

Memo

DATE: January 7, 2020

TO: Dan Moye, Executive Director, LCRA

FROM: John Wood, Director, NHS City of Kansas City, MO.

RE: Lot #1 at 25th and Tracy Avenue, Beacon Hill - Summary of Property, Sale and Use Proposal, and Committee Recommendation

The following summarizes one LCRA owned lot in of Beacon Hill that City recommends to the LCRA Board to sell the property for development as a single-family home.

Property Summary (See Attached Locational Map)

Address: 2449 Tracy – Located on the NE corner of 25th and Tracy

Legal Description: Part of Lot 7 and 8, Block 4, Halls Hill Lot 1, a subdivision in Kansas City, Jackson County, Missouri

Appraised Value

Valbridge Appraisal – completed on 2/1/2018 on vacant property in the SW Quadrant, approximately one block west from the subject property (See Attached).

| Address | County APN | Sq.Ft | \$/SF | Value of Lot |
|------------|------------------|-------|--------|--------------|
| 2449 Tracy | Not Yet Assigned | 7,457 | \$4.01 | \$29,902.00 |

Appraised v. Offered Value Comparison

Value Conclusions

| Property Summary | | As Appraised | | As Offered | | Net Gain |
|------------------|--------|--------------|--------------|----------------|-----------------|----------|
| Address | Sq.Ft. | \$per Sq.Ft. | Value Of Lot | \$ per Sq. Ft. | Purchase Price | |
| 2449 Tracy | 7,457 | \$4.01 | \$29,902 | \$6.03 | <u>\$45,018</u> | \$15,116 |

(See Attached Sale Contract)

Proposed Use and Concept

The proposed use is a single-family home, to be designed and approved by the Architectural Review Committee of the Beacon Hill Homeowner's Association.

Recommendation

The City recommends that the LCRA approve the sale of Lot 1 , to Melissa Slinkard Raine, for the purchase price of \$45,018.00. The sale of this lot at the aforementioned price produces a net gain of \$15,116.00 over the appraised value assessed by Valbridge Property Advisors.

City Recommendation

 X The City recommends that the LCRA sell the above described property.

 The City does not recommend that the LCRA sell the above described property.

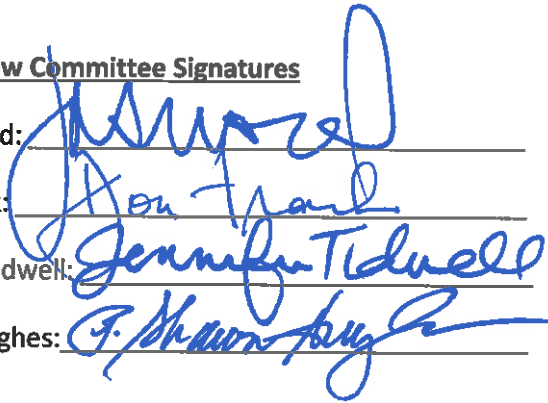
City Review Committee Signatures

John Wood:

Don Frank:

Jennifer Tidwell:

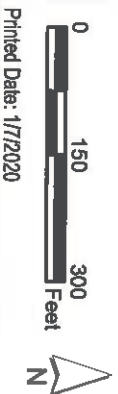
Shawn Hughes:



My Map



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Printed Date: 1/17/2020



10990 Quivira Road, Suite 100
Overland Park, Kansas 66210
(913) 451-1451 phone
(913) 529-4121 fax
valbridge.com

February 1, 2018

Derek Shaner
dshaner@valbridge.com

Ms. Vanessa Williams
Real Estate Manager
City of Kansas City, MO
City Hall, 17th Floor/414 E. 12th Street
Kansas City, MO 64106

RE: Appraisal Report
Beacon Hill lots
2508 and 2510 Forest Avenue
Kansas City, Jackson County, Missouri 64108

Dear Ms. Williams:

In accordance with your request, we have performed an appraisal of the above referenced property. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. This letter of transmittal is not valid if separated from the appraisal report.

The subject property, as referenced above is located at 2508 and 2510 Forest Avenue, Kansas City, Jackson County, Missouri 64108. The subject property contains two separate tax parcels, are each considered a developed residential lot. The tax parcel ID numbers and addresses for each of the subject lots are included later in this report.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them.

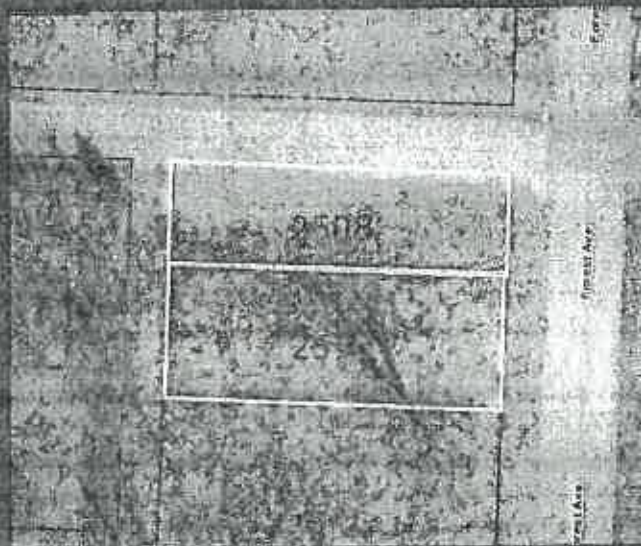


Valbridge
PROPERTY ADVISORS

Appraisal Report

Beacon Hill lots
2508 and 2510 Forest Avenue
Kansas City, Jackson County, Missouri 64108

Report Date: February 1, 2018



FOR

City of Kansas City, MO
Ms. Vanessa Williams
Real Estate Manager
City Hall, 17th Floor/414 E. 12th Street
Kansas City, MO 64106

Client Number: 30039

**Valbridge Property Advisors |
Shaner Appraisals, Inc.**

10990 Quivira Road, Suite 100
Overland Park, Kansas 66210
(913) 451-1451 phone
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Valbridge File Number
KSC-18-0032

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The client in this assignment is the City of Kansas City, Missouri, and the intended user of this report is the City of Kansas City, Missouri, its designees, and assignees and no others. The intended use is to assist in providing the "as is" fee simple value for each of the subject lots for a potential sale of each of the lots on an individual basis. The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are subject to the General Assumptions and Limiting Conditions contained in the report. The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

Extraordinary Assumptions:

- Typically, when selling a package of five or more lots, the value of the lots would need to be discounted using a discounted cash flow analysis, or bulk sale discount. However, we are only appraising two lots, therefore the appraised values in this report represent the market "retail" values for each of the individual lots.

