF LEE'S SUMMIT, MISSOURI (hereinafter "City") and between the parties identified above, and effective as of the date and time of final acceptance, hereinafter referred to as "Effective Date".
2. **PURPOSE.** The City is contemplating carrying out a public works improvement project and is desirous of acquiring real property to construct such public improvement on, hereinafter referred to as "Project," in an area located in the City; and
3. **PROPERTY.** The City has offered to buy and the Seller is willing to sell by general warranty deed, which shall be free from all liens and encumbrances, except standard easements and restriction, the real property particularly described as follows: Tract XI, Lots 27, 28 and 29, Block 2, ORIGINAL TOWN OF LEE'S SUMMIT (fka Town of Strother), a subdivision of Lee's Summit, Jackson County, Missouri, according to the recorded Plat thereof, together with all attached improvements located on the property, all of which is, except exclusions, the "Property" in this Contract.
4. **PURCHASE.** The City agrees to buy and the Seller agrees to sell the Property upon the terms and conditions as follows:
 - a. **Price.** The City agrees to pay the amount of Two-Hundred Fifty Thousand Dollars (\$250,000) for the Property, payable in cash or check.
 - b. **Contingencies.** This agreement is subject to the following contingencies, and City may elect to declare this agreement null and void prior to the closing without obligation or liability to Seller if:
 - (1) An environmental assessment of the property performed by or on behalf of the City discloses that hazardous substances may have been released on the property, or has migrated toward the property, or that the property is otherwise contaminated or environmentally impaired. Closing shall not be scheduled until such assessment has been completed and the City determined the assessment is acceptable to it and if not, the City may terminate this agreement and not purchase the property.
 - (2) A survey or inspection of the property discloses encroachments, violations of subdivision or other restrictions, boundary line disputes, or rights or claims of third parties in possession, on any portion of the premises, which are unacceptable to City.
 - (3) The title insurance commitment referred to in paragraph 7 of this agreement shall fail to show merchantable title in Seller, or shall contain exceptions unacceptable to City.
 - (5) The City does not have appropriated unencumbered funds necessary to purchase the property.
 - (6) **Any other contingencies not contained in this paragraph 4b, or in the printed terms of this contract, must be specified on an applicable addendum and the date for satisfying such contingencies, if any, shall be the closing date unless otherwise agreed in writing.**
5. **SELLER'S REPRESENTATIONS.** Sellers represents to City: (a) That Seller has no knowledge of any underground tanks, toxic or hazardous substances, or dump sites on the property, either at present or in the past; (b) That the property is not subject to any real estate listing agreement, or other agreement providing for any real estate commission; (c) That there have been no unpaid improvements, or any other work performed in connection with the Property that would give rise to the filing of any mechanics' liens against the property; (d) That the Seller has full authority to enter into this agreement and that the Property is not subject to any options, contracts of sale, leases or other rights in favor of any third parties; (e) That there are no legal proceedings pending which involve the Property; and (f) That these representations will continue to be true at the closing, unless Seller has given City notice to the contrary in writing prior thereto.
6. **CLOSING AND POSSESSION.**
 - a. The Closing is the delivery of the Seller's general warranty deed (unless another type of deed is mutually agreed to in writing by the parties) for the purchase price paid by the City after all contingencies have been met and all documents have been signed; and shall take place on or before the ___ day of _____, 2018, (the "Closing Date"), unless otherwise agreed to in writing.
 - b. The City shall take possession of the Property at the time of closing,
 - c. Seller acknowledges that sales proceeds may not be disbursed until the deed has been recorded, and
 - d. Buyer shall pay all closing costs but any brokerage or real estate agent fees shall be paid by Seller.
7. **CLOSING PROCEDURES.** Necessary title information shall be ordered by the City within ten (10) days of the Effective Date at the sole cost and expense of the City. The City shall obtain a commitment to insure title in the amount of the purchase price from the following closing company, which is authorized to insure titles in the State of Missouri: Assured Quality Title Company.

