

DEVELOPMENT PLAN
***[Developer Name – Development Name]* RURAL HOUSING INCENTIVE DISTRICT**
OF THE CITY OF DODGE CITY, KANSAS

[Date]

INTRODUCTION

On [DATE] the Governing Body of the City of Dodge City, Kansas (the “City”) adopted Resolution [#####] that found and determined that:

1. There is a shortage of quality housing of various price ranges in the City despite the best efforts of public and private housing developers.
2. The shortage of quality housing can be expected to persist and that additional financial incentives are necessary in order to encourage the private sector to construct or renovate housing in the City.
3. The shortage of quality housing is a substantial deterrent to the future economic growth and development of the City.
4. The future economic wellbeing of the City depends on the Governing Body providing additional incentives for the construction of/or renovation of quality housing in the City.

Based on these findings and determinations, the Governing Body proposed the establishment of a Rural Housing Incentive District within Dodge City pursuant to the Act.

Following the adoption of Resolution [#####] a certified copy of said Resolution was submitted to the Secretary of Commerce for approval of the establishment of the Rural Housing Incentive District in Dodge City, as required by K.S.A. 12-5244(c).

On [DATE], the Secretary of Commerce provided written confirmation, approving the establishment of [Developer Name - Development Name] Rural Housing Incentive District (the “District”) (Resolution [#####], Exhibit A-21).

DEVELOPMENT PLAN ADOPTION

K.S.A. 12-5245 states that once the City receives approval from the Secretary of Commerce for the development of a Kansas Rural Housing Incentive District, the governing body must adopt a plan for the development of housing and public facilities within the proposed district.

DEVELOPMENT PLAN

As a result of the shortage of quality housing within Dodge City, the City proposes this Development Plan to assist in the development of quality housing within the City.

1. The legal description of the [Developer Name - Development Name] Rural Housing Incentive District is:

[LEGAL DESCRIPTION]

A map of the District is attached as **Exhibit A** to this document.

2. The assessed valuation of all real estate within the District for [year] is [\$\$\$]. There are no existing structures on the real estate within the District.

3. The name and address of the owner of record for the real estate within the District is:

4. [Developer Name]

[Address]

[City, KS, 67801]

5. The housing and public facilities projects that are proposed to be constructed include the following:

Housing Facilities

The housing facilities will be composed of [number] (##) [description].

6.

Public Facilities

Public improvements include the extension of water and sewer by the City of Dodge City, gas distribution lines by Black Hills Energy and electric distribution lines to the boundaries of the District by Victory Electric. These improvements will be constructed concurrently with the project.

Public improvements will also include construction of infrastructure improvements located within the boundaries of the District, including electric, gas, water, sanitary sewer, storm sewer, storm water detention, streets, street lighting, fire services and sidewalks. Infrastructure improvements will be constructed concurrently with the project

7. The names, addresses and specific interests in the real estate in the District of the developers responsible for development of the housing and public facilities is:

Owner of Real Property:

[Owner Name]

[Owner Address]

Dodge City, KS 67801

Developer:

(Site Work and Infrastructure)

[Developer Name]

[Developer Address]

Dodge City, KS 67801

Individuals with Specific Interest:

[Name]

[Address]

Dodge City, KS 67801

6. The Governing Body of the City entered into a Development Agreement with [Developer Name], a Kansas limited liability corporation, (the “Developer”) in [Date]. The Development Agreement, as supplemented and amended, includes the project construction schedule, a description of projects to be constructed, financial obligations of the Developer and financial and administrative support from the City. The complete Development Agreement is attached hereto as **Exhibit C**.

7. The City’s Finance Director conducted a study to determine whether the public benefits derived from the District will exceed the costs and that the income from the District, together with other sources of revenue provided by the Developer, would be sufficient to pay for the public improvements to be undertaken in the District. A copy of the analysis is attached hereto as **Exhibit B**. The analysis estimates the property tax revenues that will be generated from the District, less existing property taxes, to determine the revenue stream available to support financing the public infrastructure. The revenue stream is compared to the estimated debt service of any bonds needed to finance the project. The estimated costs of the improvements and the costs of the financing is compared to the estimated revenue stream. The estimates indicate that the estimated revenue realized from the project would be adequate to pay the costs of the public infrastructure.