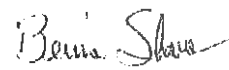
Hypothetical Conditions:

- None

Based on the analysis contained in the following report, our value conclusions are summarized as follows:

| Value Conclusions | |
|--------------------------------|------------------|
| Component | As Is |
| Value Type | Market Value |
| Property Rights Appraised | Fee simple |
| Effective Date of Value | January 18, 2018 |
| Value Conclusion - 2508 Forest | \$ 25,000 |
| Value Conclusion - 2510 Forest | \$ 25,000 |

Respectfully submitted,
Valbridge Property Advisors | Shaner Appraisals, Inc.


Derek Shaner
Senior Appraiser
Bernie Shaner, MAI, SRA
Director
Missouri Certified General Appraiser # RA
001153

Extraordinary Assumptions:

- Typically, when selling a package of five or more lots, the value of the lots would need to be discounted using a discounted cash flow analysis, or bulk sale discount. However, we are only appraising two lots, therefore the appraised values in this report represent the market "retail" values for each of the individual lots.

Hypothetical Conditions:

- None

Summary of Salient Facts

Property Identification

| | |
|----------------------|--|
| Property Name | Beacon Hill lots |
| Property Address | 2508 and 2510 Forest Avenue |
| | Kansas City, Jackson County, Missouri 64108 |
| Latitude & Longitude | 39.079208, -94.569669 |
| Tax Parcel Numbers | The tax parcel numbers for each of the subject parcels are included later in this section. |
| Property Owner | Land Clearance For Redevelopment Authority |

Site

| | |
|--------------------|-----------------------------------|
| Zoning | Urban Redevelopment District (UR) |
| FEMA Flood Map No. | 29047C0325E |
| Flood Zone | Zone X |
| Primary Land Area | 0.252 acres |

| | |
|-----------------|-------------|
| Total Land Area | 0.252 acres |
| Number of Lots | 2 |

Valuation Opinions

| | |
|--------------------------------|--|
| Highest & Best Use - As Vacant | Residential development consistent with the surrounding newer residences, as demand warrants |
| Reasonable Exposure Time | 12 months |
| Reasonable Marketing Time | 12 months |

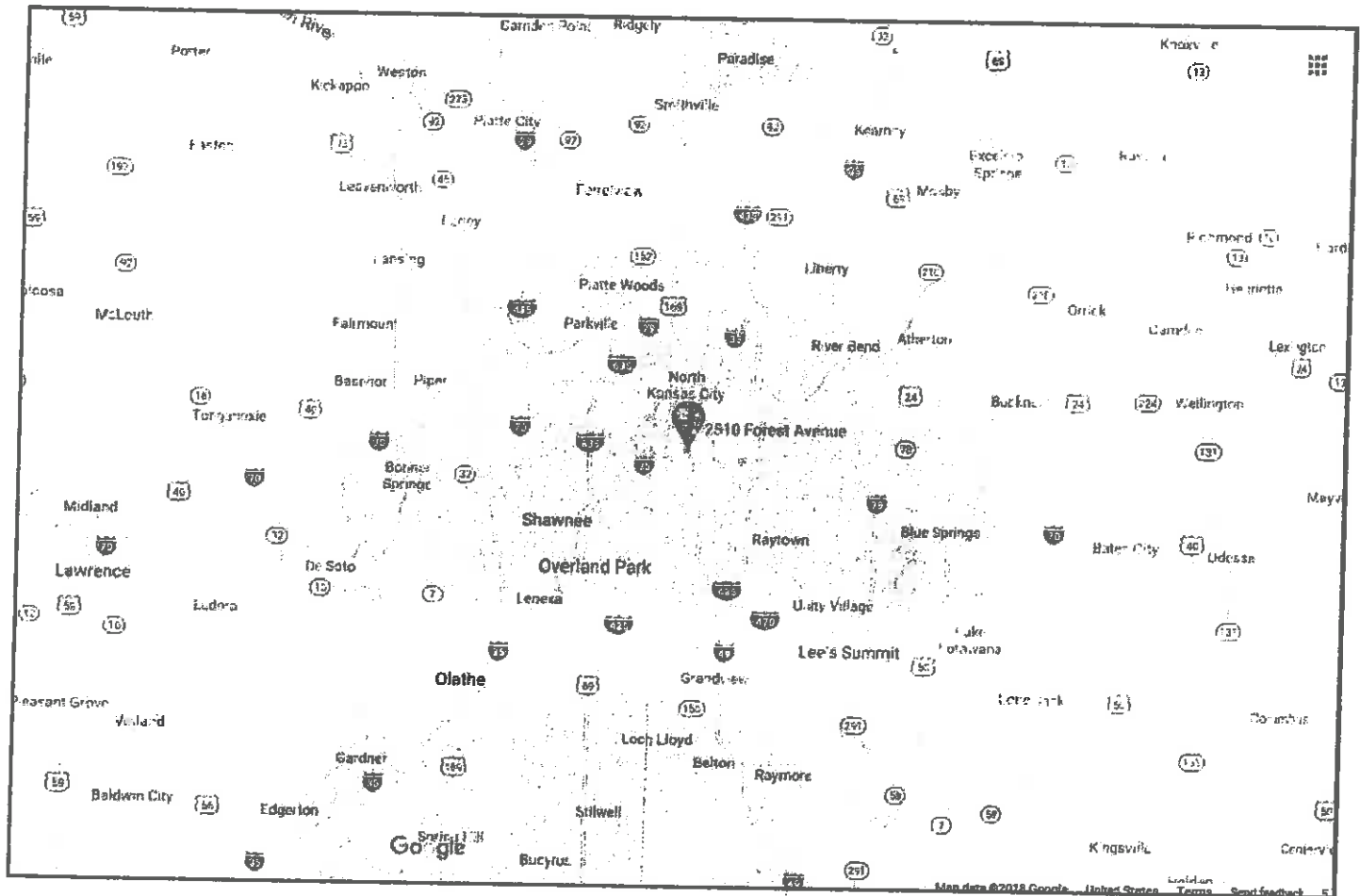
Value Indications

| Approach to Value | As Is |
|------------------------------|--------------------------------------|
| Land Only - Sales Comparison | Lot 1 - \$25,000 Lot 2 - \$25,000 |
| Cost | Not Developed |
| Income Capitalization | Not Developed |