The commitment shall show merchantable title in Seller in accordance with the Title Examination Standards of the Missouri Bar, subject to encumbrances as provided herein, standard residential subdivision restrictions, covenants, declarations, setback lines, easements and zoning laws of record as of the Effective Date, and the lien of current year's taxes. The City may, at City's expense, obtain a survey (and shall obtain a survey if required by Title Company). The City shall pay the premium for the title policy. The City may, at City's expense, have the title commitment examined, and if applicable, the City shall provide to Seller in writing any valid objections to title and survey prior to the Closing Date, and Seller shall make reasonable effort to correct the valid objections within **thirty (30) days** of receipt of request to cure, unless otherwise agreed to in writing; and if not corrected, the City may waive the objections and close, or elect to terminate the Contract. At closing, Seller shall deliver the warranty deed, along with all other documents and funds reasonably necessary to complete the Closing, and the City shall deliver cash or certified funds sufficient to satisfy the City's payment obligations and all other documents necessary to complete the Closing. If a closing fee is charged, the cost will be paid by the City,

unless otherwise provided. Recording fees shall be paid by the party for whom the fee is attributable. The Seller will warrant at Closing there are no unpaid bills for improvements within 12 months prior to Closing and that Seller has no knowledge of proposed improvements to be paid for by special assessment or fee. The Seller agrees to furnish all assurances, indemnities deposits or other requirements of the insuring Title Insurance Company in order for the Owner's Title Insurance Policy, when issued, to contain no exception as to liens or the right of liens for service, labor or materials imposed by law and not shown by the public records. The City agrees that if Seller cannot furnish requirements for this coverage, then the City may elect either to waive this requirement and accept an Owner's Title Insurance Policy without unrecorded mechanic's lien coverage and close, or terminate this Contract. Rental deposits held by Seller, if any, shall be credited to the City at closing.

8. PRORATION.

a. Taxes, insurance, interest, rentals, and association dues, if applicable, shall be paid prorated and the taxes accrued as of the date of closing for 2018 due by Seller shall be paid by Buyer. However, Buyer shall not be required to pay any taxes after the date of closing as it is a tax exempt entity.

b. If the current year's taxes cannot be determined, proration will be based on the preceding year's taxes with adjustments for known changes in assessed valuation or tax levies.

c. Seller's prorated amount shall be delivered to the appropriate County Collector within ten (10) days of closing by the closing company or the City, as a service to the Buyer.

9. **PROPERTY INSPECTION.** The City may, at City's expense, employ independent, qualified inspectors of City's choice (and shall arrange for any inspections and testing systems) in order to make the following determinations:

a. If existing, to determine whether there are any material defects in the plumbing systems, including septic tank, waste water treatment system and water well, if any, sewer and water lines.

b. To determine the presence of termite or other wood destroying insect infestation in the accessible areas of the Property, by a reputable, licensed pest control firm, selected by the City, and obtain any necessary certificates. Notwithstanding any provision in this paragraph to the contrary, City's termite and wood destroying insect inspection and report shall be completed and provided to Seller no more than thirty (30) days nor less than (10) days prior to the Closing Date. If Buyer's inspection report reveals evidence of past untreated or current termite or wood destroying insect infestation, Seller agrees to pay for the usual and customary cost of having the Property treated for the control of the infestation by a reputable, licensed pest control firm, and if there is evidence of damage to the Property as a result of any infestation, and Seller and the City cannot reach Contract on the allocation of costs of repairs within five (5) days of the City's delivery of such inspection and report to Seller, the City may waive by written notice within such time period any requirement that Seller pay such additional costs and proceed to Closing, or the City may terminate this Contract by written notice to Seller.

c. To determine that there exists on the property, sink holes, voids and soil composition, no environmentally hazardous or otherwise regulated substance which might impose liability on the City as subsequent owner of the property.

d. Such other inspections as City deems reasonably necessary.

Seller shall give the City, or its designated agent, reasonable access to the Property to make the inspections.

The seller acknowledges and agrees that the right of inspection contained in this paragraph shall not in any way relieve the seller from the obligation to satisfy any contingencies contained in this contract within the applicable time periods.

10. **VERIFICATION OF CONDITION.** The City shall have the right to make a final inspection of the Property prior to closing, as a contingency of the sale, or solely to confirm that:

a. Repairs if any have been completed as agreed in writing by the City and Seller;

b. Seller has complied with Seller's other obligations; and

c. The Property is otherwise in substantially the same condition, subject to normal wear and tear, as on the date of the offer, unless otherwise agreed in writing;

d. Any contingency or defect of title has been resolved.

