

## REAL ESTATE SALE CONTRACT

1. **PARTIES:** This Real Estate Sale Contract (the “**Contract**”) is made by and between **THE CITY OF KANSAS CITY, MISSOURI**, a constitutional charter city and political subdivision duly organized and existing under the laws of the State of Missouri, (“**SELLER**”), and **GRAYSON COMMUNITIES, LLC**, a Missouri limited liability company, (“**BUYER**”), and is effective as of the last date and time of acceptance on the signature page of this Contract (the “**Effective Date**”).

2. **PROPERTY:** Subject to the conditions stated in this Contract, Seller shall sell to Buyer, and Buyer shall buy from Seller, the Property (as defined below):

Lots 911, 912, 913, 914, 915, 916, 917 and 918 except that part in public alley, Block 65, MCGEE’S ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof (hereinafter the “**Property**”).

Subject to building lines, easements, reservation, restrictions, covenants, and conditions of record, if any, and to any zoning law or ordinance affecting the herein property described.

3. **EXCEPTIONS:** The Property shall be subject to easements or other encumbrances of record at Closing.

4. **CLOSING DATE:** Subject to all the provisions of this Contract, the closing of this Contract sale transaction (the “**Closing**”) shall take place at the offices of Title Company on or before 5:00 p.m. local time on the date (the “**Closing Date**”) which shall occur on a date not more than sixty (60) days after the Effective Date, or such other date by mutual consent, and possession of the Property shall be delivered by Seller to Buyer at the Closing.

5. **PURCHASE PRICE; EQUITY PARTICIPATION AGREEMENT:** The purchase price is Four Hundred Thousand and No/100 Dollars (\$400,000.00), which Buyer agrees to pay as follows:

a. Four Hundred Thousand and No/100 Dollars (\$400,000.00) plus Phase II Environmental Site Assessment costs of Twenty Thousand Six Hundred Five and No/100 Dollars (\$20,605.00) to be paid to First American Title Insurance Company, with an address of 1100 Main, Suite 1900, Kansas City, MO 64105, Attn: Alexa Scott, Email: [AleScott@firstam.com](mailto:AleScott@firstam.com) (“**Title Company**”) as part of the consideration of the sale in guaranteed funds or cashier’s check at Closing (as defined in this Contract), adjusted at Closing for prorations and other agreed expenses, if any. **Except as otherwise provided in this Contract, Buyer shall be responsible for all of Buyer’s costs of closing, including title insurance premium, if applicable, and shall not look to Seller to participate in paying any costs of closing.**

b. Pursuant to that certain Purchase Option Agreement dated effective November 30, 2022, as amended, by and between Buyer and Seller, Buyer shall receive a

\$5,000.00 credit towards the Purchase Price at Closing equal to the Buyer's Initial Option Payment previously paid directly to the Seller ("**Earnest Money**").

Within thirty (30) days after the Effective Date the parties shall negotiate a form of annual equity participation agreement ("**Equity Participation Agreement**") of \$1,000,000 ("**Land Equity**") against Buyer's annual equity returns containing the following material terms, which shall be executed between the parties at Closing:

i. Distribution of the Land Equity will start when annual investor distributions commence (the project is anticipated to stabilize in year 3) and distribution of the remaining Land Equity, if any, and anticipated profit to Seller will occur upon Buyer's refinancing or sale of the Property, whichever occurs first;

ii. Upon refinancing or sale of the Property, Buyer will pay Seller a minimum of \$500,000.00 but up to \$2,100,000.00 pursuant to the Equity Participation Agreement;

iii. If underground storage tank(s) is/are identified on the Property during construction, the cost to remove/cap the underground storage tank(s) will be reduced from Seller's Land Equity.