Value Conclusions

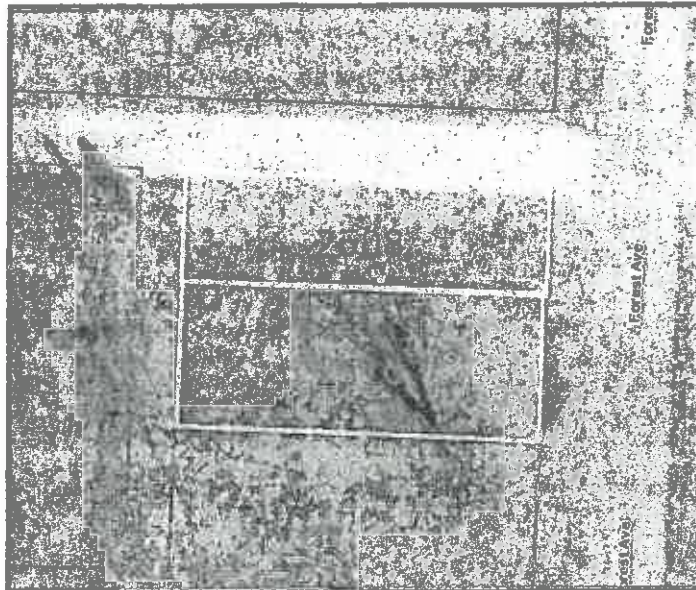
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Our findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:



Aerial and Front Views

AERIAL VIEW



FRONT VIEW





VACANT LAND REAL ESTATE SALE CONTRACT

1 THIS CONTRACT is made between: (PRINT NAMES AND INDICATE MARITAL STATUS; IF NOT
2 COMPLETED, SELLER'S NAMES TO BE INSERTED BY LICENSEE ASSISTING SELLER PRIOR TO
3 PRESENTATION TO SELLER)

4
5 SELLER: _____

6
7 BUYER: Melissa Slinkard Raine

8
9 ☐ **Bank-Owned Property (check if applicable):** If the real property is bank-owned and the titled owner
10 of record is not known at the Effective Date of this Contract, BUYER and SELLER agree the name of the
11 SELLER is amended to as it is stated in the Deed at Closing and is incorporated herein by reference and in
12 any amendments and addenda. SELLER warrants it has full authority to sign and perform on this Contract
13 on behalf of the titled owner of record.

14
15 The Effective Date shall be the date of final acceptance by the last party to sign this agreement and/or
16 addendum(s) attached hereto.

17
18 1. **PROPERTY.** BUYER agrees to purchase and SELLER agrees to sell the real property and the
19 improvements thereon (the "Property") commonly known as:

20 2449 Tracy Ave. (Lot 1) Kansas City MO 64108 Jackson County

21
22

| Street Address | City | Zip | County |
|----------------|------|-----|--------|
|----------------|------|-----|--------|

23
24 **STATE:** (Check one) ☒ Missouri ☐ Kansas

25
26 **LEGAL DESCRIPTION:** (As described in the attached Legal Description Addendum or as described
27 below): Lot 1

28
29
30
31
32 **The Property shall include the following, if any, unless otherwise excluded:**

33
34 a. **Additional Inclusions.** The following items are also included in the sale and are considered to be a
35 part of the Property: _____

36
37 b. **Exclusions.** The following items are not included in the sale and are not considered to be a part of the
38 Property: _____

39
40 2. **DISCLOSURES. THIS CONTRACT SHALL NOT BE EFFECTIVE UNTIL THE BROKERAGE**
41 **DISCLOSURE PARAGRAPH HAS BEEN SIGNED BY ALL PARTIES; SELLER COMPLETES AND**
42 **BUYER & SELLER HAVE SIGNED A SELLER'S VACANT LAND DISCLOSURE AND CONDITION**
43 **OF PROPERTY ADDENDUM.** SELLER confirms information contained in the Seller's Disclosure and
44 Condition of Property Addendum is current as of the Effective Date of the Contract. SELLER shall
45 advise BUYER of any substantial change in the condition of the Property prior to the Closing Date.

46
47 In Missouri and Kansas, law requires persons who are convicted of certain crimes, including
48 certain sexually violent crimes, to register with the Sheriff of the county in which they reside. If
49 you, as the BUYER, desire information regarding those registrants, you may find information on
50 the homepage of the Kansas Bureau of Investigation (KBI) at <http://www.Kansas.gov/kbi> or by
51 contacting the local Sheriff's office in Kansas. In Missouri, BUYER should contact the Sheriff of
52 the county in which the Property is located.

53 3. ADDENDA/CONTINGENCIES: The following Addenda (riders, supplements, etc.) are attached hereto
54 and are a part of this Contract (Check applicable boxes):
55

- 56 ☐ Seller's Vacant Land Disclosure and ☒ Selling Company Disclosure
57 Condition of Property Addendum ☐ Dispute Resolution/Mediation Addendum
58 ☐ Legal Description Addendum ☒ Other: Addendum A
59 ☐ Listing Company Disclosure ☐ Other: _____
60

61 ~~CONTRACT CONTINGENCIES: This Contract is contingent upon:~~

- 62 ☐ BUYER obtaining a soil analysis for the purpose of placing a private waste water
63 disposal system on the Property that is acceptable to the BUYER.
64 ☐ BUYER obtaining verification that a water meter is available. SELLER makes no
65 representation regarding cost of installation.
66 ☐ BUYER obtaining verification building permits can be obtained.
67 ☐ BUYER reviewing and accepting the terms of any deed restrictions.
68 ☐ BUYER reviewing and accepting the terms of any Homeowner's Association.
69 ☐ Other: _____
70

71 BUYER will have _____ calendar days from the Effective Date of this Contract to remove all of
72 these contingencies or to cancel the Contract by written notification to the SELLER if the contingencies
73 cannot be satisfied. Failure to notify SELLER within the time specified constitutes a waiver of the
74 contingencies and the BUYER waives their right to renegotiate or cancel the Contract.
75

76 4. PURCHASE PRICE. The Purchase Price for the Property is \$ 45,018
77 which BUYER agrees to pay as follows:
78

79 a. Earnest Money in the form of: (Check one)

- 80 ☐ Personal check OR ☒ Other Cashier's Check
81 in the amount of \$ 45,018 (a)
82 Deposited with: (Check one)

- 83 ☐ _____ Listing Broker
84 ☐ _____ Escrow Agent
85 ☐ SELLER (BUYER acknowledges that funds payable to and held by
86 the SELLER WILL NOT be held subject to the terms in Earnest Money
87 and Additional Deposits paragraph.)
88

89 b. Additional Earnest Money on or before \$ -0- (b)

- 90 ☐ Personal check OR ☐ Other _____
91 Deposited with: (Check one)

- 92 ☐ _____ Listing Broker
93 ☐ _____ Escrow Agent
94 ☐ SELLER (BUYER acknowledges that funds payable to and held by
95 SELLER WILL NOT be held subject to the terms of Earnest Money
96 and Additional Deposits paragraph.)
97

