



Office of the City Manager

RESIDENTIAL DEVELOPMENT AGREEMENT

THIS RESIDENTIAL DEVELOPMENT AGREEMENT (the "Agreement") is made and entered into on this _____ day of _____, 20____, by and between the CITY OF ARKANSAS CITY (hereinafter referred to as the "City"), a municipal corporation organized and existing under the laws of the State of Kansas, and Alfredo Sampayo, collectively with his business partners Mark Teitelbaum, Gordon Hendry, and Rick Cutrera (hereinafter collectively referred to as the "Developer").

RECITALS:

WHEREAS, the City and the Developer executed a Memorandum of Understanding dated August 15, 2023 (the "MOU");

WHEREAS, the MOU outlines the terms and conditions for the acquisition of real estate by the Developer from the City for the purpose of constructing single-family residential housing units;

WHEREAS, the parties desire to extend the deadlines for the Purchase Agreement and the due diligence period by an additional 120 days;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1: DEFINITIONS

1.1 MOU: The term "MOU" refers to the Memorandum of Understanding dated August 15, 2023, entered into by and between the City and the Developer.

ARTICLE 2: PROPERTY

2.1 Transfer of Title: The City agrees not to transfer title to the Property or consider offers from other developers during the term of this Agreement.

ARTICLE 3: PURCHASE AGREEMENT

3.1 Execution: Within 210 days (90 days + 120 days extension) of the execution of the MOU, the parties will negotiate and execute a definitive Purchase Agreement ("Purchase Agreement").

3.2 Incorporation of Terms: The Purchase Agreement will incorporate the terms and conditions outlined in the MOU, customary commercial real estate terms and conditions, representations, warranties, due diligence requirements, governmental approvals (including zoning and land use plans), and a binding

financing commitment from a financial institution.

3.3 Extended Due Diligence: The due diligence period shall not exceed 240 days (120 days + 120 days extension), and the closing shall occur within 30 days after the expiration of this extended period.

ARTICLE 4: CONSIDERATION

4.1 Transfer without Financial Payment: The City will transfer title to the Property to the Developer without financial payment.

4.2 Considerations:

A. The Developer shall commence construction of residential units on the Property within 24 months of the execution of the MOU. The Developer will be responsible for applying for tax rebates and incentives, such as the Neighborhood Revitalization Plan or a project under the Rural Housing Incentive District program. The developer will be responsible for installation of streets and all other infrastructure necessary for this development.

B. The City shall:

i. Support and make available to the Developer applicable economic development incentives and tax rebates under Kansas or City law, including providing a housing needs analysis and adopting a resolution for creating a Rural Housing Incentive District.

ii. Assist and support the connection to existing utilities on the Property at no cost to the Developer, subject to the Developer meeting program requirements and establishing a binding agreement with the utilities before or upon closing.

ARTICLE 5: COSTS

Each party will be responsible for its own costs and expenses incurred in connection with the transaction.

ARTICLE 6: GOVERNING LAW

This Agreement will be governed by and construed in accordance with the laws of the State of Kansas, without regard to conflicts of law principles.

ARTICLE 7: JURISDICTION; SERVICE OF PROCESS

Any legal action arising from this Agreement will be brought in the District Court for Cowley County, State of Kansas, U.S.A. Each party consents to the jurisdiction of this court and waives any objection to venue.

ARTICLE 8: ASSIGNMENT

The Developer may assign its rights under this Agreement to any affiliated entity created for the acquisition purpose. Any successor in interest may not assign its rights without the City's written consent.

ARTICLE 9: NON-BINDING

This Agreement is non-binding and serves as a summary of proposed terms. The parties are not contractually bound except by a Definitive Agreement.

ARTICLE 10: COUNTERPARTS

This Agreement may be executed in counterparts, each constituting an original, and all taken together forming one agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Residential Development Agreement as of the date first above written.

CITY OF ARKANSAS CITY

By: _____

Printed Name: Randy Frazer

Title: City Manager

DEVELOPER

By: _____

Alfredo Sampayo

Sampayo Capital Group – Rural Vision Development

Duly executed and agreed on this ____ day of _____, 20____.