DEVELOPMENT PLAN - EXHIBIT A

**MAP OF THE [Development Name] RURAL HOUSING IMPROVEMENT
DISTRICT**

Rural Housing Incentive District

DEVELOPMENT PLAN - EXHIBIT B
COMPREHENSIVE FINANCIAL FEASIBILITY ANALYSIS

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the “Agreement”), entered into this [date], by and between the **CITY OF DODGE CITY, KANSAS**, a municipal corporation, (the “City”), and **[Developer Name]**, a Kansas limited liability corporation, with its principal place of business in Dodge City, Kansas (the “Developer”).

RECITALS

- A. **WHEREAS**, the City and the Developer (the “Parties”) desire to memorialize their intent with respect to their obligations and responsibilities for the construction of [description] residential development to be known as “[Development Name]” (the “Development”); and,
- B. **WHEREAS**, the Developer is the titled owner of real property located within the boundaries of the City and described in *Exhibit A*, attached hereto and incorporated herein by reference (the “Property”); and,
- C. **WHEREAS**, the Developer desires to develop the Property by construction of [description] residences and all related internal infrastructure improvements, all as more fully described herein; and,
- D. **WHEREAS**, the City has determined that the construction of the Development will foster the economic development of the City and the surrounding area of Ford County, Kansas; and,
- E. **WHEREAS**, the Parties hereto are authorized to enter into this Agreement and to complete the responsibilities set forth herein.

AGREEMENT

NOW THEREFORE, in consideration of the premises and promises contained herein and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

- 1.1 Definitions.** As used in this Agreement, the following words and terms shall have the meaning set forth below:

“**Agreement**” means this Development Agreement, as the same may be from time to time modified, amended or supplemented in writing by the Parties hereto.

on the cost estimates set forth on *Exhibit D* attached hereto and incorporated herein by this reference.

“Property” means the real property (including but not limited to fee interests, leasehold interests, tenant-in-common interests and such other like or similar interests) on which the Development Project will be located, more specifically described in *Exhibit A* attached hereto and incorporated herein by this reference.

“Public Improvements” means the Internal Infrastructure Improvements.

“Related Party” means any party related to the Developer by one of the relationships described in Section 267(b) of the United States Internal Revenue Code of 1986, as amended and any successor entity in which the principals of the Developer (either individually or collectively) or Developer own or control no less than fifty percent (50%) of the voting interest in such successor entity.

“Rural Housing Incentive District” means a rural housing incentive district to be created by the City for the Development Project pursuant to the Kansas Rural Housing Incentive District Act.

“Substantial Completion” means the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Construction Plans, excepting all punch list items so that the Developer can occupy or utilize the Work for its intended purpose.

“Unit” means each individual single-family residence development.

“Work” means all work necessary to prepare the Property and to construct the Development Project and the Public Improvements, including; (1) demolition and removal of certain existing improvements located on the Property; (2) construction, reconstruction and/or relocation of utilities; (3) construction of the single family residences and structures, including surface parking facilities, and screening and site landscaping on the Property, as described in the Concept Site Plan; and (4) all other Work described in the Concept Site Plan, or reasonably necessary to effectuate the intent of this Agreement.

“**City**” means the City of Dodge City, Kansas.

“**Concept Site Plan**” means the site development plan prepared by a licensed professional engineer, or firm thereof, acceptable to the City, attached hereto as *Exhibit C* and incorporated herein by reference, depicting the conceptual program for construction of the Development Project and the Public Improvements.

“**Construction Plans**” means plans, drawings, specifications and related documents, and construction schedules for the construction of the Work, together with all supplements, amendments or corrections.

“**Developer**” means Summerlon Properties, LLC, a Kansas limited liability corporation, with its principal place of business in Dodge City, Kansas, or its permitted successors or assigns in interest.

“**Development Area**” means the collective areas described in *Exhibit B* attached hereto and incorporated herein by this reference.

“**Development Project**” means quality single-family residences to be constructed in the Development Area in accordance with the Concept Site Plan.

“**Governing Body**” means the City Commission of Dodge City, Kansas.

“**Internal Infrastructure Improvements**” means the water, sanitary sewer, electric, storm sewer, storm water detention, street, street lighting, sidewalks and all other public infrastructure improvements necessary for the Development and located within the boundaries of the Development Area, including engineering costs, any costs of right-of-way and appurtenances related thereto, as set forth on the approved plat for the Development, all as more specifically described on *Exhibit D* attached hereto and incorporated herein by this reference.

“**Material Change**” shall mean any change in the Concept Site Plan that significantly affects the nature of the Public Improvements, the number of Units, or increases/decreases the cost of the Development Project by Twenty-Five Thousand Dollars (\$25,000.00) or more for each change.