98 c. Total Amount Financed by BUYER (Zero if Cash Sale) \$ -0- (c)
99 (not including financed mortgage insurance premiums
100 or other Closing costs, if any)

101 d. Balance of Purchase Price to be paid in CERTIFIED FUNDS \$ _____ (d)
102 (Purchase Price less a, b & c of this paragraph) on or before the
103 Closing Date.
104

105 e. TOTAL ADDITIONAL SELLER EXPENSES (Each line \$0 if left blank):
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161

1. **Additional SELLER paid costs.** In addition to any other costs SELLER agreed to pay herein, SELLER agrees to pay other allowable Closing costs permitted by Lender(s) and/or prepaid items for BUYER, not to exceed:

\$ _____

2. **Lender(s) approved down payment assistance costs.**

\$ _____

3. See attached Loan(s) specification documents.

TOTAL ADDITIONAL SELLER EXPENSES NOT TO EXCEED:

\$ _____

f. OTHER FINANCING COSTS.

1. **Loan Costs.** BUYER agrees to pay all customary costs necessary to obtain the Loan(s) (including but not limited to, origination fees, discounts or buy-downs) unless otherwise agreed.

2. **Private Mortgage Insurance (PMI).** BUYER will pay any up front PMI premium and annual renewal premiums or will finance the PMI as a part of the Loan(s), if required by Lender(s).

3. **FHA Mortgage Insurance (MIP).** BUYER will pay any up front MIP premium and annual renewal premiums or will finance MIP as a part of the Loan(s).

4. **DVA Funding Fee** as required by Lender(s) will be paid at Closing by the BUYER or financed as part of the Loan(s).

5. **Flood Insurance.** BUYER agrees to pay for flood insurance if required by Lender(s).

5. APPRAISED VALUE CONTINGENCY. Notwithstanding any other terms of this Contract, BUYER may within _____ calendar days from the Effective Date of this Contract (within the Inspection Period if left blank) obtain, at BUYER'S expense, an appraisal of the Property by an independent licensed appraiser. If Financing is being obtained, the appraisal must be completed before the loan commitment due date.

If the final appraised value of the Property, as determined by BUYER'S Lender's appraiser or BUYER'S appraiser (if a cash sale), is not equal to or greater than the Purchase Price, BUYER may notify SELLER in writing, attaching a copy of the appraisal, and the following will occur.

a. SELLER may seek a reconsideration of value by the BUYER'S Lender's appraiser, to be completed within _____ calendar days (7 days if left blank) of delivery of the BUYER'S notice. If such reconsideration finds a value equal to or greater than the Purchase Price, the transaction will move forward to Closing.

b. If such reconsideration finds a value less than the Purchase Price, BUYER and SELLER will have _____ calendar days (5 days if left blank) to agree upon an acceptable Purchase Price in writing. If BUYER and SELLER fail to agree to an acceptable Purchase Price within the time period stated above, either party may cancel the Contract by written notice to the other, and BUYER'S Earnest Money will be subject to the provisions of the Earnest Money and Additional Deposits paragraph of the Contract.

6. SALE CONTINGENCY. In the event the sale is contingent upon the sale and/or Closing of BUYER'S Property, the Contingency For Sale and/or Closing Of Buyer's Property Addendum must be attached.

Vacant Land Real Estate Sale Contract 2012
Page 3 of 12

162 **7. FINANCIAL TERMS.**

163
164 ☐ **THIS IS A CASH SALE.** BUYER must provide written verification from a depository of funds on
165 deposit within ____ calendar days (5 days if left blank) which are sufficient to complete the Closing on
166 this Contract.

167
168 ☐ **THIS IS A FINANCED SALE.** This Contract is contingent upon BUYER obtaining the financing
169 described in this paragraph.

170
171 BUYER may obtain Loan(s) different from those described herein provided that the terms of the Loan(s)
172 do not result in additional costs to SELLER, delay the Closing Date, or change the Loan approval time
173 frame. These changes must be agreed in writing, by both parties, within 3 days of BUYER'S knowledge
174 and no later than ____ business days before Closing (15 days if left blank).

175
176 **BUYER and SELLER are hereby informed that any changes to the terms below after the Effective**
177 **Date of the Contract have the potential to delay Closing and/or change costs due to federal**
178 **regulations.**

179
180 a. **TYPE OF FINANCING.** Loan(s) will be ☐ owner-occupied Loan(s) or ☐ investment Loan(s).

181
182 **LOAN TYPES/TERMS.** BUYER will obtain a Loan upon the following terms:

183
184 **Type:**

185 Conventional

186 FHA

187 DVA

188 Other _____

189 Not Applicable

184 **Primary Loan**

185 ☐

186 ☒

187 ☐

188 ☐

189 ☐

184 **Secondary Loan**

185 ☐

186 ☐

187 ☐

188 ☐

189 ☐

190
191 **Interest Rate**

192 Fixed Rate

193 Adjustable Rate

194 Interest Only

195 Other _____

192 ☐

193 ☐

194 ☐

195 ☐

192 ☐

193 ☐

194 ☐

195 ☐

196
197 **Amortization Period**

198 **Principal Amount or LTV**

197 _____ years

197 _____ years

198
199
200 All Loan amounts will include financed mortgage insurance premiums or DVA funding fee, if
201 any, according to the provisions described herein (the "Loan"). The Loan(s) will be secured by a
202 mortgage/deed of trust on the Property or as otherwise required by Lender(s), and repayable in
203 monthly installments.

204
205 b. **The Loan(s) will bear interest as follows:**

206
207 1. Primary Loan _____ interest rate not exceeding _____ % per annum or
208 _____ the prevailing rate at Closing

209
210 2. Secondary Loan _____ interest rate not exceeding _____ % per annum or
211 _____ the prevailing rate at Closing

212
213 **BUYER has the option to "lock in" the foregoing interest rate or to "float" the interest rate.**

214 If BUYER locks in a rate, BUYER agrees to accept the "locked" rate and terms even if different than
215 those stated above. If BUYER floats the rate, BUYER agrees to accept the rate and terms available
216 from BUYER'S Lender(s) for which BUYER qualifies at Closing.
217

218 **c. LOAN APPLICATION(S).**

219 ☐ **BUYER IS PRE-APPROVED** (See attached Lender(s) letter(s).) BUYER has submitted
220 information to _____ / _____ ("Lender(s)") who has
221 checked BUYER'S credit and indicated that BUYER can qualify for a Loan(s) in an amount equal to
222 or greater than the Loan(s) contemplated in this Contract, subject to satisfactory appraisal of the
223 Property and any other conditions set forth in the attached Lender(s) letter(s). **The pre-approval**
224 **must indicate that the BUYER'S credit is acceptable to Lender(s) and indicate whether or not**
225 **the pre-approval is subject to the sale and Closing of the BUYER'S current property.**
226