6. **PROJECT DOCUMENTATION:** Prior to Closing, Buyer shall submit to Seller the following documentation:

a. General Development Plan: A copy of any completed general development plan which shall include:

(i) Proposed Land Uses: A future land use plan showing proposed uses of the Subject Property including a map showing boundaries of the project;

(ii) Proposed Zoning Changes: A statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, building codes and ordinances, and amendments to adopted land use plans;

(iii) Public Utility Requirements: A statement as to the kind and number of additional public facilities or utilities which will be required in the area after completion of the plan;

(iv) Projected Redevelopment Schedule: A schedule indicating the estimated length of time needed for completion of milestones for the development including Pre-Transfer, Site Preparation, Construction/Rehab, Anticipated Occupancy;

(v) Marketing Study: Developer shall provide a copy of any existing marketing study in Developer's possession, showing market feasibility for the proposed land use;

(vi) Design Plans: Current design plans for the project including site plans, elevations, and environmental remediations; and

(vii) Notification to Seek Incentives: The Developer shall provide written notification to impacted taxing districts of the project details and detailed information on any intent to seek incentives. Such notice shall provide Developer's contact information for any questions and/or feedback regarding the project and any proposed incentives.

b. Redevelopment Finance Plan: If not otherwise included in an application for incentives, the Developer shall provide a comprehensive financing plan that includes:

(i) Detailed Narrative of Proposed Project – including information regarding construction type (new/rehabilitation) and use (residential, commercial, industrial, office, multifamily, retail, other), square footage breakouts, number of parking spaces, number of dwelling units (including breakouts of unit sizes and square footage), and any need for assistance with eminent domain or environmental remediation;

(ii) Jobs Created: Direct and Indirect, including average salaries for each;

(iii) Project Budget: a detailed breakdown of all hard and soft costs to complete the development plan, including land acquisition price, the total development cost ("TDC"), cost of machinery/equipment to be purchased in connection with the project;

(iv) Sources and Uses: All sources and uses of funding for the project including tax credits being sought, developer equity, any direct or indirect City Assistance that the Developer may be seeking such as CCED or PIAC funding, or other grants/subsidies, and evidence of commitments to fund from each source, including private financing;

(v) 10 Year Operating Pro Forma;

(vi) Financing Term Sheet.

7. **PRORATIONS:** Buyer acknowledges and agrees that Seller has informed Buyer that Seller is exempt from paying all general real estate taxes that may have been levied and assessed against the Property and that Seller will not pay any general real estate taxes that may have been levied and assessed against the Property, either during prior years or during the year of Closing. Seller shall pay all installments of special assessments against the Property, if any, for the years prior to the calendar year (or other period for which it is assessed) of Closing. All installments of special assessments, if any, becoming due and accruing during the calendar year (or other period for which it is assessed) of Closing shall be prorated between Seller and Buyer on the basis of such calendar year (or other period for which it is assessed), as of Closing. If the amount of any special assessment cannot be ascertained at Closing, then the special assessment shall be prorated based upon the latest

assessment information then available (including information available from the applicable authorities) and Buyer and Seller shall re-prorate the amount of special assessments following the Closing as soon as the information becomes available that allows the determination of assessments.

8. **TITLE REVIEW:** Buyer may obtain an owner's ALTA title insurance policy insuring marketable fee simple title in Buyer in the amount of the purchase price as of the time and date of recordation of Seller's Special Warranty Deed in the form of **Exhibit 1** (the "**Deed**"), AS IS and WITH ALL FAULTS, except for the warranty of title set forth in the deed. Seller shall not have any obligation to rectify any exceptions to title.