“**Mayor**” means the Mayor of Dodge City, Kansas or his/her duly authorized agent.

“**Plans and Specifications**” means the plans and specifications for the Public Improvements prepared by a licensed professional engineer, or firm thereof, acceptable to the City.

“**Project Costs**” means all costs associated with the completion of the Public Improvements, and all associated legal, engineering and other soft costs, all as described

ARTICLE II

RURAL HOUSING INCENTIVE DISTRICT

- 2.1 Preliminary Resolution.** The Governing Body has heretofore adopted Resolution No. [####] (the “Resolution”) on [date], which made certain findings pursuant to the Rural Housing Incentive District Act, relative to the need for housing in the City and declaring an intent to establish Rural Housing Incentive Districts within the City, which would include the Property.
- 2.2 Department of Commerce Finding.** Pursuant to the Resolution, the City caused to be prepared a Housing Needs Analysis and forwarded the same, along with the Resolution, to the Kansas Secretary of Commerce. On [date], the Kansas Secretary of Commerce issued a letter to the City making certain findings required by the Rural Housing Incentive District Act, and approved the City’s ability to establish a Rural Housing Incentive District.
- 2.3 Further Proceedings Regarding Special Assessments.** Developer has petitioned the City for special assessment financing for infrastructure improvements as reflected in *Exhibit D*. Said special assessment charges will be eligible costs to be paid by Rural Housing Incentive District incremental proceeds.
- 2.4 Further Proceedings Regarding the Rural Housing Incentive District Act.** The City has caused to be prepared a Development Plan in accordance with the provisions of the Rural Housing Incentive District Act, adopted a resolution calling a public hearing relative to such Development Plan, conducted a public hearing, and will pass an Ordinance approving the Development Plan, this Agreement, establish a Rural Housing Incentive District that includes the Property and adopt a Resolution establishing a benefit district for the financing of certain internal improvements within the Property. The Rural Housing Incentive District will be deemed to be established at the time said Ordinance is passed by the Governing Body. The Parties acknowledge that the creation of the Rural Housing Incentive District is subject to nullification in the manner set forth in K.S.A. 12-5246.

ARTICLE III

CONSTRUCTION OF THE PROJECT AND INTERNAL INFRASTRUCTURE IMPROVEMENTS

- 3.1 Development Project Construction Schedule.** The Developer shall commence construction of the Development Project and Public Improvements within the Development Area, not more than sixty (60) days after the Rural Housing Incentive District ordinance is passed by the Governing Body. The Developer will diligently pursue Substantial Completion of the Development Project.

- a Modifications to the Development Project. The Parties acknowledge that due to economic conditions the scope of the Development Project and the amount of real estate included within any Development Area may be modified prior to and/or during the construction of such Development Project. Developer shall notify the City at least thirty (30) days in advance of any proposed Material Change of the Development Project or Development Area, as well as the factual basis necessitating the proposed Material Change.

3.2 Construction of the Development Project. The Developer shall construct the Development Project in a good and workmanlike manner in accordance with the terms of this Agreement and as set forth in the Construction Plans, on file at City Hall.

3.3 Concept Site Plan. The Developer, in coordination with the City and at the cost of the City, has had prepared a Concept Site Plan and the same is hereby approved by the Parties. Either party shall promptly notify the other in writing of any proposed Material Changes to the Concept Site Plan at least thirty (30) days prior to the implementation of any such Material Change, including a description of the Material Change and reasons therefore. During the progress of the Work, the Developer may make changes to the Concept Site Plan or any aspect thereof as site conditions or other issues of feasibility may dictate or as may be necessary or desirable in the sole determination of the Developer to enhance the economic viability of the Development Project provided, however, that the Developer may not make any Material Changes to the Public Improvements or reduce the number of Units on the Concept Site Plan without the advance written consent of the City.

3.4 Construction Public Improvements. The Developer shall construct, at its cost, the Public Improvements in a good and workman like manner in accordance with the Plans and Specifications approved by the City consistent with the construction of the Development Project so that the Substantial Completion of the Public Improvements associated with the Development Project shall be completed on or before Substantial Completion of the Development Project.