227 ☐ **BUYER IS NOT PRE-APPROVED.** Within _____ calendar days (5 days if left blank)
228 after the Effective Date of this Contract, BUYER will complete a written application.
229

230 BUYER agrees to authorize Lender(s) to perform all required services (credit report, appraisal, etc.),
231 promptly pay the fees required by Lender(s), and promptly provide Lender(s) with all information
232 requested.
233

234 **SELLER is aware that pre-approval is not a guarantee that BUYER will receive Lender(s)**
235 **Loan approval(s).**
236

237 **d. LOAN APPROVAL(S).** BUYER agrees to make a good faith effort to obtain a commitment for the
238 Loan(s) within _____ calendar days (30 days if left blank) from the Effective Date of this
239 Contract (the "Loan Approval Period") or within _____ calendar days (5 days if left blank) prior to
240 the Closing Date, whichever is earlier.
241

242 If BUYER is unable to obtain a commitment for the Loan(s) within the Loan Approval Period, BUYER
243 or SELLER may cancel this Contract by written notice. If BUYER is unable to obtain the financing
244 described herein, BUYER must provide written evidence of rejection from BUYER'S Lender(s). In
245 either case, BUYER'S Earnest Money will be subject to the provisions of the Earnest Money and
246 Additional Deposits paragraph of the Contract.
247

248 **e. LENDER(S) APPRAISAL REQUIREMENTS.** In addition to any other costs or sums to be paid by
249 SELLER pursuant to this Contract, SELLER agrees to pay an amount not to exceed \$ _____
250 (zero if left blank) for requirements contained in the Lender's appraisal. Appraisal and/or Lender(s)
251 requirements will include inspections and/or repairs, but not any for which BUYER has agreed to be
252 responsible elsewhere in this Contract.
253

254 If appraisal and/or Lender(s) requirements exceed the amount in this blank and if SELLER and
255 BUYER have not agreed in writing to a resolution of the excess appraisal and/or Lender(s)
256 requirements prior to the Closing Date, or within the time period (no less than 5 days) specified in a
257 written demand by either party, this Contract will be cancelled and disposition of BUYER'S Earnest
258 Money will be subject to the provisions of the Earnest Money and Additional Deposits paragraph of
259 the Contract.
260

261 **8. CLOSING AND POSSESSION.** On or before _____ ("Closing Date"), SELLER shall
262 execute and deliver into escrow with the title company(s) or other Closing Agent(s), a general warranty
263 deed (or special warranty deed or fiduciary deed, if SELLER is a corporation, association, financial
264 institution or fiduciary) and all other documents and funds necessary to satisfy SELLER'S obligations
265 under this Contract. On or before the Closing Date, BUYER shall execute and deliver into escrow with
266 the title company(s) or other Closing Agent(s), all documents (including note(s), mortgage(s)/deed(s) of
267 trust, and any other documents required by BUYER'S Lender(s), if BUYER is obtaining financing) and
268 funds (including Loan proceeds, if BUYER is obtaining financing) necessary to satisfy BUYER'S
269

obligations under this Contract. **SELLER AND BUYER ACKNOWLEDGE ALL FUNDS REQUIRED FOR CLOSING MUST BE IN THE FORM OF CASHIER'S CHECK, WIRE TRANSFER OR OTHER CERTIFIED FUNDS.** When all documents and funds have been executed and delivered into escrow with the title company(s) or other Closing Agent(s), the Closing shall be completed. SELLER shall deliver possession of the Property to BUYER on _____ at _____ o'clock _____. m., (if left blank, the Closing Date at 5:00 P.M.) ("**Possession Date**"). BUYER shall not occupy the Property or place personal property in or on it prior to completion of the Closing and disbursement or availability of SELLER'S proceeds, if any, unless otherwise agreed upon in writing by the BUYER and the SELLER.

9. CONDITION OF PROPERTY. SELLER shall maintain the Property in its present condition through the Possession Date. SELLER shall advise BUYER of any substantial change in the condition of the Property prior to Closing. Unless otherwise agreed in writing, SELLER shall remove all possessions from the Property, upon vacating or prior to delivery of Possession.

☐ (Check if applicable) SELLER shall remove the following prior to the Possession Date: _____

~~**10. FUEL TANK(S).** The BUYER will pay SELLER for the amount of fuel left in tank(s) at Closing based upon SELLER'S actual cost at time of purchase, if applicable. SELLER will have tank read no earlier than 7 days and no later than 3 days prior to the Closing Date and provide documentation to BUYER.~~

11. EARNEST MONEY AND ADDITIONAL DEPOSITS. Upon acceptance of this Contract, unless otherwise agreed, any Earnest Money or Additional Deposits shall be deposited within 5 business days (if Kansas Property)/10 banking days (if Missouri Property) of the Effective Date, in an ensured escrow account maintained by Listing Broker or Escrow Agent. BUYER and SELLER agree the Listing Broker or Escrow Agent may retain any interest earned on escrowed funds. If this Contract is terminated by the express provisions of this Contract or by either party pursuant to a right expressly given in this Contract, the Earnest Money and Additional Deposits shall be returned to the BUYER, and neither party shall have any further rights or obligations under this Contract, except as otherwise stated in this Contract. **Notwithstanding any other terms of this Contract providing for the forfeiture or refund of Earnest Money and Additional Deposits, the parties understand that neither the Listing Broker nor the Escrow Agent can distribute the Earnest Money and Additional Deposits without the written consent of all parties to this Contract unless permitted to do so by applicable state laws.** If BUYER and SELLER are unable to agree in writing upon the disposition of the Earnest Money and Additional Deposits or any other funds, Listing Broker or Escrow Agent may commence an interpleader or similar proceeding and BUYER and SELLER authorize Listing Broker or Escrow Agent to pay all funds to the Clerk of the Court for disposition as the Court may direct. **BUYER and SELLER agree Listing Broker or Escrow Agent shall be entitled to reimbursement of its costs incurred in connection with the inter-pleader or similar proceeding including without limitation, reasonable attorney fees and expenses.** BUYER and SELLER agree, in the absence of a dispute or written consent to distribution, the failure by either to respond in writing to a certified letter from Listing Broker or Escrow Agent within 7 days (if Kansas Property)/15 days (if Missouri Property) of receipt thereof or failure to make written demand for return or forfeiture of the Earnest Money and Additional Deposits within 30 days (if Kansas Property)/60 days (if Missouri Property) of notice of cancellation of this Contract shall constitute consent to distribution of the Earnest Money and Additional Deposits as suggested in such certified letter. All parties acknowledge that any Earnest Deposit Funds that remain in the Broker's escrow account for over 1 year (if Missouri Property)/5 years (if Kansas Property) may be sent to the respective states as requested or required by law.

