

FUNDING AGREEMENT
(Monroe Manor Reinvestment Housing Incentive District)

This Funding Agreement (“Agreement”) is entered into this ___ day of September 2025, between the **CITY OF LANSING, KANSAS** (“City”) and **CIRCLE H LAND DEVELOPMENT, LLC**, a Nevada limited liability company (the “Developer”).

RECITALS

WHEREAS, the City is a city of the second class organized and existing under the laws of the State of Kansas, with its principal office located at 800 First Terrace, Lansing, Kansas 66043; and

WHEREAS, the Developer seeks to engage in the business of development with its principal offices located at 5858 Naples Drive, Flower Mound, Texas 75028; and

WHEREAS, the City and the Developer anticipate negotiating and entering into a development plan and development agreement, whereby the Developer will develop the infrastructure necessary for the development of the real property into an aggregate 194-unit single-family residential subdivision (the “Project”); and

WHEREAS, the Developer has acquired or will acquire the real property where the Project will be developed and has requested the City create a reinvestment housing incentive district pursuant to K.S.A. 12-5241 *et seq.* to finance all or a portion of the public infrastructure to serve the Project (the “Request”); and

WHEREAS, the City does not have a source of funds to finance costs incurred for additional legal, financial, planning, inspection, and other services, or for direct out-of-pocket expenses and other reasonable costs resulting from services rendered to the Developer to review, evaluate, process and consider the Request (collectively, the “Charges”); and

WHEREAS, the parties desire to enter into this Agreement to provide for the funding of consultants used by the City to review, evaluate, process and inspect the Project and the Request and to provide an inducement to the Developer to assume such costs.

AGREEMENT

1. **Services to be Performed by the City.** The City shall:
 - A. Prepare or consult with the Developer on the preparation of and consider the Request in accordance with the provisions of State law, give all notices in a timely manner, make all legal publications and hold hearings as required by State law;
 - B. Provide necessary staff, legal, financial, and planning assistance to prepare and present the Request to the City Council and to prepare and present required resolutions and ordinances to the City Council, including the use of outside counsel and consultants;
 - C. If the City Council approves the Request, provide the necessary staff and legal, financial planning, and inspection assistance to prepare and negotiate a definitive agreement(s) between the Developer and the City for implementation of the Request; and
 - D. If a definitive agreement(s) is entered into, provide the necessary staff, legal, financial and planning assistance to administer such agreement(s).

2. Initial Deposit. In order to insure the prompt and timely payment of the Charges, the Developer shall establish a fund in the amount of Five Thousand Dollars (\$5,000.00) (the "Deposit") by paying such amount to the City contemporaneously with the execution of this Agreement, receipt of which is hereby acknowledged. The City shall pay in accordance with this agreement initial Charges from the Deposit and shall promptly submit an itemized statement therefore to the Developer to re-establish the Deposit so that there is always a Two Thousand Five Hundred Dollar (\$2,500.00) cash balance available against which additional charges and payments may be applied on a current basis. The City shall submit monthly statements itemizing the Charges paid from the Deposit during the preceding month.

3. Additional Funding.

- A. The City shall submit to Developer an itemized statement for actual out-of-pocket expenses necessary to perform its obligations hereunder. Such statements shall be submitted on a monthly basis. The Developer shall pay the City the amounts set forth on such statements (the "Additional Funds") within thirty (30) days of receipt thereof. If such funds are not so received, the unpaid balance shall be subject to a penalty of one-and-one-half percent (1.5%) per month until paid, but in no event shall such penalty exceed eighteen percent (18%) per annum, and the City shall be relieved of any and all obligations hereunder until paid or may terminate this Agreement pursuant to Section 5.A. Developer shall supply the Additional Funds in a timely manner so that City activities may continue without interruption.
- B. The City and the Developer agree that the Developer shall reimburse the City for actual out-of-pocket expenses necessary to perform the City's obligations hereunder using Piper Sandler & Co., as financial advisor to the City, the City Attorney, and Gilmore & Bell, P.C. as special legal counsel representing the City, and such other special consultants and advisors as the City deems necessary to perform its obligations under this Agreement.
- C. Developer acknowledges that, in the event the City issues bonds to finance costs of the Request, additional fees of the City and/or its consultants will apply with respect to the services rendered relating to such bonds.