- a **Acquisition of Easements, Permits.** The Developer is responsible for securing any rights-of-way and/or easement rights from private parties necessary to improve or build the External or Internal Infrastructure Improvements and the City will cooperate with the Developer with respect to any such acquisition. All costs associated with the acquisition of rights-of-way and/or easements shall be considered a Project Cost. The City shall cooperate with the Developer in obtaining all necessary permits for construction of the Internal Infrastructure Improvements.
- b **Construction Contracts; Insurance.** The Developer may enter into one or more construction contracts to complete the Work for the Public Improvements. Prior to the commencement of construction of the Public Improvements, each Party shall obtain or shall require that any such contractor obtains workers' compensation,

comprehensive public liability and builder's risk insurance coverage as provided in **Section 5.8** hereof and shall deliver evidence of such insurance to the City. Each Party shall require that the insurance required is maintained by any such contractor for the duration of the construction of the Public Improvements or part thereof, if such contract relates to less than all of the Internal Infrastructure Improvements. If the Developer serves as general contractor for the Internal Infrastructure Improvements, the Developer shall not charge more for such services than a third-party contractor would customarily charge for such services.

- c **Certification of Substantial Completion.** Promptly after Substantial Completion of the Work with respect to the Public Improvements, or a phase thereof, in accordance with the provisions of this Agreement, the Developer will furnish to the City a Certificate of Substantial Completion in the form attached hereto as **Exhibit E**. The City shall, within thirty (30) days following delivery of each Certificate of Substantial Completion, carry out such inspections as it deems necessary to verify reasonable satisfaction with, and the accuracy of, the certifications contained in each Certificate of Substantial Completion. Each Certificate of Substantial Completion shall be deemed accepted by the City unless, prior to the end of such thirty (30) day period after delivery to the City of each Certificate of Substantial Completion, the City furnishes to the Developer with specific written objections to the status of the Work, describing such objections and the measures required to correct such objections in reasonable detail. At Substantial Completion of the Public Improvements, the Developer will dedicate to the City, and the City will accept, title to the Internal Infrastructure Improvements designated on **Exhibit D**. Following said dedication, the City will be responsible, at its sole cost and expense, for all operating and capital costs for the dedicated Internal Infrastructure Improvements from that date forward, and shall maintain the dedicated Internal Infrastructure Improvements in a manner consistent with similar public improvements in the City. Notwithstanding the foregoing, the Developer may, at its sole discretion and expense, enhance the maintenance or operation of the Internal Infrastructure Improvements for the betterment of the Development Project.

ARTICLE IV

FINANCING OBLIGATIONS

- 4.1 Financing of Public Improvements.** The costs of the Property acquisition and payment for the Public Improvements shall be the sole responsibility of the Developer. The City shall deposit the amounts received by the City, pursuant to K.S.A. 12-5250(b)(2)(A) (the "Increment") in a special account (the "Account") Funds from said Account shall be used to reimburse the Developer for all or a portion of eligible costs of the Property acquisition and Public Improvements.

Funds from the Account shall be accrued and disbursed in accordance with the following guidelines and in the time and manner following:

1. Reimbursements due to Developer shall be made within thirty (30) days following the receipt of the annual Increment payment from the County Treasurer beginning in 2017 and continuing until such time as the eligible Developer Costs as described in *Exhibit D* have been fully reimbursed to Developer, but not to exceed fifteen (15) years from the date of the establishment of the Rural Housing Incentive District. City shall have no liability and/or responsibility to Developer for any payment greater than the amounts received from the Ford County Treasurer as mandated in K.S.A. 12-5250(b)(2)(A). Developer shall be responsible for any portion of eligible costs not covered by payments made from the Account.

2. Within 60 days following adoption of the RHID Ordinance by the City, Developer shall purchase and acquire title to the Property as described in Exhibit A. The purchase price paid by the Developer shall include the price of the acquisition of the Property.

3. At the written request of the Developer the City, in its sole discretion, may issue special obligation bonds for payment of the eligible Developer costs pursuant to the provisions of K.S.A. 12-5248, and pledge revenues of the Account to the repayment of such special obligation bonds. The maximum maturity on such bonds shall not exceed 15 years.

4. Once all eligible Project costs have been fully paid, all reimbursable costs to Developer fully satisfied, all special obligation bonds, if any, have been redeemed and the Project completed the Assessment Account shall be closed and all future Increments shall be disbursed pursuant to the provisions of KSA 12-5250(b)(2)(B).

ARTICLE V

GENERAL PROVISIONS

5.1 City's Right to Terminate. In addition to all other rights of termination as provided herein, the City may terminate this Agreement at any time if the Developer defaults in or breaches any material provision of this Agreement and fails to cure such default or breach within thirty (30) days after receipt of written notice from the City of such default or breach.