12. SURVEY. A "Staked Survey" of the Property assures there are no defects, encroachments, overlaps, boundary line or acreage disputes, or other such matters, that would be disclosed by a survey. **BUYER acknowledges that a Mortgage Inspection Report or "Loan Survey" normally required by a lending institution is not a "Staked Survey".** A title insurance company typically requires a "Staked Survey" in order to provide survey coverage to the BUYER. Prior to the Closing Date, BUYER shall notify SELLER of any encroachments of any improvements upon, from, or onto the Property or any building setback line, property line, or easement, which encroachment shall be deemed

to be a title defect. SELLER shall remedy such defects as are susceptible of being remedied prior to the Closing Date. If SELLER does not remedy the defects in title, BUYER shall have the option of (a) completing this purchase and accepting the title that SELLER is able to convey without adjustment in the Purchase Price, or (b) cancelling this Contract.

(Check applicable box):

- ☐ BUYER will, at BUYER'S expense, provide a "Staked Boundary Survey" for the Property prior to the Closing Date.
- ☒ SELLER will, at SELLER'S expense, provide a "Staked Boundary Survey" for the Property prior to Closing. This survey may not replace Lender's required loan inspection survey, if any, provided at BUYER'S expense.
- ☐ SELLER will provide a "Staked Boundary Survey" for the Property prior to the Closing Date, which shall be paid for as follows: _____
- ☐ BUYER acknowledges there is no "Staked Survey" and is not requiring SELLER to provide a survey.

13. EVIDENCE OF TITLE. Within a reasonable time after the Effective Date, but prior to the Closing Date (the "Commitment Delivery Date"). SELLER agrees to deliver to BUYER a title insurance commitment from a company(s) authorized to ensure titles in the state where the Property is located. Unless there is a defect in title to the Property that is not corrected prior to the Closing Date, BUYER may not object to untimely delivery of the title commitment. The title commitment shall commit to ensure a marketable fee simple title to the BUYER upon the recording of the deed or other document of conveyance. However, title to the Property shall be subject to the conditions in this Contract and to customary covenants, declarations, restrictions, zoning laws, easements, party wall agreements, special assessments, and community Contracts of record as of the Effective Date of the title commitment (the "Permitted Exceptions"). BUYER shall have a reasonable time after receipt of the title commitment (the "Objection Period") to notify SELLER in writing of any valid objections to title to the Property. SELLER shall then make a good faith effort to remedy the defects in title. If SELLER does not remedy the title defects before the Closing Date, BUYER may elect to waive the objections; extend the Closing Date a reasonable time for the SELLER to remedy the defects, or cancel this Contract. Provided, if the time between the Effective Date and the Closing Date is too short to permit compliance with the time frames described in this paragraph, both the Commitment Delivery Date and the Objection Period shall be as soon as reasonably possible but no later than the Closing Date. SELLER agrees to provide and pay for an owner's title insurance policy in the amount of the Purchase Price ensuring marketable fee simple title in BUYER, subject to the Permitted Exceptions and with the exception of any liens, encumbrances or other matters affecting title to the Property created by BUYER or arising by virtue of BUYER'S activities or ownership. The policy shall also ensure BUYER as of the date of recording of the deed or other document of conveyance, against any lien, or right to a lien, for services, labor or material imposed by law and not shown by the public records. SELLER agrees to comply with the requirements of the title company for issuance of this coverage. **UNLESS OTHERWISE PROVIDED IN THIS CONTRACT, THE OWNER'S TITLE POLICY WILL INCLUDE MECHANIC'S LIEN COVERAGE.**

14. TAXES, PRORATIONS & SPECIAL ASSESSMENTS. All general/state/county/school and municipal real estate taxes, homeowner's association dues and fees, special assessments, interest on existing loans to be assumed by BUYER, and any other contractual obligations of SELLER to be assumed by BUYER for years prior to the current calendar year shall be paid by SELLER. Any of the preceding items which become due and accrue during the calendar year in which SELLER'S warranty deed is delivered (including rents, if applicable) shall be prorated between the parties as of the Closing Date and, for all years thereafter, to the extent permitted by applicable law, shall be assumed and paid by the BUYER. BUYER acknowledges the Property may be subject to a special assessment, fee, or located in an improvement district. BUYER acknowledges receipt of this disclosure is required by Kansas law, and may be found in the Seller's Land Disclosure and Condition of Property Addendum or a separate document, if applicable.

If the actual amount of any item, other than taxes for the current year, cannot be ascertained from the public record, the amount of the item for the preceding year will be used for the current year's amount. If the actual amount of taxes for the current calendar year cannot be determined, it will be estimated by using the current year's appraised value, if available from the county taxing authority, and last year's mill levy. If appraised value is not available, the Contract Purchase Price will be used with last year's mill levy. BUYER and SELLER agree to accept such prorations as final and release each other, Broker(s), Agent(s), and Closing Agent(s) from any liability for any increase or decrease in actual taxes due.

In Missouri, reassessment takes place in odd-numbered years. Missouri transactions closing in odd-numbered years are subject to the process in the preceding paragraph. Missouri transactions closing in even-numbered years will be prorated based upon the preceding year's tax amount.

15. PARTIES. This is a Contract between SELLER and BUYER. If SELLER or BUYER constitutes two or more persons, the terms "SELLER" or "BUYER" shall be construed to read "SELLERS" or "BUYERS" whenever the sense of the Contract requires. Unless identified as SELLER or BUYER, Listing Broker and any Cooperating Broker and their Agents (collectively referred to as "Broker") and any Escrow or Closing Agent are acting as Agents only and are not parties to this Contract. SELLER and BUYER acknowledge Broker may have a financial interest in third parties providing specialized services required by this Contract including, but not limited to: Lender, title insurance company, Escrow Agent, Closing Agent, warranty company, wood infestation/mechanical/structural or other inspectors and repair personnel. SELLER and BUYER agree Broker shall not be responsible for the conduct of third parties providing specialized services whether those services were arranged by SELLER, BUYER, or Broker on behalf of either.