9. **REPRESENTATIONS:**

a. **PROPERTY SOLD "AS IS and WITH ALL FAULTS":** Buyer agrees that no representations by or on behalf of Seller have been made to Buyer as to the title (except as provided in the Deed) or condition of the Property. Except as provided for in this Contract, Buyer is not relying upon any representation, or the lack of same, as they apply to conditions on the Property. It is understood and agreed that Buyer or Buyer's representative, may conduct title, physical, or environmental inspections all at Buyer's cost. Seller agrees to the Buyer having reasonable access to the Property in order to complete all required, or optional, inspections. Buyer stipulates that it may inspect the Property, and takes it "as is" and "where is," but the right to inspect shall not give rise to any obligation on the part of the Seller to conduct any repairs or to give a credit against the Purchase Price, and the Buyer's sole and exclusive remedy if it decides that the results of the inspection are unsatisfactory is to terminate this Contract. This Section 8.a shall survive the Closing and Seller's delivery of the Deed.

b. **CONDITION OF PROPERTY:** Between the Effective Date and the Closing Date: Seller shall maintain the Property in the same condition and state of repair as exists on the Effective Date, ordinary and reasonable wear and tear excepted; Seller shall not enter into any binding agreements that will affect the Property after Closing, or otherwise impose or agree to impose any new encumbrances on the Property prior to Closing, including but not limited to any new lease, license, or other occupancy agreement of all or any part of the Property; Seller shall give Buyer and its agents and representatives full access to the Property in order to make such inspections, surveys, test borings, soil analyses and other tests and surveys thereon as Purchaser, in its sole discretion, shall deem advisable; Seller shall not (i) perform any grading or excavation, construction or removal of any improvement or make any other change or improvement upon or about the Property, (ii) knowingly commit, or allow the commission of, any waste or nuisance upon the Property, (iii) institute or participate in any replatting of the Property (except as requested by or with consent of the Buyer), (vi) institute or participate (except as requested by or with consent of the Buyer) in any annexation, condemnation, zoning, dedication or other governmental action regarding the Property; and Seller shall promptly furnish Purchaser with any notice concerning the Property that Seller receives from any taxing authority or other governmental entity.

c. **RELEASE:** Buyer fully and finally waives, unconditionally releases, and discharges the Seller, and any of Seller's officials, employees, officers, and assignees, from any and all liabilities, actions, causes of actions, claims (including, but not limited to, claims for cost

recovery and contribution), and demands, both known and unknown, present and future, whether or not founded in fact, law or equity, including, without limit, any environmental remediation costs, and from any suit or controversy arising from or in any way related to the existence of hazardous materials in or with respect to the Property and from any environmental damages arising from or related in any way to the Property. The Buyer shall have no recourse against Seller for any defects to title that should have been disclosed on a title report, whether or not so disclosed. This release shall survive the Closing.

d. **OTHER SELLER REPRESENTATIONS AND WARRANTIES:** Seller represents and warrants (with such representations and warranties to survive the Closing for a period of one year) that, as of the Effective Date and the Closing Date:

1. Seller has no knowledge of any existing, pending or threatened investigation, inquiry, action, or proceeding by Seller or to any remedial obligations under any applicable law, charter, statute, ordinance, rule, regulation, order, code, or determination within the jurisdiction of Seller's municipal authority.

2. Seller has duly and validly authorized and executed this Contract, and has full right, title, power, and authority to enter into this Contract and to consummate the transactions provided for herein, and the joinder of no person or entity will be necessary to convey the Property fully and completely to Buyer by the Deed at the Closing.

3. Execution by Seller of this Contract and the consummation by Seller of the transactions contemplated hereby do not, and at the Closing will not, result in a breach of any of the terms or provisions of, or constitute a default or a condition which upon notice or lapse of time or both would ripen into a default under, Seller's Charter, ordinances, rules, or regulations, or any indenture, agreement, instrument, or obligation to which Seller is a party or by which the Property or any portion thereof is bound; and does not constitute a violation of any applicable law, charter, statute, ordinance, rule, regulation, order, code, or determination within the jurisdiction of Seller's municipal authority.

**10. REAL ESTATE BROKER:** Seller and Buyer agree that no real estate broker has participated in negotiating this sale, and neither party has retained the services of real estate broker in negotiating this sale. Any party to this Contract through whom a claim to any broker's, finder's, or other fee is made, contrary to the representations made above in this paragraph, shall indemnify, defend and hold harmless the other party to this Contract from any other loss, liability, damage, cost or expense, including, without limitation, reasonable attorney's fees, court costs, and other legal expenses paid or incurred by the other party, that is in any way related to such a claim. The provisions of this paragraph shall survive Closing or termination of this Contract.