5.2 Developer's Right to Terminate. In addition to all other rights of termination as provided herein, the Developer may terminate this Agreement at any time if the City defaults in or breaches any material provision of this Agreement (including any City default under Article IV hereof) and fails to cure such default or breach with thirty (30) days after receipt of written notice from the Developer of such default or breach.

5.3 Successors and Assigns.

- a This Agreement shall be binding on and shall inure to the benefit of the Parties named herein and their respective heirs, administrators, executors, personal representatives, agents, successors and assigns.
- b Without limiting the generality of the foregoing, all or any part of the Property or any interest therein may be sold, transferred, encumbered, leased, or otherwise disposed of at any time, and the rights of the Developer named herein or any successors in interest under this Agreement or any part hereof may be assigned at any time before, during or after completion of the Development Project, whereupon the Party disposing of its interest in the Property or assigning its interest under this Agreement shall be thereafter released from further obligation under this Agreement (although prior to Substantial Completion of the Improvements to such Property so disposed of or to which such interest pertains shall remain subject to the terms and conditions of this Agreement); provided, however, that the buyer, transferee or assignee shall be financially solvent as demonstrated to the City.
- c Until Substantial Completion of the Development Project has occurred, the obligations of the Developer under this Agreement may not be assigned in whole or in part without the prior written approval of the City, which approval shall not be unreasonably withheld, conditioned, or delayed upon a reasonable demonstration by the Developer of the proposed assignee's experience and financial capability to undertake and complete all portions of the Work with respect to the Development Project, all in accordance with this Agreement. Notwithstanding the foregoing, the Developer may be permitted to subcontract the construction of any portion of the Development Project except for Public Improvements without the consent of City as long as the Developer remains liable therefore hereunder. Notwithstanding anything herein to the contrary, the City hereby approves, and no prior consent shall be required in connection with, (a) the right of the Developer to encumber or collaterally assign its interest in the Property or any portion thereof or any interest in this Agreement to secure loans, advances or extensions of credit to finance or from time to time refinance all or any part of the Development Project Costs, or the right of the holder of any such encumbrance or transferee of any such collateral assignment (or trustee or agent on its behalf) to transfer such interest by foreclosure or transfer in lieu of foreclosure under such encumbrance or collateral assignment; (b) the right of the Developer to assign the Developer's rights, duties and obligations under this Agreement to a Related Party; or (c) the right of the Developer to sell or lease individual portions of the Property in the ordinary course of the development of the Development Project; provided that in each such event the Developer named herein shall remain liable hereunder for the Substantial Completion of the Development Project, and shall be released from such liability hereunder only upon Substantial Completion of the Development Project.

5.4 Remedies. Except as otherwise provided in this Agreement and subject to the Developer's and the City's respective rights of termination, in the event of any breach

of any term or condition of this Agreement by either Party, or any successor, the breaching Party (or successor) shall, upon written notice from the other Party specifying such claimed breach, proceed immediately to cure or remedy such breach, and, shall, in any event, within thirty (30) days after receipt of notice, cure or remedy such default. If the breach shall not be cured or remedied, the aggrieved Party may hold the breaching Party in default of this Agreement and thereupon may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including, but not limited to proceedings to compel specific performance by the defaulting or breaching Party, withholding funds received pursuant to K.S.A. 12-5250(b)(2)(A) and/or repeal of the ordinance establishing the Rural Housing Incentive District. For purposes of this Section, no Party may be deemed in default of this Agreement unless and until it has received notice of any claimed breach and has been given an opportunity to cure the same. Prior to instituting any legal proceedings after an event of default has been noticed and no cure has occurred, the Parties agree to attempt to resolve the dispute through non-binding mediation. In the event such mediation is not successfully completed within forty-five (45) days following the expiration of any period for cure, the aggrieved Party may then immediately institute legal proceedings against the breaching Party.