16. NOTICES. Any notice or other communication required or permitted hereunder may be delivered in person, by facsimile, United States Postal Service, courier service or email to the address set forth in this Contract or such other address or number as shall be furnished in writing by any such party. Such notice or communication shall be deemed to have been given as of the date and time so delivered. Delivery to or receipt by a party's licensee shall constitute delivery to the party. Delivery to or receipt by the Licensee assisting BUYER named below in this Contract shall constitute receipt by BUYER and delivery to or receipt by the Licensee assisting SELLER named below in this Contract shall constitute receipt by SELLER.

17. ENTIRE AGREEMENT AND MANNER OF MODIFICATIONS. This Contract and all attachments constitute the complete agreement of the parties concerning the Property; supersede all previous agreements, and may be modified or assigned only by a written agreement signed by all parties.

18. DEFAULTS 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. Following a default by either SELLER or BUYER under this Contract, the other party shall have the following remedies, subject to the provisions of this Contract.

a. If SELLER defaults, BUYER may (i) specifically enforce this Contract and recover damages suffered by BUYER as a result of the delay in the acquisition of the Property, or (ii) terminate this Contract by written notice to SELLER and, at BUYER'S option, pursue any remedy and damages available by law or in equity. If BUYER elects to terminate this Contract, the Earnest Money shall be returned to BUYER subject to the provisions of this Contract.

b. If BUYER defaults, SELLER may (i) specifically enforce this Contract and recover damages suffered by SELLER as a result of the delay in the sale of the Property, or (ii) terminate this Contract by written notice to BUYER and, at SELLER'S option, either retain the Earnest Money as liquidated damages as SELLER'S sole remedy (the parties recognizing it would be extremely difficult to ascertain the extent of actual damages caused by BUYER'S breach, and the Earnest Money

represents as fair an approximation of such actual damages as the parties can now determine) as provided in this Contract, or (iii) pursue any other remedy and damages available at law or in equity.

If as a result of a default under this Contract, either SELLER or BUYER employs an attorney to enforce its rights, the defaulting party shall, unless prohibited by law, reimburse the non-defaulting party for all reasonable attorney fees, court costs and other legal expenses incurred by the non-defaulting party in connection with the default. TIME IS OF THE ESSENCE IN THIS CONTRACT.

~~19. GOVERNMENT PROGRAMS. BUYER acknowledges the possibility of government farm programs on the Property, or that programs could be obtained, and BUYER accepts the responsibility for researching said programs. BUYER is not relying on any other representations regarding accessing government programs.~~

- ☐ BUYER acknowledges and agrees to execute necessary documentation to continue government farm program subsequent to the Closing Date.
- ☒ ~~BUYER does not intend to participate in any existing government farm program.~~

20. ENVIRONMENTAL POLLUTANTS. BUYER has the opportunity to become informed about environmental pollutants and the potential health risks of environmental pollutants. The SELLER and Licensee assisting the SELLER and/or the BUYER do not claim or possess any special expertise in the measurement or reduction of environmental pollutants, nor have they provided any advice to BUYER as to acceptable levels. Any testing desired or required shall be at BUYER'S expense.

~~21. INSPECTIONS AND DUE DILIGENCE. BUYER may, within _____ calendar days (30 Days if left blank) (the "Inspection and Due Diligence Period") after the Effective Date of this Contract, at BUYER'S expense, have the Property inspected and may conduct due diligence with regulatory agencies, governmental agencies, marketing firms, engineering firms and other authorities to determine the suitability of the Property for the intended use by BUYER. BUYER acknowledges such inspections may not identify deficiencies in inaccessible areas of the Property and may be limited by weather conditions at the time of the inspection.~~

- a. ACCESS TO PROPERTY, RE-INSPECTIONS, DAMAGES AND REPAIRS. SELLER shall provide BUYER reasonable access to the Property to conduct the inspections, re-inspections, inspection of any corrective measures completed by SELLER and/or final walk through prior to the Closing Date. BUYER shall be responsible and pay for any damage to the Property resulting from the inspection(s). SELLER agrees any corrective measures which SELLER performs pursuant to the following provisions shall be completed in a workmanlike manner with good-quality materials.
- b. WHAT IF BUYER DOES NOT CONDUCT INSPECTIONS? If BUYER does not conduct inspections, BUYER shall have waived any right to cancel or renegotiate this Contract pursuant to the inspection provisions.
- c. WHAT IS AN UNACCEPTABLE CONDITION? An Unacceptable Condition is any condition identified in a written inspection report prepared by an independent qualified inspector of BUYER'S choice, which condition is unacceptable to BUYER and not otherwise excluded in this Contract.
- d. WHAT IF BUYER DOES NOT GIVE TIMELY NOTICE OF UNACCEPTABLE CONDITIONS? If BUYER conducts inspections, but fails to notify SELLER of Unacceptable Conditions prior to the expiration of the Inspection and Due Diligence Period, BUYER shall have waived any right to cancel or renegotiate this Contract pursuant to these inspection provisions.

e. ~~WHAT IS NOT AN UNACCEPTABLE CONDITION?~~ The following items shall not be considered Unacceptable Conditions and cannot be used by BUYER as a reason to cancel or renegotiate this Contract.

f. ~~WHAT IF BUYER'S INSPECTIONS REVEAL UNACCEPTABLE CONDITIONS?~~ If BUYER'S inspections reveal Unacceptable Conditions, BUYER may do any one of the following.

1. ~~ACCEPT THE PROPERTY "AS IS"~~, BUYER may notify SELLER that the inspections are satisfactory or do nothing. In either case, BUYER will have waived any right to cancel or renegotiate due to any Unacceptable Conditions.
2. ~~CANCEL THIS CONTRACT~~ by notifying SELLER in writing within the Inspection and Due Diligence Period.
3. ~~OFFER TO RENEGOTIATE~~ with SELLER by notifying SELLER in writing within the Inspection and Due Diligence period and identifying the Unacceptable Conditions.

~~BUYER'S notice of cancellation or offer to renegotiate terminates the Inspection and Due Diligence Period and must be accompanied by the applicable written inspection report(s) in their entirety from the independent qualified inspector(s) who conducted the inspection(s).~~

g. ~~RESOLUTION OF UNACCEPTABLE CONDITIONS.~~ BUYER and SELLER shall have _____ calendar days (5 days if left blank) after SELLER'S receipt of BUYER'S Inspection Notice/Offer to Renegotiate (the "Renegotiation Period"), to reach an agreement resolving the Unacceptable Conditions. Any of the following executed and delivered to the other party or other party's agent prior to the expiration of the Renegotiation Period shall constitute such an agreement.

1. An amendment signed by BUYER and SELLER resolving the Unacceptable Conditions.
2. A written statement signed by BUYER accepting the Property "as is" without correction of any Unacceptable Conditions.
3. A written statement signed by SELLER agreeing to do everything requested by BUYER in BUYER'S Offer to Renegotiate.

~~If no agreement resolving the Unacceptable Conditions is reached as provided above, prior to the expiration of the Renegotiation Period, then after expiration of the Renegotiation Period, either party may cancel this Contract by written notice to the other, and Earnest Money will be subject to the provisions of the Earnest Money and Additional Deposits paragraph of the Contract.~~

22. ~~ADDITIONAL TERMS AND CONDITIONS:~~ _____ None _____

23. ~~EXPIRATION.~~ This offer shall expire on _____, at _____ o'clock _____ m. (6:00 p.m. if left blank) unless accepted by SELLER or withdrawn by BUYER before that time.

24. **BROKERAGE RELATIONSHIP DISCLOSURE.**

SELLER and BUYER acknowledge the Real Estate Brokerage Relationship Brochure has been furnished to them and the brokerage relationships were disclosed to them no later than the first showing, upon first contact, or immediately upon the occurrence of any change to that relationship.

SELLER and BUYER acknowledge the real estate Licensee(s) involved in this transaction may be acting as Agents of the SELLER, Agents of the BUYER, Transaction Broker(s) or Disclosed Dual Agents (Available only in Missouri).

A Licensee acting as an Agent for the SELLER has a duty to represent the SELLER'S interest and will not be the Agent of the BUYER. Information given by the BUYER to an Agent of the SELLER will be disclosed to the SELLER.

A Licensee acting as an Agent for the BUYER has a duty to represent the BUYER'S interest and will not be an Agent of the SELLER. Information given by the SELLER to an Agent of the BUYER will be disclosed to the BUYER.

A Licensee acting in the capacity of a Transaction Broker is not an Agent for either party and does not advocate the interests of either party.

A Licensee acting as a Disclosed Dual Agent (Available only in Missouri) is acting as an Agent for both the SELLER and the BUYER, and a separate Dual Agency Disclosure Amendment is required.

Licensee assisting SELLER is a: (Check appropriate box)

- ☐ SELLER'S Agent
☐ Designated SELLER'S Agent (In Kansas, Supervising Broker acts as a Transaction Broker)
☐ Transaction Broker and SELLER agrees, if applicable, To sign a Transaction Broker Addendum. SELLER is not being represented.
☐ Disclosed Dual Agent and SELLER agrees to sign a Disclosed Dual Agency Amendment. (Missouri only)
☐ BUYER'S Agent
☐ Designated BUYER'S Agent (In Kansas, Supervising Broker acts as Transaction Broker)
☐ Subagent
☐ SELLER is not being represented.

Licensee assisting BUYER is a: (Check appropriate box)

- ☐ BUYER'S Agent
☐ Designated BUYER'S Agent (In Kansas, Supervising Broker acts as a Transaction Broker)
☐ Transaction Broker and BUYER agrees, if applicable, to sign a Transaction Broker Addendum. BUYER is not being represented.
☐ Disclosed Dual Agent and BUYER agrees to sign a Disclosed Dual Agency Amendment. (Missouri only)
☐ SELLER'S Agent
☐ Designated SELLER'S Agent (In Kansas, Supervising Broker acts as a Transaction Broker)
☐ Subagent
☐ BUYER is not being represented.

SOURCE OF COMPENSATION. Brokerage fees, to include but not limited to broker commissions and other fees, shall be paid out of escrow at Closing as follows, unless otherwise described in the terms of the respective agency agreements or other SELLER/BUYER agreements. SELLER and BUYER understand and agree Brokers may be compensated by more than one party in the transaction. (Check all applicable boxes):

Brokers are compensated by: ☒ SELLER and/or ☐ BUYER

LICENSEE ASSISTING SELLER DATE

LICENSEE ASSISTING BUYER DATE

SELLER DATE

BUYER DATE

SELLER DATE

BUYER DATE

CAREFULLY READ THE TERMS HEREOF BEFORE SIGNING. WHEN SIGNED BY ALL PARTIES,
THIS DOCUMENT BECOMES PART OF A LEGALLY BINDING CONTRACT.
IF NOT UNDERSTOOD, CONSULT AN ATTORNEY BEFORE SIGNING.

All parties agree that this transaction can be conducted by electronic means, including email,
according to the Uniform Electronic Transaction Act as adopted in Kansas and Missouri.

SELLER hereby authorizes Closing Agent to obtain payoff information from SELLER'S Lender(s).

SELLER _____ DATE _____ BUYER _____ DATE 12/24/2019

SELLER _____ DATE _____ BUYER _____ DATE

ADDRESS _____ 5808 Harrison St. Kansas City MO 64110
ADDRESS _____

BROKERAGE _____ (Please Print) BROKERAGE _____ (Please Print)

Name of Licensee assisting Seller _____ (Please Print) Name of Licensee assisting Buyer _____ (Please Print)

Listing Licensee's Phone # _____ Fax # _____ Selling Licensee's Phone # _____ Fax #

Listing Licensee's Email Address _____ Selling Licensee's Email Address _____

DATE OF FINAL ACCEPTANCE, THE "EFFECTIVE DATE" IS _____
(Effective Date to be completed by Licensee assisting the last party signing this Contract.)

FORM CERTIFICATION: (TO BE COMPLETED BY LICENSEE PREPARING THIS FORM.)

The undersigned Licensee assisted in completing the blanks in the foregoing form and confirms, to the best of his/her knowledge, the printed form contains the language approved by Counsel for the Kansas City Regional Association of REALTORS®. The undersigned Licensee further confirms no additions or deletions to the approved language have been made, except such changes as may appear hereon made by hand or computer generation and signed and/or initialed by the party submitting this offer. Licensee's signature below is not an opinion as to the legal validity or meaning of any provisions contained in this form, but merely confirms, to the best of the Licensee's knowledge, no changes have been made to the approved form. (Check one)

☐ Licensee assisting Seller ☐ Licensee assisting Buyer

(TO BE COMPLETED BY LICENSEE UPON SELLER'S REJECTION OF OFFER):

Listing Licensee acknowledges receipt of this offer and has made a presentation to the SELLER on _____ DATE _____ TIME _____ for SELLER'S consideration.

By: _____
Licensee assisting Seller

Approved by Legal Counsel of the Kansas City Regional Association of REALTORS® for exclusive use by its REALTOR® members. No warranty is made or implied as to the legal validity or adequacy of this Contract, or that it complies in every respect with the law or that its use is appropriate for all situations. Local law, customs and practices, and differing circumstances in each transaction may dictate that amendments to this Contract be made. Copyright January 2012. Last Revised 10/11. All previous versions of this document may no longer be valid.