11. REMEDIES UPON DEFAULT.

a. **In General.** Seller or City shall be in default under this Contract if either fails to comply with any material provision within the time limits required by the contract. If either party defaults, the party claiming a default shall notify the other party in writing of the nature of the default and may, as set forth in said notice, either terminate this Contract or extend the time for performance by providing the defaulting party a deadline for curing the default, provided that if the default is the inability of the City to close the purchase because of its lack of appropriated and unencumbered funds, the City may at its option by written notice extend the closing date for a period of not more than sixty (60) days. If this Contract shall not be closed for the fault of Seller, then City may elect to either sue for specific performance of the agreement and any incidental damages arising therefrom, or to be paid liquidated damages of Five Per Cent (5%) of the total sale price from Seller, it being agreed that actual damages of City are difficult, if not impossible, to ascertain.

b. **Loss Prior to Conveyance.** In the event the property is destroyed or partially destroyed by calamity including but not limited to soil subsidence, earthquake or fire, the City shall have the option of reducing the purchase price by any insurance proceeds available to Seller, or to claim said insurance proceeds and pay the full purchase price. If Seller fails to maintain insurance or sufficient insurance, City shall have the option of declaring this contract null and void if the property is destroyed or partially destroyed by calamity including but not limited to earthquake, soil subsidence or fire.

12. **CONFLICTS OF INTEREST.** No salaried officer or employee of the City of Lee's Summit, Missouri and no member of any Board or the City Council of the City shall have a financial interest, direct or indirect, in this contract. A violation of this provision renders the contract voidable. Any federal regulations and applicable provisions in RSMo. Section 105.450 et seq. shall not be violated.

13. **PROVISIONS NOT MERGED WITH DEED.** No provision of this Contract is intended to or shall be merged by reason of any deed transferring title to the Property from the Seller to the City, or any successor in interest, and any such deed shall not be deemed to affect or impair the provisions and covenants of this Contract.

14. **NOTICE.** All notices required or permitted hereunder and required to be in writing may be given by FAX or by first class mail addressed to City and Seller by one of three different means: Facsimile Transmission (FAX) if both parties have a FAX number; U.S. Postal Service Mails; or by hand delivering a copy of the same to the receiving party; or may give notice by any combination of the above methods.

a. The date of notice shall be:

(1) The date upon which notice is hand delivered to the receiving party;

(2) The date of delivery of notice by email or FAX transmission which shall be deemed to be the date transmission occurs, except where the transmission is not completed by 5:00 p.m. on a regular business day at the terminal of the receiving party, in which case the date of delivery shall be deemed to fall on the next regular business day for the receiving party;

(3) The third day following mailing of the notice, whichever first occurs.

b. It shall be sufficient if notices to the City are addressed to **City Attorney, City of Lee's Summit, 220 SE Green Street, Lee's Summit, Missouri 64063.**

c. It shall be sufficient if notices sent to the Seller are addressed to Harris Investment Incorporated, 9400 South Howard Road, Lee's Summit, Missouri 64064.

15. **Licensed Professional Real Estate Agent.** The parties specifically acknowledge and agree that Glenn Jones is a licensed professional real estate agent.

16. **HEADINGS.** The headings or captions of this Contract are for convenience and reference only, and in no way define, limit, or describe the scope or intent of the Contract or any provision hereof.

17. **SEVERABILITY.** In the event that any one or more of the phrases, sentences, clauses, paragraphs or sections contained in this Contract shall be declared invalid by the final and unappealed order, decree or judgment of any court, the City may, at its sole option, set this Contract aside.

18. **VENUE AND JURISDICTION.** This Contract and every question arising hereunder shall be construed or determined according to the laws of the State of Missouri. Should any part of this Contract be adjudicated, venue shall be proper only in the Circuit Court of Jackson County - Independence, Missouri.

19. **ENTIRE CONTRACT.** This Contract contains the entire Contract of the parties. No modification, amendment, or waiver of any of the provisions of this Contract shall be effective unless in writing specifically referring hereto, and signed by both parties.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and year herein stated.

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HARRIS INVESTMENTS INC.

Signature of Representative: _____

Printed Name & Title: _____

Date: _____

CITY OF LEE'S SUMMIT, MISSOURI

By: _____

William A. Baird, Mayor

Date: _____

APPROVED AS TO FORM

Nancy Yendes, Chief Counsel of Infrastructure and Planning
City of Lee's Summit, Missouri