5.5 Force Majeure. Neither the City nor the Developer nor any successor in interest shall be considered in breach or default of their respective obligations under this Agreement, and times for performance of obligations hereunder shall be extended in the event of any delay caused by force majeure, including, without limitation, damage or destruction by fire or casualty; strike; lockout; civil disorder; act of terror; war; restrictive government regulations; lack of issuance of any permits and/or legal authorization by any governmental entity necessary for the Developer to proceed with construction of the Work or any portion thereof, shortage or delay in shipment of material or fuel; acts of God; unusually adverse weather or soil conditions; unforeseen site conditions that render the site economically or physically undevelopable (as a result of additional cost or delay), or any other cause or contingency similarly; or other causes beyond the Parties' reasonable control, including but not limited to, any litigation, court order or judgment resulting from any litigation affecting the validity of this Agreement; provided that such event of force majeure shall not be deemed to exist as to any matter initiated or unreasonably sustained by the Developer, and further provided that the Developer notifies the City in writing within thirty (30) days of the commencement of such claimed event of force majeure.

5.6 Notices. Any notice, demand or other communication required by this Agreement to be given by either Party hereto to the other shall be in writing and shall be sufficiently given or delivered if dispatched by certified United States first-class mail, postage prepaid, or delivered personally,

a In the case of the Developer, to:

[Developer Name]

[Address]
Dodge City, KS 67801
Attention: [Name]
Phone: [###-###-####]

b In the case of the City, to:

City of Dodge City, Kansas
806 N. Second Avenue
Dodge City, KS 67801
Attention: City Clerk
Phone: (620) 225-8100
Fax: (620) 225-8144

or to such other address with respect to either Party as that Party may, from time to time, designate in writing and forward to the other as provided in this section.

5.7 Conflict of Interest. No member of the Governing Body or any branch of the City's government who has any power of review or approval of any of the Developer's undertakings, or of the City's contracting for goods or services for the Development, shall participate in any decisions relating thereto which affect that member's personal interests or the interests of any corporation or partnership in which that member is directly or indirectly interested. Any person having such interest shall immediately, upon knowledge of such possible conflict, disclose, in writing, to the Governing Body the nature of such interest and seek a determination by the Governing Body with respect to such interest and, in the meantime, shall not participate in any actions or discussions relating to the activities herein proscribed. The City represents to the Developer that no such conflicts of interest exist as of the date hereof.

5.8 Insurance; Damage or Destruction of Development Projects.

- a The Developer will cause there to be insurance coverage as hereinafter set forth at all times during the process of constructing the Work and, from time to time at the request of the City, shall furnish the City with proof of payment of premiums on:
 - i Builder's Risk insurance, written on the so called "Builder's Risk—Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Work at the date of completion, and with coverage available in non-reporting form on the so called "all risk" form of policy. The interest, if any, of the City shall be protected in accordance with a clause in form and content satisfactory to the City; and,
 - ii Comprehensive general liability insurance (including operations, operations of subcontractors, completed operations and contractual liability insurance) together with an owner's contractor's policy, with limits against bodily injury and property damage of not less than Five Million Dollars (\$5,000,000.00) for

all claims arising out of a single accident or occurrence and Two Million Dollars (\$2,000,000.00) for any one person in a single accident or occurrence (to accomplish the above required limits, an umbrella excess liability policy may be used); and

- iii Workers compensation insurance, with statutorily required coverage.
- b The policies of insurance required pursuant to clauses (i) and (ii) above shall be in form and content reasonably satisfactory to the City and shall be placed with financially sound and reputable insurers licensed to transact business in the State of Kansas with a general policy holder's rating of not less than A- and a financial rating of A- as rated in the most current available "Best's" insurance reports. The policy of insurance delivered pursuant to clause (i) above shall contain an agreement of the insurer to give not less than thirty (30) days advance written notice to the City in the event of cancellation of such policy or change affecting the coverage thereunder. All policies of insurance required pursuant to this Section shall name City as an additional insured. The Developer shall deliver to the City evidence of all insurance to be maintained hereunder.

5.9 Inspection. The Developer shall allow authorized representatives of the City access to the Work site from time to time upon reasonable advance notice, which notice is in accordance with its normal practices with respect to inspection of construction projects in the City, prior to the completion of the Work for reasonable inspection thereof. The Developer shall also allow the City and its employees, agents and representatives to inspect, upon request, all architectural, engineering, demolition, construction and other contracts and documents pertaining to the construction of the Work as the City determines is reasonable and necessary to verify the Developer's compliance with the terms of this Agreement.

5.10 Choice of Law. This Agreement shall be deemed to have been fully executed, made by the Parties in, and governed by the laws of State of Kansas for all purposes and intents.

5.11 Entire Agreement: Amendment. The Parties agree that this Agreement and the Development Plan constitute the entire agreement between the Parties and that no other agreements or representations other than those contained in this Agreement have been made by the Parties. This Agreement shall be amended only in writing and effective when signed by the authorized agents of the Parties.