4. Disbursement of Funds. The City shall disburse the Deposit and Additional Funds for reimbursement of costs to the City on or before the thirtieth (30th) day of each month, and for consulting fees and the payment of all out-of-pocket expenses incurred by the City in connection with the performance of their obligations under this Agreement as payment for such expenses becomes due. Upon reasonable notice, the City shall make its records available for inspection by Developer with respect to such disbursements.

5. Termination.

- A. In the event the Developer fails to perform any of its obligations herein, the City may terminate this Agreement, and any other agreement between the parties, at its sole discretion if the Developer fails to cure the default within thirty (30) days after written notice to the Developer of the default. Termination by the City shall also terminate any duties and obligations of the City with respect to this Agreement, including, but not limited to, the City's processing of Developer's Request. Upon such termination, the City shall retain the Deposit and Additional Funds, if any, necessary to reimburse the City for all reasonable expenses incurred under this Agreement to the date of termination and any monies due and owing to the City pursuant to any other agreement.

- B. The parties hereto acknowledge that the Developer may determine to abandon the Request. Upon notice of abandonment by the Developer, this Agreement shall terminate and the City may terminate any other agreement between the parties and shall retain the Deposit and Additional Funds, if any, necessary to reimburse the City for all expenses incurred under this Agreement to the date of termination and any monies due and owing to the City pursuant to any other agreement. Any amounts remaining from the Deposit and the Additional Funds after all amounts have either been paid as directed by, or reimbursed to, the City shall be returned to the Developer.
- C. In the event the Deposit and Additional Funds are insufficient to reimburse the City for the outstanding expenses of the City payable hereunder, the Developer shall reimburse the City as set forth in Section 3. Any amounts remaining from the Deposit and the Additional Funds after all amounts have either been paid as directed by, or reimbursed to, the City shall be returned to the Developer.

6. Notice. Any notice, approval, request or consent required by or asked to be given under this Agreement shall be deemed to be given if in writing and mailed by United States mail, postage prepaid, or delivered by hand or email, and addressed as follows:

To the City:

City of Lansing, Kansas
Attn: Tim Vandall, City Administrator
800 First Terrace,
Lansing, Kansas 66043
tvandall@lansingks.org

City of Lansing, Kansas
Attn: Joshua Gentzler, Community & Economic Development Director
800 First Terrace,
Lansing, Kansas 66043
jgentzler@lansingks.org

With a copy to:

Gilmore & Bell P.C.
Attn: Kevin Wempe
2405 Grand Blvd., Suite 1100
Kansas City, Missouri 64108
kwempe@gilmorebell.com

To the Developer:

Circle H Land Development, LLC
Attn: Roman Haehn and Dagan Haehn
5858 Naples Drive
Flower Mound, Texas 75028
roman.haehn@circlehgroup.com; dagan.haehn@circlehgroup.com

With a copy to:

Spencer Fane LLP
Attn: David Waters
6201 College Boulevard, Suite 500
Overland Park, Kansas
dwaters@spencerfane.com

Each party may specify that notice be addressed to any other person or address by giving to the other party ten (10) days prior written notice thereof.

7. Counterparts. This Agreement may be executed in multiple originals or counterparts, each of which will be an original and when all of the parties to this Agreement have signed at least one (1) copy, such copies will constitute a fully executed and binding Agreement.

The parties hereto have caused this Agreement to be executed by their duly authorized representatives the day and year first above written.

CITY OF LANSING, KANSAS

By: _____
Name: Tim Vandall
Title: City Administrator

CIRCLE H LAND DEVELOPMENT, LLC
a Nevada limited liability company

By: _____
Name: _____
Title: _____