**11. DELIVERY OF DEED; PAYMENT; DISBURSEMENT OF PROCEEDS:** At or before Closing, Seller agrees to properly execute and deliver into escrow the Deed and all other documents reasonably necessary to complete the Closing. At or before the Closing, Seller and Buyer each agree to deliver into escrow a cashier's check or guaranteed funds sufficient to satisfy their respective obligations under this Contract.

**12. MAINTENANCE; CASUALTY; CONDEMNATION; CHANGE OF CONDITION:** Seller has and will continue to perform ordinary and necessary maintenance or upkeep and repair to the Property through the date of the Closing, but shall not be responsible for conditions created by the Buyer or its contractors or agents. Buyer may separately insure its interest in the Property until delivery of Seller's Deed to Buyer, and Seller is not obligated to insure the Property at any time. If, before delivery of the Deed to Buyer, improvements on the Property are, partially or completely, damaged or destroyed by fire or any other causes whatsoever, including those that could be covered by what is known as fire and extended coverage insurance (a "Casualty"), Buyer may elect to either cancel this Contract by written notice to Seller within twenty (20) days after receiving notice of the damage or destruction of the Property or to proceed with the Closing and accept the Property in its existing condition at the time, without a reduction in purchase price. If Buyer elects to cancel this Contract, the Earnest Money and any other monies deposited by Buyer with Seller or the Title Company shall be returned to the Buyer. If, before Closing, all or any part of the Property is taken by eminent domain, or if a condemnation proceeding has been filed or is threatened against the Property or any part thereof, Seller shall promptly provide written notice to Buyer of any such event. Upon notice of such occurrence, Buyer may re-inspect the Property and may, by written notice to Seller within twenty (20) days after receiving Seller's notice, terminate this Contract, and the Earnest Money and any other monies deposited by Buyer with Seller or the Title Company shall be returned to Buyer. Unless this Contract is so terminated by Buyer due to Casualty, eminent domain, or a threatened or filed condemnation proceeding, the Contract shall remain in full force and effect, and Seller shall at Closing assign and transfer to Buyer all of Seller's right, title and interest in and to any awards that may be made for any taking or condemnation, and any insurance proceeds payable on account of any Casualty.

**13. FOREIGN INVESTMENT:** Seller represents that Seller is not a foreign person as described in the Foreign Investment in Real Property Tax Act and agrees to deliver a certificate at Closing to that effect which shall contain Seller's tax identification number.

**14. TERMINATION:** If this Contract is terminated by either party pursuant to a right expressly given in this Contract, other than a termination by Seller because of a default by Buyer, Buyer shall be entitled to a return of the Earnest Money and any other monies deposited by Buyer with Seller or the Title Company within ten (10) days of termination, and neither party shall have any further rights or obligations under this Contract except as otherwise stated in this Contract.

**15. DEFAULT AND REMEDIES:** Seller or Buyer shall be in default under this Contract if either fails to comply with any material covenant, agreement or obligation within any time limits required by this Contract, has received notice of such default by the other party, and has failed to cure such default within five (5) business days of receipt of such notice. Following a default by either Seller or Buyer under this Contract, the other party shall have the following remedies:

a. If Seller defaults, Buyer may (i) terminate this Contract by written notice to Seller and the Earnest Money shall be returned by Seller to Buyer within seven (7) days after the Buyer terminates this Contract, or (ii) specifically enforce this Contract, provided, however,

