

**MEMORANDUM OF UNDERSTANDING
FOR THE DEVELOPMENT OF CITY OWNED PROPERTY LOCATED IN ARKANSAS
CITY, KANSAS.**

THIS MEMORANDUM OF UNDERSTANDING (“MOU”), made as of the ____ day of _____, 20__ by and between the City of Arkansas City, Kansas (the “City” or “Arkansas City”) and a to be determined entity composed of **Consolidated Housing Services and Consolidated Development Partners**, a Kansas Limited Liability Corporation whose address is 4501 Fairmount Avenue, Kansas City, Missouri 64111 (“Developer”).

WITNESSETH:

Whereas, Arkansas City has interest in the redevelopment of property identified in Exhibit A, Arkansas City, Kansas (“Project”);

Whereas, Arkansas City desires to see the property (the land) developed and is willing to convey it to a qualified redeveloper party; and

Whereas, “THE DEVELOPER” desires to acquire and develop the Project into multi-family housing and potentially community related uses; and

Whereas, “THE DEVELOPER” is willing to allocate time and resources to developing the Project, subject to the terms and conditions set forth herein;

Now, therefore, it is hereby agreed as follows:

1. **Engagement.** Arkansas City hereby agrees to enter into this MOU with “THE DEVELOPER” so that it can allocate time and resources to plan for the redevelopment of the Project. Except for the terms and conditions set out in Section 5, this MOU is non-binding and neither party shall be obligated for anything hereunder unless and until the parties shall mutually agree in writing. **The terms of Section 5 shall be binding on the both parties from and after the effective date of this MOU.**
2. **Duties of “THE DEVELOPER”.** The duties of “THE DEVELOPER” under this MOU shall include all tasks necessary to complete master planning, design, financing, construction and development of the Project according to specifications and parameters mutually agreed upon by the City of Arkansas City and “THE DEVELOPER”. The City understands that “THE DEVELOPER” will assemble a team of other consultants and professionals that will be responsible for tasks including the following:
 - i. Planning and development of a multi-family project between twenty (20) and fifty (50) units. The Development Team proposes to develop a project with income-restrictions.
 - ii. Determining appropriate team members to develop the Project including

investors, co-Developers, architects, contractors, financial consultants, engineers, etc.;

- iii. Acquiring any required market surveys of the type and in the manner prescribed by the funding sources;
 - iv. Preparing the operating budgets and construction cost estimates acceptable to the funding sources obtained for the project;
 - v. Completing the due diligence required by capital, credit and grant funding sources, if any, for the Project;
 - vi. Managing the combined negotiations and planning required to reach closing with the Project's equity investors and lenders;
 - vii. Obtaining adequate construction and permanent financing to ensure the timely commencement and completion of construction for the Project (Sources to include affordable housing tax credits).
 - viii. Specifically, including the above tasks, the Developer will:
 1. Fund any market analysis activities or costs for the project.
 2. Fund any fees associated with any Affordable Housing Tax Credit (Section 42) application.
 - ix. Complete City's Application for Financial Incentives and pay application fee and deposit.
3. Duties of the City. The duties of "The City" under this MOU shall include tasks necessary to complete development of the project. The "DEVELOPER" understands the City will be responsible for the following tasks in order to facilitate development of the structure:
- i. Contribute the land for the development of the Project.
 - ii. The City will assist the Developer in obtaining building permits, any water or sewer taps, electrical supply and any other item required to complete the project approval process.
 - iii. The City will waive the costs of building permit fees, utility tap fees, and utility infrastructure.
 - iv. The City and local taxing jurisdictions will implement a Rural Housing Incentive District (RHID), or other appropriate program for the project. The intent of the RHID is to finance public improvements and utilities for the Project.
4. Expenses. Each party shall be responsible for any expenses it incurs with respect to this MOU. Upon execution of the long form binding development agreement and/or purchase agreement as contemplated within this MOU, the parties may choose to share certain development costs related to the Project as mutually agreed in such long form binding development agreement and/or purchase contract.
5. Exclusive Rights of Negotiation. For a period of ninety (90) days from the date of this MOU and any extensions thereof in accordance with this Section 5, "THE DEVELOPER" shall have the exclusive rights to negotiate with Arkansas City for the purchase and development of the Project ("Period of Exclusivity"). During such Period of Exclusivity, Arkansas City hereby agrees not to contact or engage any other party concerning the development activities as described in Section 2 of this MOU, except to the extent such third party is being consulted by Arkansas City to assist or coordinate with "THE

DEVELOPER” in conformance with this MOU. Further, during the Period of Exclusivity, the City of Arkansas City and “THE DEVELOPER” shall negotiate in good faith the terms of a long form binding development agreement and/or purchase contract defining the rights and obligation of the each party in connection with development of the Project, said agreement to define, among other things; i) the terms of sale for the site or portion thereof, ii) the terms related to any development incentives available for the Project, iii) the terms related to the subdividing and dedication of excess land located within the Project, and iv) the timeline needed to obtain financing for the Project. Upon conclusion of initial Period of Exclusivity, such period shall automatically extend for successive 30 day terms (such extensions to be considered part of the Period of Exclusivity as that term is used in this MOU), unless either party elects to terminate such Period of Exclusivity, said notice of termination being effective upon the last date of such Period of Exclusivity if such written notice of termination is received by the non-terminating party no later than five (5) business days prior the end of applicable period.

6. The City of Arkansas City’s Obligations. By executing this MOU, the City of Arkansas City intends to donate the land for development, subject to final approval by Arkansas City City Council. The City also agrees to provide support for the project as it relates to the pursuit of affordable housing tax credits. The City also agrees to provide support as outlined in Section 3 of this agreement.

If, in the event that the development is not successful in the initial application submittal to KHRC, the City agrees to extend the terms of this agreement for a second submittal, likely in the following calendar year.

7. Participation in Similar Transaction. Participation by “THE DEVELOPER” and the City, their respective officers, directors or stockholders, or their respective Affiliates and their officers, directors or stockholders, in other real estate or similar ventures, including but not limited to the same type of projects pursued under this MOU, shall not constitute a conflict of interest. As used herein, Affiliate shall mean a person or entity that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with another person or entity, including “THE DEVELOPER” and the City. The City acknowledges that “THE DEVELOPER” may pursue opportunities identical to this Project and that such participation is not a conflict of interest with the City or this MOU.

8. Assistance. "THE DEVELOPER" and the City will each provide the other access to staff necessary for assistance in generating details required for the Project in a timely manner, prompt access to all pertinent information necessary for satisfying due diligence and negotiating processes; and all information required for the negotiations, related due diligence and contract processes of the Project, as the case may be, to satisfy the obligations of each under this MOU.
9. Assignment. This MOU may not be assigned by either party without the prior written consent of the other party, except that "THE DEVELOPER" may freely assign this MOU to an affiliate of "THE DEVELOPER" that is owned or controlled by "THE DEVELOPER" or a majority of the members in "THE DEVELOPER".
10. Notice. Any notice, declaration, demand, request, or other communication which by any provision of this MOU is required or permitted to be given to or be served on any party hereto shall be given in writing and shall be deemed to have been received for all purposes when delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, to the address set forth for such party in the preamble of this MOU.

IN WITNESS WHEREOF, the parties have executed this MOU on this the ____ day of _____, 2022.

The Developer

By: _____ WITNESS: _____

Its: Member/Owner

The City of Arkansas City, Kansas

By: _____ WITNESS: _____

Its: _____

Exhibit A – Property Location



Figure 1 - General Location.