5.12 Counterparts. This Agreement is executed in multiple counterparts, each of which shall constitute one and the same instruments.

5.13 Severability. If any term or provision of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder shall continue in full force and effect, to the extent the remainder can be given effect without the invalid provision.

5.14 Representatives Not Personally Liable. No elected or appointed official, agent, employee or representative of the City shall be personally liable to the Developer in the event of any default or breach by any Party under this Agreement, or for any amount which may become due to any Party or on any obligations under the terms of this Agreement.

5.15 Legal Actions. If a third party brings an action against the City, or any officials, agents, employees or representatives thereof contesting the validity or legality of any of the terms of this Agreement, or the ordinance approving this Agreement, the Developer may, at the Developer's option but only with the City's consent, assume the defense of such claim or action (including, without limitation, to settle or compromise any claim or action for which the Developer has assumed the defense) with counsel of the Developer's choosing. The Parties expressly agree that so long as no conflicts of interest exist between them, the same attorney or attorneys may simultaneously represent the City and the Developer in any such proceeding; provided, the Developer and its counsel shall consult with the City throughout the course of any such action and Developer shall pay all reasonable and necessary costs incurred by City in connection with such action. If such defense is assumed by Developer, all costs of any such action incurred by City shall be promptly paid by Developer. If City refuses to permit Developer to assume the defense of any action, then costs incurred by City shall be paid by City.

5.16 Release and Indemnification. The indemnifications and covenants contained in this Section shall survive termination or expiration of this Agreement and shall be specifically subject to the limitation of *subsection 5.16(g)* of this Agreement.

- a Notwithstanding anything herein to the contrary, City and its Governing Body members, officers, agents, servants, employees and independent contractors shall not be liable to the Developer for damages or otherwise in the event that any ordinance, order or resolution adopted in connection with this Agreement is declared invalid or unconstitutional in whole or in part by the final (as to which all rights of appeal have expired or have been exhausted) judgment of any court of competent jurisdiction, and by reason thereof either City is prevented from performing any of the covenants and agreements herein or Developer is prevented from enjoying the rights and privileges hereof.
- b The Developer releases from, agrees to indemnify and hold harmless the City, its Governing Body members, officers, agents, servants and employees against, and covenants and agrees that the City and its Governing Body members, officers, agents, servants, employees and independent contractors shall not be liable for, any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the acquisition of the Property or construction of the Work including any and all claims arising from the acquisition of the Property, including, but not limited to, location of hazardous wastes, hazardous materials or other environmental contaminants on the Property,

including all costs of defense, including attorney fees, except for those matters arising out of the willful and/or wanton negligence of the City and its Governing Body members, officers, agents, servants and employees.

- c The City and its Governing Body members, officers, agents, servants and employees shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants or employees or any other person who may be about the Property or the Work except for matters arising out of the willful and/or wanton negligence of the City and its Governing Body members, officers, agents, servants and employees.
- d All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any of its Governing Body members, officers, agents, servants or employees in their individual capacities.
- e No official, employee or representative of the City shall be personally liable to the Developer in the event of a default or breach by any Party to this Agreement.
- f The Developer releases from and covenants and agrees that the City, its Governing Body members, officers, employees, agents and independent contractors shall not be liable for, and agrees to indemnify and hold the City, its Governing Body members, officers, employees, agents and independent contractors, harmless from and against any and all suits, interest, claims and cost of attorney fees incurred by any of them, resulting from, arising out of, or in any way connected with: (1) the Development Project or its approval, (2) the construction of the Work, (3) the negligence or willful misconduct of the Developer, its employees, agents or independent contractors in connection with the management, development, and construction of the Work, (4) the compliance by the Developer with all applicable state, federal and local environmental laws, regulations, ordinances and orders, (5) underground storage tanks located on or about the Property, (6) friable asbestos or asbestos-containing materials at, on or in the Property, (7) the operation of all or any part of the Property, or the condition of the Property, including, without limitation, any environmental cost or liability, or (8) negotiations, inspections, acquisitions, preparations, construction, leasing, operations, and other activities of the Developer or its agents in connection with or relating to the Development Project or the Property; except that the foregoing release and indemnification shall not apply in the case of such liability arising directly out of the willful and/or wanton negligence of the City or its authorized Governing Body members, officers, employees and agents or which arises out of matters undertaken by the City following termination of this Agreement as the Development Project or portion thereof.
- g Notwithstanding anything to the contrary in this Agreement, including but not limited to the provisions related to indemnification and release set out in this Section, the Developer shall have no obligation to indemnify the City, or any

other Party referenced in this Agreement, unless the claim for which indemnity is sought is actually covered by the insurance required by *Section 5.8* of this Agreement and the Developer shall hereby be released for any and all claims otherwise referenced in this Section that are not actually covered by the insurance policies required by *Section 5.8* of this Agreement.