if Seller's default is attributable to the actions of an unrelated outside third party ("**Third Party Default**"), Buyer may, in Buyer's sole discretion, (a) terminate this Contract by written notice to Seller and the Seller shall cause the Title Company to return Earnest Money to Buyer within seven (7) days after the Buyer terminates this Contract, or (b) provide Seller with written notice of Seller's obligation to cure such default and proceed to Closing, with the understanding that the Seller shall not be obligated to cure such default other than with the application of funds in the amount of the Earnest Money and such Closing will be extended to accommodate the resolution of the impairment caused by the Third Party Default. If such Third-Party Default shall continue for thirty (30) days, then either Seller or Buyer may terminate this Contract at any time, and in either circumstance of termination of this Contract, the Earnest Money and any other monies deposited by Buyer with Seller or the Title Company shall be returned to Buyer.

b. If Buyer defaults, Seller may terminate this Contract by written notice to Buyer and, the Seller shall, as its sole and exclusive remedy in lieu of all other remedies at law or in equity, retain the Earnest Money as liquidated damages as Seller's sole remedy (the parties recognizing that it would be extremely difficult to ascertain the extent of actual damages caused by Buyer's breach, and that the Earnest Money represents as fair an approximation of such actual damages as the parties can now determine).

This Section 14 shall survive the Closing or termination of the Contract.

**16. DISPOSITION OF EARNEST MONEY AND OTHER FUNDS AND DOCUMENTS:** In the absence of written escrow instructions, and notwithstanding any other terms of this Contract providing for forfeiture or refund of the Earnest Money, the Title Company shall not distribute the Earnest Money or other escrowed funds or documents, once deposited, without the written consent of all parties to this Contract. A party's signature on a closing statement prepared by the Title Company shall constitute such consent. In the absence of either written consent or written notice of a dispute, failure by either Buyer or Seller to respond in writing to a certified letter from the Title Company within fifteen (15) days of receipt, or failure by either Buyer or Seller to make written demand upon the other party and upon the Title Company for return or forfeiture of the Earnest Money, other escrowed funds or documents within thirty (30) days after receiving written notice of cancellation of this Contract, shall constitute consent to distribution of all funds and documents deposited with the Title Company as suggested in any such certified letter or written demand.

**17. ENTIRE AGREEMENT AND MANNER OF MODIFICATION:** This Contract, and any attachments or addendums hereto, constitute the complete agreement of the parties concerning the Property, supersede all other agreements and may be modified only by initialing changes in this Contract or by written agreement.

**18. NOTICES:** All notices, consents, approvals, requests, waivers, objections or other communications (collectively "notices") required or otherwise given under this Contract shall be in writing and shall be served by hand delivery, by prepaid United States certified mail, return receipt requested, or by reputable overnight delivery service guaranteeing next-day delivery and providing a receipt. All notices shall be addressed to the parties at the respective addresses as set forth below, except that any party may, by notice in the manner provided above, change this address for all subsequent notices. Notices shall be deemed

served and received upon the earlier of the third business day following the date of mailing (in the case of notices mailed by certified mail) or upon delivery in all other cases. A party's failure or refusal to accept service of a notice shall constitute delivery of the notice.

19. **COUNTERPARTS:** This Contract may be executed in separate and multiple counterparts, each of which shall be deemed an original, but all of which taken together shall be deemed to constitute one and the same instrument. To facilitate execution, the parties hereto agree that this Contract may be executed and telecopied or email to the other parties, and that the executed telecopied or emailed document shall be binding and enforceable as an original.

20. **TIME AND EXACT PERFORMANCE ARE OF THE ESSENCE UNDER THIS CONTRACT.**

**The remainder of this page is intentionally blank.  
The parties' signatures are on the next page.**



IN WITNESS WHEREOF, Seller and Buyer execute this Contract on the date(s), and at the time(s), indicated below their respective signatures.

**GRAYSON COMMUNITIES, LLC**, a  
Missouri limited liability company

By Grayson Capital, LLC,  
Its sole member

**THE CITY OF KANSAS CITY,  
MISSOURI**, a constitutional charter city and  
political subdivision duly organized and  
existing under the laws of the State of  
Missouri

By: \_\_\_\_\_  
Michael Collins

By: \_\_\_\_\_  
Brian Platt

Title: Chief Executive Officer, Grayson  
Capital, LLC

Title: City Manager

Date: \_\_\_\_\_, 2023

Date: \_\_\_\_\_, 2023

Address: 1881 Main Street, #302  
Kansas City, MO 64108

Address: 414 E. 12<sup>th</sup> Street 1<sup>st</sup> Floor  
Kansas City, MO 64106

Approved as to form:

\_\_\_\_\_  
Abigail Judah, Assistant City Attorney

**EXHIBIT 1**  
**SPECIAL WARRANTY DEED**

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***THIS SPACE FOR RECORDER'S USE ONLY***

**Name of Document:** SPECIAL WARRANTY DEED

**Grantor:** THE CITY OF KANSAS CITY, MISSOURI, a municipal corporation of the State of Missouri, with an address at 414 E. 12<sup>th</sup> Street, 29<sup>th</sup> Floor, Kansas City, Missouri 64106

**Grantee(s):** GRAYSON COMMUNITIES, LLC, a Missouri limited liability company, with an address of 1881 Main Street, #302, Kansas City, MO 64108

**Date of Document:** As of \_\_\_\_\_, 2023

**Statutory Recording Reference:**

**Legal Description:** See Page 2

## SPECIAL WARRANTY DEED

THIS INDENTURE is made this \_\_\_\_ day of \_\_\_\_\_, 2023 by and between **THE CITY OF KANSAS CITY, MISSOURI**, a constitutional charter city and political subdivision duly organized and existing under the laws of the State of Missouri (“**GRANTOR**”), and **GRAYSON COMMUNITIES**, a Missouri limited liability company, with an address of 1881 Main Street, #302, Kansas City, MO 64108 (“**GRANTEE**”).

WITNESSETH, THAT GRANTOR, in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration paid to the Grantor by the Grantee, the receipt and sufficiency of which is hereby acknowledged, does by these presents, SELL AND CONVEY unto Grantee, and its successors and assigns, the following real property situated in the County of Jackson, to wit:

Lots 911, 912, 913, 914, 915, 916, 917 and 918 except that part in public alley, Block 65, McGEE’S ADDITION, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof (the “**Property**”).

Subject to the Development Agreement authorized by Ordinance No. 220964 on file with the Office of the City Manager.

Subject to building lines, easements, reservation, restrictions, covenants, and conditions of record, if any, and to any zoning law or ordinance affecting the herein property described.

TO HAVE AND TO HOLD the Property with all and singular the rights, privileges, appurtenances and immunities thereto belonging or in any wise appertaining, unto the Grantee and unto its successors and assigns, FOREVER; the Grantor covenants that the Property is free and clear from any encumbrance done or suffered by Grantor except as herein provided; and that Grantor will warrant and defend the title to the Property unto Grantee and unto its successors and assigns FOREVER against the lawful claims and demands of all persons claiming under Grantor, except as herein provided.

[Remainder of page intentionally left blank. Signature to appear on following page.]

IN WITNESS WHEREOF, Grantor has executed these presents as of the day and year first above written.

By: CITY OF KANSAS CITY, MISSOURI

\_\_\_\_\_  
Brian Platt, City Manager

ACKNOWLEDGMENT

STATE OF MISSOURI     )  
  )ss  
COUNTY OF JACKSON    )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2023, before the undersigned, Notary Public, personally appeared Brian Platt and being duly sworn, did say that he is the City Manager for the City of Kansas City, Missouri, and that the Special Warranty Deed was signed on behalf of the City of Kansas City, Missouri by authority of Ordinance Number \_\_\_\_\_ and the acknowledged the instrument to be the free act and deed of the City of Kansas City, Missouri.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office in Kansas City, the day and year last above written.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
Abigail Judah, Assistant City Attorney