5.17 Cost of the Legal Fees. Upon execution of this Agreement Developer shall reimburse the City for all legal and professional costs, fees and expenses incurred by the City with regard to the preparation of this Agreement and any and all other Ordinances, Resolutions or other documents necessary for implementation of the Rural Health Incentive District as well as for representation and appearances of legal counsel at any hearings or proceedings required to implement the Rural Housing Incentive District or the Project. All such reimbursement paid by the Developers shall be considered Project Costs.

5.18 Survival. Notwithstanding the expiration, termination or breach of this Agreement by either Party, the agreements contained in Section 5.16 of this Agreement shall, except as otherwise expressly set forth herein, survive such expiration, termination or breach of this Agreement by the Parties hereto.

ARTICLE VI

REPRESENTATIONS OF THE PARTIES

6.1 Representations of City. The City hereby represents and warrants that to the best of its collective knowledge and belief it has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and all of the foregoing have been or will be, duly and validly authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, enforceable in accordance with its terms.

6.2 Representations of Developer. The Developer hereby represents and warrants it has full corporate power to execute and deliver and perform the terms and obligations of this Agreement and all of the foregoing has been duly and validly authorized by all necessary corporate proceedings. This Agreement constitutes the legal, valid and binding obligation of the Developer, enforceable in accordance with its terms.

IN WITNESS WHEREOF, the City and the Developer have caused this Agreement to be executed in their respective names and the City has caused its seal to be affixed thereto, and attested as to the date first above written.

CITY OF DODGE CITY, KANSAS

By: _____
Rick Sowers, Mayor

Dated: [Date] _____.

ATTEST: (SEAL)

Nannette Pogue, City Clerk

[Development Name]

By: _____
[Name], Member

Dated: [Date] _____.

By: _____
[Name]

**SCHEDULE OF EXHIBITS
OF THE DEVELOPMENT AGREEMENT**

- Exhibit A Property Description
- Exhibit B Map of Rural Housing Improvement District Boundaries for [Development Name] Development Project
- Exhibit C [Development Name] Site Development Plan
- Exhibit D Eligible Costs for [Development Name] Development Project
- Exhibit E Certification of Substantial Completion Form

EXHIBIT A
PROPERTY DESCRIPTION

[Legal Description]

EXHIBIT B

**MAP OF RURAL HOUSING IMPROVEMENT DISTRICT
BOUNDARIES FOR [Development Name] DEVELOPMENT PROJECT**



EXHIBIT C

[Development Name] SITE DEVELOPMENT PLAN

EXHIBIT D

**ELIGIBLE COSTS FOR
[Development Name] DEVELOPMENT PROJECT**

EXPENSES ELIGIBLE FOR RHID REIMBURSEMENT	

All information is based upon estimates, final application will be based upon actuals.

EXHIBIT E

CERTIFICATION OF SUBSTANTIAL COMPLETION FORM

The undersigned, on behalf of [Developer Name] (the “Developer”), pursuant to Section 3.4.3 of the Development Agreement dated as of [Date] by and among the City of Dodge City, Kansas, and the Developer (the “Development Agreement), hereby certifies as follows. All capitalized terms used herein shall have the meaning attributable to such terms in the Development Agreement.

1. The Work with respect to the Internal Infrastructure Improvements in the Development Project is sufficiently complete in accordance with the Construction Plans, excepting all punch list items, such that the Developer can occupy or utilize the Work for its intended purpose.
2. The Work has been completed in a good and workmanlike manner.
3. There are no mechanic’s or materialmen’s liens or other statutory liens on file encumbering title to the Property; all bills for labor and materials furnished for the Work which could form the basis of a mechanic’s, materialmen’s or other statutory lien against the Property have been paid in full, and within the past four (4) months no such labor or materials have been furnished which have not been paid for.
4. All applicable building codes have been complied with in connection with the Work.

Dated: _____

[Developer Name]

By: _____

Name:

Title: