
DEVELOPMENT AGREEMENT

BETWEEN

CITY OF GARDEN CITY, KANSAS

AND

GC INVESTMENTS, INC.

**RELATING TO THE
GARDEN CITY STAR BOND PROJECT DISTRICT
(SPORTS OF THE WORLD)**

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LIST OF EXHIBITS

- Exhibit A** – Ordinance No. 2677-2014
- Exhibit B** – Ordinance No. 2774-2017
- Exhibit C** – Ordinance No. 2769-2017
- Exhibit D** – Letter from Secretary of Commerce dated January 17, 2018
- Exhibit E** – Resolution No. [] (Approving Development Agreement)
- Exhibit F** – [Reserved]
- Exhibit G** – STAR Project Budget
- Exhibit H** – Phase 1 STAR Bond Tract Legal Description
- Exhibit I-1** – Certificate of Project Costs Form (Developer to City)
- Exhibit I-2** – Itemized List of Eligible Costs

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this “**Agreement**”), is made and entered into as of the Effective Date (as hereinafter defined) by and between the **CITY OF GARDEN CITY, KANSAS**, a municipal corporation duly organized under the laws of the State of Kansas (the “**City**”); and **GC INVESTMENTS, INC.**, a Kansas corporation (the “**Developer**”) collectively referred to as the “**Parties**” and each a “**Party**”).

RECITALS

A. On December 16, 2014 by approval of Ordinance No. 2677-2014 (attached hereto as **Exhibit A**), the City Commission of Garden City, KS (“**Governing Body**”) created a STAR Bond project district encompassing certain real property generally located in the vicinity of US Highway 83 and E. Schulman Avenue (the “**District**”), which District was approved by the Kansas Secretary of Commerce (the “**Secretary**”) on December 19, 2014.

B. A STAR Bond Project Plan (the “**Project Plan**”) for implementation of a project within the District was approved by the Holcomb – Garden City – Finney County Area Planning Commission on August 17, 2017, and was thereafter approved by the Governing Body by a vote of at least two-thirds of its members after proper notice and public hearing on October 17, 2017 by approval of Ordinance No. 2774-2017 (attached hereto as **Exhibit B**).

C. By Ordinance No. 2769-2017 the City approved an amendment to the Future Land Use Map of the Garden City 2020 Comprehensive Plan, necessary to implement the Project (attached hereto as **Exhibit C**).

D. By letter dated January 17, 2018, attached hereto as **Exhibit D**, the Secretary approved the Project Plan and authorized the issuance of up to \$25,400,000 in STAR Bond financing for improvements contemplated therein (the “**STAR Bonds**”).

E. Developer, or affiliates thereof, owns or will acquire certain real property within the District, and has proposed to contract with City to undertake improvements contemplated by the Project Plan, as more particularly described herein (the “**Project**”).

F. In order to pay for certain costs associated with the design, development and construction of the Project, Developer intends to submit a petition (the “**CID Petition**”) to the City requesting the formation of a community improvement district (“**CID**”) to be imposed on certain real property generally within the Project area.

G. The City has the authority to create a CID pursuant to K.S.A. 12-6a26 et seq., as amended (the “**CID Act**”) for the purpose of financing certain economic development related projects. Under the CID Act, the owners of fifty-five percent (55%) of the land (by land area and assessed value) within the boundaries of a proposed CID may petition the City to request the creation of a CID and to impose an additional CID sales tax on the sale of tangible personal property at retail or the rendering or furnishing of services which are taxable within the boundaries of the CID in order to pay for or reimburse the costs of a portion of a CID project.

H. Upon submission of the CID Petition, the City shall consider the creation of the CID through passage of an ordinance (the “**CID Ordinance**”) pursuant to the CID Act; and if approved by the Governing Body in its sole discretion, the legal description of the CID will be

attached hereto as Exhibit J. As contemplated in the CID Petition, the CID Ordinance, if approved, would call for the imposition of a CID sales tax of one percent (1%) within the CID (the “**CID Sales Tax**”) to be used to pay for or reimburse certain CID Eligible Expenses (as defined herein) related to the CID.

I. The Parties now desire to enter into this Agreement to formalize their respective rights and obligations in regard to the Project.

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

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Rules of Construction. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Agreement.

- A. The terms defined in this Article include the plural as well as the singular.
- B. All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.
- C. All references herein to “generally accepted accounting principles” refer to such principles in effect on the date of the determination, certification, computation or other action to be taken hereunder using or involving such terms.
- D. All references in this Agreement to designated “Articles,” “Section” and other subdivisions are to be the designated Articles, Sections and other subdivisions of this instrument as originally executed.
- E. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.
- F. The Article and Section headings herein are for convenience only and shall not affect the construction of this Agreement.
- G. The representations, covenants and recitations set forth in the foregoing recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Section. The resolutions and ordinances of the City introduced or adopted by the City Commission that designate the STAR Bond District, the STAR Bond Project Plan approved by the City for the STAR Bond District, the approvals and other correspondence from the Secretary of the Kansas Department of Commerce relating to the Project, and the provisions of the STAR Bond Act (as defined herein and as amended), are incorporated herein by reference and made a part of this Agreement, subject in every case to the specific terms hereof.

Section 1.2. Definitions of Words and Terms. Capitalized words used in this Agreement shall have the meanings set forth in the Recitals to this Agreement and the following meanings:

“**Affiliate**” means any entity in which the Developer, individually or as trustee, directly or indirectly, and individually or in the aggregate owns at least 51%.

“**Agreement**” means this Agreement as may be amended in accordance with the terms hereof.

“**Bond Documents**” means the ordinances, resolutions, trust indentures and other related documents approved by the City in connection with the issuance of the STAR Bonds.

“**Bond Trustee**” means the financial institution or trust company designated as the Bond Trustee in the Bond Documents.

“**CID**” means the community improvement district which is contemplated within the District Project area pursuant to K.S.A. § 12-6a26 *et seq.*, as amended, and as more particularly described herein.

“**CID Act**” means K.S.A. § 12-6a26 *et seq.*, as amended.

“**CID Collection Period**” means the period of time in which CID Sales Tax shall be imposed and collected within the CID as set forth in Section 4.6(c)(ii).

“**CID Petition**” means that certain petition submitted to be submitted by the Developer to the City as described in Recital F hereof.

“**CID Sales Tax**” means that certain one percent (1%) sales tax imposed within the CID, if approved by the Governing Body.

“**CID Sales Tax Proceeds**” means the proceeds from the CID Sales Tax.

“**CID Sales Tax Fund**” means a separate fund and account established by the City for collection of the CID Sales Tax Proceeds collected in the CID as described in Section 5.8.

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

“**City Representative**” means the Mayor or City Manager of the City, and such other person or persons at the time designated to act on behalf of the City in matters relating to this Agreement.

“**Claimant**” has the meaning set forth in *Section 8.1*.

“**Developer**” means GC Investments, Inc., a Kansas corporation.

“**Developer Representative**” means the President of the Developer or his or her designee as evidenced by a written certificate furnished to the City containing the specimen signature of such person or persons and signed by the President. The Developer Representative shall have full power and authority to implement decisions of the Developer and to act on behalf of the Developer in the exercise of its rights and responsibilities under this Agreement. The City may rely upon the decisions and directions of the Developer Representative as directions of the Developer.

“**District Project**” has the meaning described in *Section 3.1*.

“**Effective Date**” means the date upon which the last of the City and the Developer has executed this Agreement.

“Event of Default” means any event or occurrence as defined or described in *Section 8.1*.

“Excusable Delays” means any delay beyond the reasonable control of the Party affected, caused by damage or destruction by fire or other casualty, power failure, strike, shortage of materials, unavailability of labor, insurrection, riots, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or abnormal duration, tornadoes, floods, earthquakes, acts of God and any other events or conditions, which shall include but not be limited to any litigation interfering with or delaying the construction of all or any portion of the Project in accordance with this Agreement, which in fact prevents the Party so affected from discharging its respective obligations hereunder.

“Governing Body” means the City Commission of the City.

“Governmental Approvals” means all plat approvals, re-zoning or other zoning changes, site plan approvals, special use permits, exceptions, variances, building permits, architectural review or other subdivision, zoning or similar approvals required for the implementation of the Project and consistent with the Project Plan and this Agreement.

“Hotel and Shopping Project” has the meaning described in *Section 3.1*.

“Parties” means the City and the Developer (with each referred to individually as a **“Party”**).

“Permitted Subsequent Approvals” means the building permits and other Governmental Approvals customarily obtained prior to construction which have not been obtained on the date that this Agreement is executed, which the City or other governmental entity has not yet determined to grant.

“Permitted Transfer” has the meaning set forth in *Section 9.1*.

“Phase 1 STAR Bond Tract” means the real property acquired directly or indirectly with the proceeds of the STAR Bonds to be used for construction of the Project, as more fully described in *Exhibit H* hereto.

“Phase 2 STAR Bond Tract” means the real property within the STAR Bond District not included in the Phase 1 STAR Bond Tract.

“Placement Agent” means an entity selected by the City that will facilitate a private placement of the STAR Bonds.

“Project” has the meaning described in *Section 3.1*.

“Project Budget” shall mean the STAR Project Budget as set forth on *Exhibit G* hereto.

“Project Costs” means all costs and expenses of designing, development, construction, and completion of the Project and includes STAR Bond Eligible Costs.

“Project Plan” means the STAR Bond Project Plan dated October __, 2017, approved by Ordinance No. 2774-2017 of the City and on file with the City’s Clerk, as amended from time to time according to its terms.

“**Property**” means individually and/or collectively, as the case may be, all or the portion of the Project Site as identified in the STAR Bond Project Plan owned by the Developer.

“**Qualified Institutional Buyer**” means a “qualified institutional buyer” within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended.

“**Sales Tax Revenues**” means 100% of the incremental increase in revenue generated by the District Project and received by the City from the eligible and otherwise unobligated retailers’ sales taxes and compensating use taxes levied by the City and collected from taxpayers doing business in the STAR Bond District under K.S.A. 12-187 *et seq.*, as amended, and K.S.A. 12-198, as amended, received through the last day of October, 2037, and 100% of the incremental increase in revenue generated by the District Project received by the City from the eligible and otherwise unobligated City share of the retailers’ sales and compensating use taxes levied by Finney County and collected from taxpayers doing business in the STAR Bond District under K.S.A. 12-187 *et seq.*, and K.S.A. 12-198, as amended, and any successor eligible and otherwise unobligated retailers’ sales taxes and compensating use taxes levied within the STAR Bond District and received through the last day of October, 2037; all determined in accordance with the STAR Bond Act and the Project Plan. As of the Effective Date, such unobligated Sales Tax Revenues are estimated to equal 50% of the retailers’ sales taxes and compensating use taxes levied by the City as described above, and 24% of the City share of the retailers’ sales and compensating use taxes levied by Finney County as described above.

“**Secretary**” means the Secretary of the Kansas Department of Commerce.

“**STAR Bonds**” means the special obligation sales tax and revenue bonds to be issued by the City pursuant to the STAR Bond Act, as approved by the Secretary, in a principal amount necessary to generate net proceeds of \$25,400,00 and any refunding bonds issued to refund such bonds.

“**STAR Bond Act**” means K.S.A. § 12-17,160 *et seq.*, as amended.

“**STAR Bond District**” has the meaning set forth in **Recital A** and is legally described in Ordinance No. 2677-2014 of the City, attached hereto as *Exhibit A*.

“**STAR Bond Eligible Costs**” shall mean Project Costs that may be paid or reimbursed as permitted by the STAR Bond Act, the Project Plan and this Agreement.

“**STAR Bond Project Fund**” has the meaning set forth in *Section 5.3*.

“**STAR Bond Proceeds**” has the meaning set forth in *Section 5.3*.

“**STAR Bond Revenues**” means, collectively, the State Sales Tax Revenues and the Sales Tax Revenues.

“**State**” means the State of Kansas.

“**State Sales Tax Revenues**” means receipts of the State received and credited to City Bond Finance Fund by the State Treasurer in accordance with K.S.A. 79-3620(d), as amended, from the tax imposed by K.S.A. 79-3603, as amended, and K.S.A. 79-3703, as amended, with respect to sales and compensating use within the STAR Bond District for further distribution pursuant to the STAR Bond District Tax Distribution Agreement described in *Section 5.6*.

“**Term**” shall mean the term of this Agreement which shall be a period commencing on the Effective Date through January 16, 2038, subject to earlier termination as set forth herein.

“**Underwriter**” means an entity selected by the City to facilitate a public offering of the STAR Bonds, if the STAR Bonds cannot sold as a private placement.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations of City. The City makes the following representations and warranties, which are true and correct on the date hereof, to the best of the City’s knowledge:

A. *Due Authority.* The City 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, subject to the limitations expressed herein or otherwise imposed by law, and this Agreement has been duly and validly authorized and approved by all necessary City proceedings, findings and actions.

B. *No Defaults or Violation of Law.* The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any agreement or instrument to which the City is now a party, and do not and will not constitute a default under any of the foregoing.

C. *No Litigation.* To the best of the City’s knowledge, there is no litigation, proceeding or investigation pending or, to the knowledge of the City, threatened against the City with respect to the Project or this Agreement. In addition, no litigation, proceeding or investigation is pending or, to the knowledge of the City, threatened against the City seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of this Agreement or which would in any manner challenge or adversely affect the existence or powers of the City to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by the City of the terms and provisions of this Agreement.

D. *No Default.* No default or City Event of Default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice or both, would constitute a default or an event of default in any material respect on the part of the City under this Agreement.

Section 2.2 Representations of the Developer. The Developer makes the following representations and warranties, which are true and correct on the date hereof, to the best of the Developer’s knowledge:

A. *Due Authority.* The Developer has all necessary power and authority to execute and deliver and perform the terms and obligations of this Agreement and to execute and deliver the documents required of the Developer herein, and such execution and delivery has been duly and validly authorized and approved by all necessary proceedings.

B. *No Defaults or Violation of Law.* The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or

conditions of any corporate or organizational restriction or of any agreement or instrument to which the Developer is now a party, and do not and will not constitute a default under any of the foregoing.

C. *No Litigation.* No litigation, proceeding or investigation is pending or, to the knowledge of the Developer, threatened against the Project or the Developer. In addition, no litigation, proceeding or investigation is pending or, to the knowledge of the Developer, threatened against the Developer seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of this Agreement or which would in any manner challenge or adversely affect the existence or powers of the Developer to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by the Developer of the terms and provisions of this Agreement.

D. *No Default.* No default or Developer Event of Default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default in any material respect on the part of the Developer under this Agreement.

ARTICLE III DEVELOPMENT OF THE PROJECT

Section 3.1 Scope of the Project. To date, the STAR Bond District includes a Heritage Inn & Suites, Parrot Cove Water Park, retail shopping centers, and several restaurants and other retail amenities that have been privately developed, many of which have opened since the creation of the STAR Bond District in December 2014 (“**Hotel and Shopping Project**”).

The next phase of the Project, which Developer agrees to develop, is a multi-sport facility to be known as “Sports of the World,” and is contemplated to include:

- A. Indoor soccer fields (2 full size / 6 partial);
- B. Indoor basketball courts (4) / volleyball courts (8);
- C. Indoor trampoline park;
- D. Indoor baseball cages (2);
- E. Outdoor sand volleyball courts (4);
- F. Outdoor pickle ball courts (4);
- G. Outdoor cornhole courts (4);
- H. Necessary public infrastructure, including parking facilities, internal drives, detention facilities, and similar facilities necessary or required to serve the Project; and
- I. Tournament/conference/service amenities including, but not limited to:
 - (1) Indoor seating for soccer / basketball courts;
 - (2) Breakout conference rooms;
 - (3) Locker rooms;
 - (4) Event rooms; and
 - (5) Full service restaurant and concession facilities. (“**Project**,” and collectively with the Hotel and Shopping Project, the “**District Project**”).

Developer agrees to construct the Project in a manner generally consistent with the Project Plan and subject to terms of this Agreement. Notwithstanding anything herein to the contrary, issuance of the STAR Bonds is a condition precedent to each and all of Developer’s obligations to construct any portion of the Project or to take any action required under the Project Plan or this Agreement.

Development within future phases of the Project may be proposed by the Developer, its Affiliates, or any other party, subject to approval by the Governing Body and in accord with the Project Plan and this Agreement, as the same may be amended.

Section 3.2 Master Developer. For a period of five (5) years after the date of this Agreement, the Developer will be deemed "Master Developer" for the Project. With this designation, the City agrees to: (i) cooperate with the Developer to facilitate construction of any improvements to be undertaken by the Developer within the Project, including the consideration of any Governmental Approvals within the City's jurisdiction or other items required to facilitate the Project (in accord with the City's normal process and subject to the discretion of any agency or body of the City that maintains legal authority over any such action); (ii) consult with and obtain the consent of the Developer in regard to any proposals for development to be undertaken by third parties within the Project; and (iii) consult with and obtain the consent of the Developer regarding any proposals to amend the Project Plan, Bond Documents and use of the STAR Bond Revenues or STAR Bond Project Fund.

Section 3.3 Construction of the Project. The Developer agrees to construct the Project in a manner generally consistent with the Project Plan and otherwise subject to the provisions of this Agreement. Developer acknowledges and agrees that construction of the Project must commence no later than January 16, 2020 and must be completed by January 16, 2038. The Developer agrees to commence construction of the Project in a good and workmanlike manner in accordance with this Agreement and to complete the Project with due diligence, subject to Excusable Delays. Developer agrees to meet with the City to review and discuss design and construction of the Project in accord with the City's normal process for Governmental Approvals of development and as provided in this Agreement. As provided in *Section 3.2*, the City will review all requests for Governmental Approvals within its jurisdiction reasonably necessary to facilitate the Project and the Developer shall construct the Project in a manner consistent with any such Governmental Approvals. The Parties acknowledge the Developer's responsibilities hereunder may be undertaken by affiliates of the Developer or third parties with whom the Developer contracts with the prior approval of the Governing Body. The Parties further acknowledge that the nature and size of the improvements constructed within the Project may deviate from those provided herein to the extent they remain reasonably consistent with the nature of the uses contemplated under the Project Plan. The Developer, during its term as Master Developer, agrees to consult with and obtain the consent of the City in regard to any proposals for development to be undertaken by third parties within the Project on Property owned by the Developer, and to consult with and obtain the consent of the City regarding any proposals to amend the Project Plan, Bond Documents or permitted uses of STAR Bond Revenues or the STAR Bond Project Fund.

Section 3.4 Standards for Improvements. Any improvements completed by the Developer shall be in conformance with City approved plans for such improvements, City building codes and other applicable City standards, City ordinances and all other required Governmental Approvals, as further detailed in this Section. Before commencement of construction or development of any buildings, structures or other work or improvement, the Developer shall obtain any and all Governmental Approvals which may be required by the City and any other governmental agency having jurisdiction as to such construction, development or work. The City's codes, standards and applicable rules and regulations include the following:

A. Building Codes. Buildings shall be designed to meet City building codes as set forth in Chapter 18 of the Code of Ordinances. The Developer is advised that new editions of the building codes are under review for adoption and implementation in January 2019. Current codes are:

1. *International Building Code, 2009 Edition* and amendments in Chapter 18.
2. *ICC Electrical Code-Administrative Provisions, 2009 Edition* and amendments in Chapter 18.
3. *International Mechanical Code, 2009 Edition* and amendments in Chapter 18.
4. *International Plumbing Code, 2009 Edition* and amendments in Chapter 18.
5. *International Fuel Gas Code, 2009 Edition* and amendments in Chapter 18.
6. *International Mechanical Code, 2009 Edition* and amendments in Chapter 18.

B. Public Infrastructure. All improvements shall be designed in compliance with standards and specifications of City and applicable state agencies. Construction of improvements shall not commence until the plans and specifications have been approved by the City. All infrastructure improvements shall be constructed prior to the issuance of a Certificate of Occupancy on any lot in the Property.

1. *GENERAL IMPROVEMENTS HANDBOOK – 2017*.

C. Storm Water Drainage and Erosion Control: Storm water drainage plans, an erosion control plan and a Storm Water Pollution Prevention Plan (SWPPP), as applicable, shall conform to the following requirements for approval by the City Engineer. Developer shall submit a Notice of Intent (NOI) for storm water discharge associated with construction activity to KDHE and provide a copy to the City Stormwater Coordinator.

1. Erosion and Sediment Control Guidelines and Specifications per Sections 38-160 *et seq*, Code of Ordinances, and the *EROSION & SEDIMENT CONTROL MANUAL CITY OF GARDEN CITY, 2008 MANUAL*
2. Post Construction Stormwater Guidelines and Specifications per Sections 38-190 *et seq*, Code of Ordinances, and the *POST CONSTRUCTION STORMWATER BEST MANAGEMENT PRACTICES MANUAL, CITY OF GARDEN CITY, 2009*

Section 3.5 Project Budget. The Project shall be constructed substantially in accordance with the Project Budget. The Developer acknowledges that a detailed Project Budget must be approved by the Secretary prior to any expenditure of STAR Bond Proceeds.

Section 3.6 Project Zoning, Planning, Platting and Construction.

A. Conformance with Project Plan. The Project shall be developed, and the Project constructed, in accordance with this Agreement and the Project Plan approved by the City. The City acknowledges and agrees that the Project as proposed is generally consistent with such Project Plan. No “substantial changes,” as defined in the Act, shall be made to the Project, except as may be mutually agreed upon, in writing, between the Developer and the City, it being the intent of the Parties that the layout and size of particular buildings, parking facilities and private drives will likely change through the planning, zoning and marketing process and that the precise type and number, design, layout, and size of the components described in *Section 3.1* may change without constituting a “substantial change.” Any “substantial changes” shall be made only in accordance with the Act.

B. Zoning, Planning and Platting. The City agrees to consider any zoning, planning and platting applications by the Developer in due course and good faith in accord with the City’s usual process and procedures, and as further described in *Sections 3.2* and *3.3* of this Agreement.

C. Construction Permits and Approvals. Before commencement of construction or development of any buildings, structures or other work or improvements, the Developer shall, at its own expense, secure or cause to be secured any and all permits and approvals which may be required by the City and any other governmental agency having jurisdiction as to such construction, development or work. Such permits and approvals may be obtained by Developer in phases corresponding to particular stages of construction. The City shall cooperate with and provide all usual assistance to the Developer in securing these permits and approvals, and shall process, review and consider all such permits and approvals as may be required by law, in accord with the City's usual process and procedures as further described in *Sections 3.2* and *3.3* of this Agreement. The City shall not be required to consider any such permits or approval for any portion of the Project not in conformance with the Project Plan or this Agreement.

D. No Waiver. Nothing in this Agreement shall constitute a waiver of the City's right to consider and approve or deny Governmental Approvals pursuant to the City's regulatory authority as provided by the City building code, other City ordinances and applicable state law. The Developer acknowledges that satisfaction of certain conditions contained in this Agreement require the reasonable exercise of the City's discretionary zoning authority by the Governing Body in accordance with City's zoning ordinance and building code and applicable state law.

Section 3.7 Rights of Access During Construction. Representatives of the City shall have the right of access to the Project, without charges or fees, at normal construction hours during the period of construction, for the purpose of ensuring compliance with this Agreement, including, but not limited to, the inspection of the work being performed in constructing, renovating, improving, equipping, repairing and installing the Project, so long as they comply with all safety rules. Such representatives of the City shall carry proper identification, shall insure their own safety, assuming the risk of injury, and shall not unreasonably interfere with the construction activity.

Section 3.8 Public Bidding Not Required. Notwithstanding the fact that certain of the improvements herein, including portions of the Project will be financed or reimbursed in whole or in part with public funding sources and will be deemed public improvements, public bidding for the Project, and any component thereof, will not be required except where required by law; however, all plans for public improvements shall require approval of City staff and comply with City inspection and testing requirements.

Section 3.9 City's Option to Purchase Certain Tracts. If no Vertical Development (defined in this Section) has occurred on any Developable Lot (defined in this Section) within the Phase 1 STAR Bond Tract within five (5) years of the Effective Date, subject to *Section 8.7*, the City may purchase such Developable Lot for the nominal consideration of \$1.00 and with no encumbrances or mortgages on such Development Lot, except for encumbrances and mortgages which are reasonable and proper for the purpose of multi-phased lot development, including but not limited to, all easements and restrictive covenants.

The City's option to purchase described in this Section is specific to each Developable Lot and the City may exercise its option to purchase described here only with regard to a Developable Lot where Vertical Development has not begun within five (5) years of the Effective Date, subject to *Section 8.7*. In order to exercise the Option to Purchase, the City shall first give to Developer a written notice of default as to the Developable Lot in question and an additional one hundred twenty (120) days to cure (the "**Option to Purchase Default Notice**") which shall specifically state that the City is invoking the Option to Purchase remedy, and in that case, if Developer fails to remedy the default in question within said additional one hundred twenty (120) days, the City shall have the right, in its discretion, to exercise its Option to Purchase within ninety (90) days after the Developer's cure period has lapsed as to the Developable Lot in question

by providing the Developer with at least thirty (30) days' notice of closing ("**Option to Purchase Notice**"). If the City does not timely exercise its purchase option described in Option to Purchase Notice, it shall be required to send Developer another Option to Purchase Default Notice as described above, providing Developer with one hundred twenty (120) days to cure such default.

The City's option to purchase will be evidenced by an option to purchase agreement executed by the City and the Developer simultaneous with the Developer's acquisition of all or any portion of the Phase 1 STAR Bond Tract. The option to purchase agreement shall be recorded with the recorded documents evidencing transfer of such real property to the Developer. The City and Developer acknowledge and agree that the terms of such option to purchase agreement may be reviewed by Developer's third-party lender, if any.

With respect to any individual Developable Lot, the City will release its option to purchase with respect to such Developable Lot when the City has determined that Vertical Development (as defined hereafter) has occurred.

Notwithstanding anything in this Section to the contrary, the City's Option to Purchase as to all Developable Lots shall expire upon the earlier to occur of (i) completion (as evidence by a temporary certificate of occupancy) of a multi-sports facility containing items (a) through (d) of **Section 3.1** (or any replacement component(s) approved by the City as part of its normal process of Governmental Approvals) and all public infrastructure described in **Section 3.1** (h) necessary to serve the completed portions of the multi-sports facility described in items (a) through (d) of **Section 3.1**, or (ii) Vertical Development at least sixty percent (60%) of the Developable Lots (as calculated by the total square footage of the lots). The City agrees (x) to promptly record a termination of the Option to Purchase Agreement with respect to any Developable Lot after Vertical Improvement has occurred and (y) to promptly record a termination of the Option to Purchase Agreement(s) as to all Developable Lots after the Developer has reached either threshold under (i) or (ii) described above.

For purposes of this **Section 3.9**: (a) "Developable Lot" means each developable and platted lot within the Phase 1 Star Bond Tract acquired directly or indirectly through reimbursement with STAR Bond Proceeds, excluding tracts, lots or reserves used for drainage, detention or other public or quasi-public infrastructure purpose; and (b) "Vertical Development" means (i) City approved plans and specifications for development of such Developable Lot, including construction of buildings and structures, complying with the standards for improvements described in **Section 3.4** and **Section 3.5** of this Agreement, (ii) written documentation satisfactory to the City Representative that sufficient financing is available to construct buildings and structures constituting part of the Project on such Developable Lot, and (iii) all necessary site utilities, footings and foundations.

Section 3.10 Mutual Assistance. The City and the Developer agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may be necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

ARTICLE IV

INSURANCE AND INDEMNIFICATION

Section 4.1 Insurance.

A. During the construction of the Project, the Developer shall maintain or cause to be maintained (1) builder's risk insurance on buildings and improvements constituting part of the Project insuring the Project against fire, lightning and all other risks covered by the broadest from

extended coverage endorsement then and from time to time thereafter in use in the State, and written on a replacement cost basis; (2) commercial general liability insurance insuring against claims for bodily injury, personal injury and property damage in a combined single limit of not less than \$1,000,000 per occurrence with a \$2,000,000 aggregate, and umbrella/excess liability insurance in the amount of \$2,000,000 under which the Developer, City and Trustee shall be named as insureds or additional named insured,. The commercial umbrella/excess liability insurance shall have the same inception and expirations dates as the underlying general liability insurance policies and shall provide coverage no less broad than in the primary policies, and (3) workers' compensation insurance when employees of the Developer are on the Project, as required by laws of the State.

B. Upon completion of the Project or portions thereof, the Developer agrees that it will, prior to or simultaneously with the expiration of the builder's risk insurance provided for in the preceding section and throughout the term of this Agreement (to the extent Developer owns such portions of the Project), and at its sole cost and expense, keep the Project constantly insured or cause the Project to be constantly insured against loss or damage by fire, lightning and all other risks covered by the broadest form extended coverage insurance endorsement then in use in the State in an amount equal to 100% of the full insurable value of the Project, with such insurance company or companies as it may select and shall at all times maintain general accident and public liability insurance required pursuant to **Section 4.1(A)(2)**. All insurance policies required by this Section shall name Developer, City and the Trustee as insureds, as their interests appear, and the policies may not be canceled except upon thirty (30) days prior written notice to Developer, City and Trustee.

C. All such policies, or a certificate or certificates of the insurers that such insurance is in full force and effect, shall be provided to the City and the Trustee, and, prior to expiration of any such policy, the Developer shall furnish the City and Trustee with satisfactory evidence that such policy has been renewed or replaced or is no longer required by this Agreement; provided, however, the insurance so required may be provided by blanket policies now or hereafter maintained by the Developer if the Developer provides the City with a certificate from an insurance consultant to the effect that such coverage is substantially the same as that provided by individual policies. All policies evidencing such insurance required to be obtained under the terms of this Agreement shall provide for thirty (30) days prior written notice to the Developer and the City of any cancellation (other than for nonpayment of premium), reduction in amount or material change in coverage.

Section 4.2 Indemnification.

A. The Developer agrees to indemnify and hold the City, its employees, agents and independent contractors and consultants (collectively, the "**City Indemnified Parties**") harmless, from and against any and all suits, claims, costs of defense, damages, injuries, liabilities, judgments, costs and/or expenses, including court costs and reasonable attorney's fees incurred or suffered by or claimed against any of the City Indemnified Parties by any person or entity by reason of injury, death, loss or damage to any person, property, or business which arises or is alleged to have arisen due to the negligence or willful misconduct of the Developer, its employees, agents or independent contractors and consultants in connection with the management, design, development, redevelopment and construction of the Project. This section includes, but is not limited to, any repair, cleanup, remediation, detoxification, or preparation and implementation of any removal, remediation, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any hazardous substance or hazardous wastes including petroleum and its fractions as defined in (i) the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"; 42 U.S.C. Section 9601, *et seq.*), (ii) the Resource Conservation and

Recovery Act (“RCRA”; 42 U.S.C. Section 6901 *et seq.*) and (iii) Article 34, Chapter 65, K.S.A. and all amendments thereto, at any place where the Developer owns or has control of real property pursuant to any of Developer’s activities under this Agreement. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e) of CERCLA to assure, protect, hold harmless and indemnify the City from liability.

B. City agrees to indemnify and hold harmless the Developer against any loss or expense arising out of any liability imposed by any law, federal or state, upon the Developer, if such liability is a consequence of action of the City’s negligence or willful misconduct in its performance of its obligations under this Agreement. The City’s liability for any claims asserted by a person or entity by reason of injury, death, loss or damage to any person, property or business which arises, or is alleged to have arisen, from the negligence or willful misconduct of the City, its officers, agents or employees in connection with this Agreement shall be governed by the Kansas Tort Claims Act and other applicable laws of the State.

C. The right to indemnification set forth in this Agreement shall survive the termination of this Agreement.

ARTICLE V

PROJECT FINANCING

Section 5.1 Sources of Funding. The Parties contemplate that the costs of the Project may be financed by the following sources of funds, subject to the terms of the STAR Bond Act, this Agreement and the Project Plan: (i) private debt and equity, (ii) public incentives other than STAR Bonds, if any, and (iii) the STAR Bonds. The Parties acknowledge and agree that Developer and its affiliates have contributed substantial amounts of private financing in development in the District and will be responsible for obtaining additional private financing for Project Costs not paid with STAR Bond Proceeds.

Section 5.2 Developer Project Budget. The Developer shall cause the Project to be constructed substantially in accordance with the Project Budget, as approved by the City and the Secretary. The column in the Project Budget entitled “*STAR Bond Eligible*” states the portion of Project Costs that are eligible to be financed with the STAR Bonds and are STAR Bond Eligible Costs as defined in this Agreement. The Project Budget may be amended from time to time with the City Representative’s consent, and subject to approval of the Secretary when required by the STAR Bond Act. The City Representative’s consent shall not be required to the extent a particular line item in the Project Budget increases by less than 25% from the figure shown on the Project Budget; however, the Developer shall notify the City in writing of increases of less than 25% and submit an amended Project Budget to the City so that *Exhibit I-2* (as described hereinafter) may be updated as required to reflect current budgeted STAR Bond Eligible Costs. The Developer agrees to provide an updated Project Budget to the City on or before August 15 of each year during the Term of this Agreement.

Section 5.3 STAR Bonds. The Parties will cooperate to obtain the authorization of the Secretary to issue the STAR Bonds for the Project in accordance with the STAR Bond Act. The City is currently pursuing, and will continue to pursue, any other necessary governmental approvals for the Project and issuance of the STAR bonds. The City will select a Placement Agent for the STAR Bonds and will select an Underwriter if the STAR Bonds are not sold at private placement, in order for STAR Bonds to be issued as a single bond issuance in accordance with *Sections 6.6* or *6.7* hereof. In the event that it is deemed necessary under commercially reasonable underwriting standards to issue STAR Bonds in more than one series, the City agrees that it will pursue such issues, subject to the approval of the Secretary, until the approved principal amount of the STAR Bonds have been issued. Upon the issuance of the STAR Bonds,

the proceeds received from sale of the STAR Bonds (the “**STAR Bond Proceeds**”) will be deposited into a bond fund (the “**STAR Bond Project Fund**”) created and governed by the Bond Documents and this Agreement, and funds disbursed from the STAR Bond Project Fund by the Trustee for STAR Bond Eligible Costs pursuant to the STAR Bond Act as provided herein and in the Bond Documents. The Parties agree that STAR Bond Proceeds will be applied in the order described below:

A. The City will disburse (or direct the Trustee to disburse) up to \$800,000.00 of the STAR Bond Proceeds for STAR Bond Eligible Costs incurred pursuant to a separate agreement, but in no event shall such reimbursements exceed \$800,000.00 of STAR Bond Proceeds and such disbursements shall otherwise be in accordance with the STAR Bond Act and subject to approval from the Secretary.

B. Subject to the Bond Documents, the Developer will apply STAR Bond Proceeds to acquire and/or be reimbursed for the Phase 1 STAR Bond Tract.

C. Subject to the Bond Documents, the Developer may apply the STAR Bond Proceeds to STAR Bond Eligible Project Costs; provided, however, that the amount disbursed to the Developer under subsections (B) and (C) hereof shall not exceed \$24,600,000.00.

D. After the Project is completed and a completion form as found on *Exhibit F* for the Project has been filed by the Developer with the City and the Trustee, and subject to the Bond Documents, any remaining balance of the STAR Bond Proceeds may be applied by the Developer and/or City for any other STAR Bond Eligible Costs, including but limited to any other developments described in the Project Plan, with the prior written approval of the City Representative and the Secretary.

Section 5.4 STAR Bond Eligible Costs. The Parties acknowledge that the items included in the “*STAR Bond Eligible*” column of the Project Budget are only estimates as of the date of this Agreement, and that the STAR Bonds proceeds may be used by the Developer to finance any STAR Bond Eligible Costs with the written consent of the City Representative as outlined in **Section 5.2** hereof. The Parties agree that payment or reimbursement of any particular line item stated in the “*STAR Bond Eligible*” column of the Project Budget not exceeding 125% of the amount stated therein (and as described in **Section 5.2** hereof) shall be deemed reasonable provided the payments or reimbursements remain subject to the disbursement limitations stated in **Section 5.3**. No third-party shall be entitled to use or direct the use of the STAR Bond Proceeds.

Section 5.5 Source of STAR Bond Payments. The STAR Bonds will be paid and amortized with receipts from STAR Bond Revenues and over a period of time, as permitted by the STAR Bond Act and detailed in the Bond Documents. The STAR Bond Revenues will be measured against the base year which is twelve (12) months immediately prior to the month in which the STAR Bond District was established in accordance with the STAR Bond Act. For a period of twenty (20) years from the approval of the Project Plan, the City will cooperate with the State and the Bond Trustee to properly allocate the STAR Bond Revenues collected to pay and amortize the STAR Bonds, unless such STAR Bonds are paid in full and retired prior to the end of such twenty (20) year period.

Section 5.6 STAR Bond District Tax Distribution Agreement; Disbursements. The City will cooperate with the State Department of Revenue and the Bond Trustee to enter into a STAR Bond District Tax Distribution Agreement. The STAR Bond Revenues will be administered by the State, the City, and the Bond Trustee in accordance with the STAR Bond District Tax Distribution Agreement. The STAR Bond Revenues received by the Bond Trustee will be applied as set forth in the Bond Documents.

Section 5.7 Industrial Revenue Bonds. Subject to all applicable laws and requirements and subject further to compliance by the Developer with all City requirements for the issuance of industrial revenue bonds (“**IRBs**”), the parties agree the Developer may use IRB financing to request and obtain an exemption certificate from the Kansas Department of Revenue to allow the Developer to utilize an exemption from applicable retailers’ sales taxes on construction materials, equipment and furnishings for portions of the Project paid or reimbursed from STAR Bond Proceeds. The parties acknowledge and agree that, if IRB financing is employed under this section, the City will not agree to nor provide for an abatement of ad valorem taxes to be levied on the Project. The Developer shall be responsible for all costs of issuing IRBs as described in this Section and shall pay such costs at the closing of any IRB issuance. The parties further acknowledge and agree that if IRB financing is not employed to obtain the retailers’ sales tax exemption certificate for the Project described above, they will cooperate to determine and utilize other mutually agreeable statutory methods to obtain an exemption from applicable retailers’ sales taxes on construction materials, furnishings, and equipment for portions of the Project paid or reimbursed from STAR Bond proceeds.

Section 5.8 CID. It is contemplated by the parties that certain Project Costs will be eligible for funding in part from CID Sales Tax Proceeds. Any such Project Costs that are (i) hard construction costs, and (ii) are eligible for payment or reimbursement under the CID Act (the “**CID Eligible Expenses**”) may be subject to payment or reimbursement in accordance with this Agreement from CID Sales Tax Proceeds. In connection with the CID Sales Tax, the Parties hereby agree as follows:

A. CID Sales Tax. The City agrees that the CID Eligible Expenses may be financed and reimbursed with Pay-As-You-Go CID Financing (defined below) from the imposition of the CID Sales Tax in the amount of one percent (1%) on the sale of tangible personal property at retail or rendering or furnishing services which are taxable pursuant to the Kansas Retailers’ Sales Tax Act (K.S.A. 79-3601 *et seq.*) within the portions of the CID containing the District Project.

B. CID Sales Tax Fund. During the term of the CID permitted by the CID Act, all CID Sales Tax Proceeds generated within the CID and received by the City from the Kansas Department of Revenue (the “**DOR**”) shall be deposited into a CID Sales Tax Fund, which shall be established by subsequent ordinance of the City and administered by the City in compliance with the laws of the State and this Agreement.

C. Pay-As-You-Go CID Financing. The Parties agree that the proceeds from the CID Sales Tax shall be disbursed by the City monthly to reimburse CID Eligible Expenses, pursuant to K.S.A. 12-6a34, as such expenses are documented and funds are available in the CID Sales Tax Fund on a pay-as-you-go basis (“**Pay-As-You-Go CID Financing**”) to reimburse Developer for CID Eligible Expenses, if and only to the extent that: (1) there are CID Sales Taxes in the CID Sales Tax Fund, (2) Developer is in material compliance with the terms of this Agreement, (3) the CID Collection Period has not yet expired, and (4) Developer has not already been reimbursed for all CID Eligible Expenses. The Parties further agree as follows:

(i) The CID Sales Tax shall be collected within the CID for a period that commences on the date that the CID Sales Tax is first imposed within the CID up to and concluding upon that date which is the earlier of the following: (a) the date that the Developer has been reimbursed for all CID Eligible Expenses by Pay-As-You-Go CID Financing, or (b) that date which is twenty (20) years from the date that the CID Sales Tax is first imposed (the “**CID Collection Period**”). At the end of the CID Collection Period,

the parties understand and agree that the CID shall thereafter terminate, and the CID Sales Tax shall terminate and no longer be levied or collected within the CID.

D. No CID Bonds or Other Revenues. Developer understands and agrees that nothing in this Agreement shall in any way obligate the City to issue bonds or other obligations financed by CID Sales Tax Proceeds or apply any other revenues of the City to reimburse Developer for the CID Eligible Expenses or any other costs of the Project except as specifically provided herein.

E. Further Agreements. Developer and City acknowledge and agree to cooperate to prepare a supplemental agreement further specifying the obligations and agreements of the parties concerning the CID, the levy of the CID Sales Tax, Pay-As-You-Go CID Financing and other matters typically the subject of a CID development agreement. Developer and City further acknowledge that creation of the CID and the levy of the CID Sales Tax are subject to subsequent approval of the Governing Body.

Section 5.9 Other Incentives. The City and Developer agree that when the Project begins operations the City will cooperate with Developer to make the following described incentives available to the Project.

A. Utility Credits. The City agrees to provide city operated utilities (electric, water, wastewater, and solid waste service) to the Project. For the first three (3) years from the date a Certificate of Occupancy is issued for the Project, the parties agree the City will make available to the Project a \$100,000 annual credit to offset charges for all city operated utility services to the Project. Any portion of an annual \$100,000 credit not used in the year it is granted will carry forward to the following year. If, at the end of the third year from the date a Certificate of Occupancy is issued, the Project has not used the entire \$300,000 in utility credits, such remaining credits shall carry over to a fourth and, if necessary, fifth, year.

B. Electric Utility. To give Developer a period of time after a Certificate of Occupancy is issued for the Project to optimize management of the power load required for the Project, City agrees it will not make a per kwh demand charge to the Project for a period of six (6) months after the date a Certificate of Occupancy is issued for the Project. The City further agrees to cooperate with Developer to establish a time of use structure for electric service to the Project and otherwise facilitate efficient and affordable electricity rate structures.

ARTICLE VI **STAR BOND ISSUANCE**

Section 6.1 Compliance with the STAR Bond Act. The Developer and the City agree they will comply with all requirements of the STAR Bond Act relating to the issuance, sale, purchase and delivery of the STAR Bonds and shall cooperate with one another to achieve the purposes of this Agreement and the Bond Documents, all as governed by the STAR Bond Act.

Section 6.2 Payment of Project Costs. Prior to the disbursement of any STAR Bond Proceeds for the Project, the Developer shall certify any STAR Bond Eligible Costs for which it seeks to apply STAR Bond Proceeds in accordance with the following procedures:

A. The Developer shall submit to the City a Certificate of Project Costs in the form attached hereto as *Exhibit I-1* setting forth the amount for which payment or reimbursement is

sought and an itemized listing of the related STAR Bond Eligible Costs in the form attached hereto as *Exhibit I-2*.

B. The Developer shall provide itemized invoices, receipts, any lien waivers from vendors, contractors or subcontractors, and other information reasonably requested by the City to confirm that such costs were incurred, and are eligible for reimbursement under the STAR Bond Act and this Agreement, and which, together with previous payments, do not exceed the budgeted amounts shown on the Project Budget (as the same may be amended hereunder). The Developer may submit electronic documentation, provided that original documents are also delivered to the City by mail or hand delivery or by reputable national overnight mail services (e.g., Federal Express or UPS). Certificates of Project Costs may be submitted not more frequently than once per month and payment of STAR Bond Eligible Costs shall occur once per month.

Section 6.3 Reimbursement. Within ten (10) business days of the City's receipt of a Certificate of Project Costs from the Developer, the Parties agree to conduct a committee review of the Certificate of Project Costs and attached documentation, which review may be conducted via teleconference ("**Reimbursement Meeting**"). The review committee will be comprised of two (2) members appointed by the City and two (2) representatives appointed by the Developer with knowledge of the Project Budget and expenditures made by Developer. After submittal of the first Certificate of Project Costs, the review committee will meet at least once per month unless both parties agree in writing that a monthly meeting is not required. If the submitted certificate and documentation demonstrate to the City that: (1) the Certificate of Project Costs shows payment or pending payment by the Developer of STAR Bond Eligible Costs; (2) the expense was incurred or will immediately be incurred upon the disbursement of STAR Bond Proceeds; (3) the aggregate amount of STAR Bond Eligible Costs theretofore paid pursuant to this Agreement is less than the amount assigned to such STAR Bond Eligible Costs in the Project Budget (as the same may be amended hereunder), and if added to the amount of the Certificate of Project Costs, would not exceed the amount assigned to such STAR Bond Eligible Costs in the Project Budget; (4) the Developer is not in material default under this Agreement; and (5) there is no fraud on the part of the Developer; then the City shall approve the Certificate of Project Costs and submit such approval to the Bond Trustee within five (5) business days after the applicable Reimbursement Meeting, with directions that the Developer shall be reimbursed from the STAR Bond Proceeds in accordance with the Bond Documents and for the STAR Bond Eligible Costs pursuant to the terms of this Agreement. If the City reasonably disapproves of all or a portion of the Certificate of Project Costs, the City shall notify the Developer of the reason for such disapproval both orally during the Reimbursement Meeting (if the reason for disapproval is known to the City during the Reimbursement Meeting), and in writing within three (3) business days after the Reimbursement Meeting. If all or a portion of Certificate of Project Costs or any supporting documentation is questioned or determined deficient during the committee's review, the Developer may (1) delete the questioned invoice or cost from the Certificate of Project Costs under consideration, or (2) request five (5) business days to provide additional documentation to cure any deficiency or demonstrate that no deficiency exists before the City acts to approve or disapprove such item. City shall notify Developer within five (5) business days of the receipt of Developer's response of its acceptance of the Developer's response or of any remaining deficiency. If an outstanding deficiency remains, the City shall direct the Bond Trustee to reimburse the Developer for any approved STAR Bond Eligible Costs described in such Certificate, minus the disputed amount and the balance of the disputed amount shall carry forward until the deficiency is cured or otherwise resolved.

Section 6.4 STAR Bond Funds. The STAR Bond Project Fund will be created pursuant to the Bond Documents and administered by the City or its designee, which may be the Bond Trustee, and funds in the STAR Bond Project Fund will be utilized solely for payment or reimbursement of STAR Bond Eligible Costs as provided herein and in the Bond Documents. The Bond Documents, as approved by an

ordinance of the City, will specify all other terms and conditions of the STAR Bonds, including provisions for the payment of the principal of and interest on the STAR Bonds from STAR Bond Revenues deposited in debt service fund for the Bonds administered by the Bond Trustee, additional security for the Bonds, interest rates, principal and interest payment dates and all other terms and conditions of the STAR Bonds.

Section 6.5 Fully Registered Bonds. Any STAR Bonds issued be fully registered securities and will be assigned CUSIP numbers, if required, and may be delivered through the Depository Trust Company (DTC), or as otherwise provided in the Bond Documents.

Section 6.6 Privately Placed Bonds. It is the intent and preference of the Parties that the STAR Bonds will be privately placed by the Placement Agent to: (i) Qualified Institutional Buyers and/or (ii) the Developer and/or entities related to or affiliated with the Developer. Any restrictions on transfer of such privately placed STAR Bonds must be acceptable to the City. Any purchaser of privately placed STAR Bonds will be required to sign a standard investor letter, in a form acceptable to the City, acknowledging the risks associated with the STAR Bonds, and the STAR Bonds and such letters will state that any future transfer of the STAR Bonds will be made only to other Qualified Institutional Buyers or affiliates of the Developer who also sign such a letter. In connection with the private placement of the STAR Bonds, the City will not enter into any continuing disclosure obligations and there will be no initial disclosure document describing the City.

Section 6.7 Underwritten Bonds. In the event that the STAR Bonds are not sold pursuant to *Section 6.6* at a commercially reasonable rate, the City, in its sole discretion, may agree to appoint an Underwriter to arrange a public offering of the STAR Bonds in accordance with terms acceptable to the City, the Developer and the Secretary.

Section 6.8 No Full Faith and Credit Bonds. The Parties agree that the STAR Bonds shall be special obligation bonds payable only from the STAR Bond Revenues and shall not be general obligation bonds backed by the full faith and credit of the City. The parties acknowledge and agree that the City shall not provide any credit enhancement for any STAR Bonds.

Section 6.9 Additional Projects. At such time as additional development within the STAR Bond District is commercially reasonable and STAR Bond Revenues collected within the District will support issuance of additional STAR Bonds, in the Developer or City's reasonable estimation, the Parties may agree to cooperate in good faith to seek approval of one or more additional STAR Bond project plans for additional STAR Bond projects in the STAR Bond District and seek approval of the Secretary for additional project plans and authority to issue STAR Bonds to finance costs of the projects approved in a new or expanded project plan. Nothing in this Agreement shall be read to preclude the City's cooperation with any other party to develop future projects within undeveloped portions of the STAR Bond District, subject to the STAR Bond Act.

ARTICLE VII

USE OF THE STAR BOND DISTRICT

Section 7.1 Operation of Project. The Project shall comply with all applicable building and zoning, health, environmental and safety codes and laws and all other applicable laws, rules and regulations. The Developer shall, at its own expense, secure or cause to be secured any and all permits which may be required by the City and any other governmental agency having jurisdiction for the construction and operation of the Project, including but not limited to obtaining all necessary rental licenses and paying any necessary fees to obtain required permits and licenses. The Developer shall cause the areas within the

District to be maintained in a good and safe condition, including regular maintenance and removal of vegetation.

Section 7.2 Taxes, Assessments, Encumbrances and Liens.

A. So long as the Developer owns real property within the STAR Bond District, the Developer will pay when due all real estate taxes and assessments related to such property owned by the Developer. Nothing herein shall be deemed to prohibit the Developer from contesting the validity or amounts of any tax, assessment, encumbrance or lien, nor to limit the remedies available to the Developer in respect thereto. The Developer shall promptly notify the City in writing of a protest of real estate taxes or valuation of the Developer's property within the STAR Bond District.

B. Subject to the Developer's right to contest in good faith any mechanics' liens, as discussed below, the Developer agrees that no mechanics' or other liens shall remain against the Property, for labor or materials furnished in connection with any acquisition, construction, additions, modifications, improvements, repairs, renewals or replacements so made. The Developer shall not be in default under this Agreement if mechanics' or other liens are filed or established and the Developer contests in good faith such mechanics' liens, and in such event may permit the items contested to remain undischarged and unsatisfied during the period of contest and appeal from determination of such contest. The Developer agrees to indemnify and hold harmless the City in the event any liens are filed against the Property as a result of acts of the Developer, its agents or independent contractors, unless such liens are filed as a result of willful misconduct or negligence by the City or its officers, employees or agents.

Section 7.3 Covenant for Non-Discrimination. The Developer agrees, with respect to this Agreement and the Project, that it will observe the provisions of the Kansas Act Against Discrimination (K.S.A. 44-1001 *et seq.*) and shall not discriminate against any person in the performance of work under this Agreement because of race, religion, color, sex, national origin, ancestry or age and further covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, familial status, marital status, age, handicap, national origin, sexual orientation or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the STAR Bond District, nor shall the Developer itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the STAR Bond District. The covenant established in this Section shall, without regard to technical classification and designation, be binding for the benefit and in favor of the City, its successors and assigns and any successor in interest to the STAR Bond District or any part thereof. The covenants contained in this Section shall remain for so long as this Agreement is in effect.

Section 7.4 Sales Tax Information.

A. The Developer shall provide the City Representative written notice of all current tenants located on property owned by the Developer within the Phase 1 STAR Bond Tract within ten (10) Business Days of opening or closing for business of any business operating on property owned by Developer within the Phase 1 STAR Bond Tract, and at all other times requested in writing by the City Representative.

B. The Developer agrees to make commercially reasonable efforts to cause all assignees, initial purchasers, tenants, subtenants or any other entity acquiring property or occupancy rights from the Developer in the Phase 1 STAR Bond Tract and collecting sales taxes

within the Phase 1 STAR Bond Tract to be obligated by written contract in the form of a lease agreement or other enforceable agreement, to provide to the City Representative monthly sales tax returns for the facilities operated by them in the Phase 1 STAR Bond Tract, simultaneously with the submission of tax returns for such facilities to the Kansas Department of Revenue. The Developer agrees that each such lease or other agreement shall name the City an intended third party beneficiary of such reporting provisions, with a separate and independent right to enforce such provisions directly.

C. To the maximum extent it may legally do so, the City agrees that information obtained by it under this Section will be kept confidential in accord with K.S.A. 79-3657.

D. Developer agrees to make commercially reasonable efforts to obtain waivers providing consent to the City for the release of information describing aggregate Sales Tax Revenue generated within the Phase 1 STAR Bond Tract, from any assignees, initial purchasers, tenants, subtenants or other entities acquiring property or occupancy rights from the Developer in the Phase 1 STAR Bond Tract and collecting sales taxes within the Phase 1 STAR Bond Tract.

E. With respect to businesses operated by the Developer within the Phase 1 STAR Bond Tract, Developer agrees to comply with the provisions of *Section 7.4(B)* regarding reporting sales tax receipts to the City Representative, and to provide the waivers described in *Section 7.4(D)*.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.1 Defaults - General. Subject to the extensions of time set forth in *Section 8.7*, failure or delay by any Party to perform any material term or provision of this Agreement, after receiving written notice thereof and failing to cure, as set forth in *Section 8.2*, constitutes an “**Event of Default**” under this Agreement. The Party claiming a default (“**Claimant**”) shall give written notice of default to the defaulting Party, specifying the nature of the default.

Section 8.2 Default Proceedings. The Claimant shall not institute proceedings against a defaulting Party, nor be entitled to damages if the defaulting Party within thirty (30) days from receipt of the written notice of default set forth in *Section 8.1*, commences with due diligence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy within sixty (60) days from the date of receipt of such notice; or if such cure, correction or remedy by its nature cannot be effected within such sixty (60) day period, such cure, correction or remedy is diligently and continuously prosecuted until completion thereof.

Section 8.3 Remedies on Default. Whenever any Event of Default by the City shall have occurred and be continuing, subject to applicable cure periods, the Developer may pursue any remedy at law and in equity, except as provided below. Whenever any Event of Default by the Developer shall have occurred and be continuing, subject to applicable cure periods, the City may (1) pursue any remedy at law and in equity, including specific performance, except as provided below, (2) withhold issuance of building, occupancy or other required development permits and/or (3) refuse to approve any further Certificates of Expenditures and make any disbursements until such Event of Default is cured by the Developer. If two (2) or more Events of Default by the Developer occur and continue beyond applicable cure periods within any twelve (12) month period, the City will, in addition to the remedies previously set forth, have the option to terminate this Agreement. In no event shall the Developer or the City ever be liable for any punitive, special, incidental, or consequential damages in connection with this Agreement, or otherwise. For the purposes of this Section, consequential damages shall include, but not be limited to, lost profits, lost tax

revenue, or other similar losses which are not direct out-of-pocket costs incurred by the non-defaulting Party. Further, specific performance shall not be available to the City to require the Developer to construct any improvements within the STAR Bond District.

Section 8.4 Legal Actions.

A. Institution of Legal Actions. Any legal actions related to or arising out of this Agreement must be instituted in the District Court of Finney County, Kansas or, if federal jurisdiction exists, in the Federal District Court in the District of Kansas.

B. Applicable Law. The laws of the State shall govern the interpretation and enforcement of this Agreement.

C. Acceptance of Service of Process. In the event that any legal action is commenced by the Developer against the City, service of process on the City shall be made by personal service upon the City Clerk or in such other manner as may be provided by law. In the event that any legal action is commenced by the City against the Developer, service of process on the Developer shall be made by personal service upon the registered agent of the Developer and shall be valid whether made within or without the State of Kansas or in such other manner as may be provided by law. In the event the Developer no longer has a registered agent to serve, the Secretary of State is hereby irrevocably appointed to accept service for the Developer.

D. Discontinuation of Proceedings. If the City or Developer has instituted any proceeding to enforce any right or remedy under this Agreement by suit or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the instituting party, then and in every case the City and the Developer shall, subject to any determination in such proceeding, be restored to their former positions and rights hereunder, and thereafter all rights and remedies of the City or Developer shall continue as though no such proceeding had been instituted.

Section 8.5 Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by a Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

Section 8.6 Inaction Not a Waiver of Default. Any failures or delays by a Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive such Party of its right to institute and maintain any action or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

Section 8.7 Enforced Delay; Extension of Times of Performance.

A. In addition to specific provisions of this Agreement, performance by a Party hereunder shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended, where the Party seeking the extension has acted diligently and delays or defaults are due to delay or default of the other Party or Excusable Delays.

B. Times of performance under this Agreement may also be extended in writing by the mutual agreement of the City Representative and the Developer.

ARTICLE IX
ASSIGNMENT; TRANSFER

Section 9.1 Transfer of Obligations.

A. The Developer will not assign or transfer any of its rights or duties under this Agreement without the prior written approval of the City Representative (which will not be unreasonably withheld, conditioned or delayed) except for (i) assignments, transfers and conveyances of all or substantially all of Developer's rights and duties under this Agreement to a subsidiary or Affiliate which is owned or controlled by the Developer or a majority of its principals or any entity owned or controlled, directly or indirectly, by the Developer or a majority of its principals, or (ii) collateral assignment of 100% of the Developer's rights under this Agreement to a single financial institution as security for financing of the Project as permitted by this Agreement (a "**Permitted Transfer**").

B. The Parties acknowledge that portions of the Developer Project may be transferred to one or more third parties that intend to develop the transferred property in a manner generally consistent with the Project Plan. The Developer shall provide prompt written notice to the City Representative of such intended transfer prior to the date when the Developer expects such transfer to be effective. The rights and obligations of this paragraph shall only be effective for the five (5) year period during which Developer shall act as Master Developer of the Project, and only for the initial transfer by the Developer. Developer agrees that, for a period of five (5) years from the date the STAR Bonds are issued, if Developer sells any parcel of real property acquired with STAR Bond Proceeds on which no Vertical Development has occurred for an amount in excess of the amount of STAR Bond Proceeds used to acquire such parcel and the amount of any work actually performed on such parcel by the Developer or its contractors, that any such excess will be deposited in the debt service fund for the STAR Bonds held by the Bond Trustee and applied to payment of the STAR Bonds.

C. Notwithstanding the foregoing, no tenant or pad site owner of a portion of the Property shall be bound by any obligation of Developer or any other obligation hereunder solely by virtue of being a tenant or owner of a portion of the Property; provided, however, that no transferee or owner of Property except Developer shall be entitled to any rights whatsoever or claim upon the STAR Bond Proceeds in the STAR Bond Project Fund, except as specifically authorized in writing by the Developer, consented to in writing in advance by the City, and deemed by the City to be consistent with the Project Plan.

D. In the event the Developer assigns any of its obligations originating from this Agreement through a Permitted Transfer, such assignment will not release the Developer from any obligations unless the Developer is released by the City Representative in writing and to the extent required by the STAR Bond Act, such release is approved by the Secretary.

E. In addition to Permitted Transfers described above, the rights, duties and obligations of the Developer under this Agreement, may be assigned, in whole or in part, to another entity with the prior written approval of the City, which approval shall not be unreasonably withheld. Prior to any assignment, the City Attorney shall have verified that the assignment complies with the terms of this Agreement. Any proposed assignee shall have qualifications and financial responsibility, as reasonably determined by the City, necessary and adequate to fulfill the obligations of the Developer under this Agreement. Any proposed assignee shall, by instrument in writing, for itself and its successors and assigns, and expressly for the benefit of the City, assume

all of the obligations of the Developer, as applicable, under this Agreement and agree to be subject to all the conditions and restrictions to which the Developer is bound. The Developer shall not be relieved from any obligations set forth herein or any liabilities arising hereunder unless and until the City specifically agrees to release the Developer from its obligations under this Agreement. The Developer agrees to record all assignments in the office of the Register of Deeds of Finney County, Kansas, in a timely manner following the execution of such assignments.

F. The respective obligations of the City and the Developer under this Agreement, unless earlier satisfied, shall inure to and be binding upon the heirs, executors, administrators, successors and assigns (permitted or approved under this Section) of the respective parties, but shall not be automatically binding on a lender, mortgagee, successor owner or tenant of the Property.

Section 9.2 Corporate Reorganization. Nothing herein shall prohibit the Developer from forming additional development or ownership entities to replace or joint venture with the Developer for the purpose of business and/or income tax planning; provided that such entity is a subsidiary or affiliate which is owned or controlled by the Developer or a majority of its principals or any entity owned or controlled, directly or indirectly, by the Developer or a majority of its principals. Such reorganization will not release the Developer from any obligations unless the Developer is released by the City Representative in writing.

ARTICLE X

GENERAL PROVISIONS

Section 10.1 Termination of the Project Plan. The City shall not terminate the Project Plan prior to the expiration of the Term of this Agreement, except as provided by law, or as requested by the Developer; provided however, the City shall have the option to terminate the Project Plan, if this Agreement has been terminated by the City under *Section 8.3* herein.

Section 10.2 Amendment. This Agreement, and any exhibits attached hereto, may be amended only by the mutual written consent of the Parties, upon official action of the Governing Body approving said amendment, and by the execution of said amendment by the Parties or their successors in interest. If any provision, covenant, agreement or portion of this Agreement, or its application to any person, entity or property, is held invalid, the Parties shall take such reasonable measures including, but not limited to, reasonable amendment of this Agreement to cure such invalidity where the invalidity contradicts the clear intent of the Parties in entering into this Agreement.

Section 10.3 Right to Inspect and Audit. During the term of this Agreement, the Developer agrees that the City, with reasonable advance notice and during normal business hours, shall have the right and authority to review, inspect, audit, and copy, all of the Developer's books and records relating to the application of STAR Bond Proceeds to STAR Bond Eligible Costs, Developer's project expenditures from other sources, and to any other information deemed necessary by the City in its reasonable discretion to perform its annual audit as it relates to the Project and the STAR Bonds. Developer agrees to maintain its books and records pertaining to the Project during the time the City is obligated to prepare an audit of the STAR Bonds and the Project as required by the STAR Bond Act.

Section 10.4 Right of Access. For the purposes of assuring compliance with this Agreement, the City Representative shall have the right of access to the STAR Bond District, without charges or fees, upon reasonable advance notice and during normal business hours for purposes related to this Agreement, including, but not limited to, the inspection of the work being performed in constructing any of the STAR Bond Eligible Costs.

Section 10.5 No Other Agreement. Except as otherwise expressly provided herein, this Agreement and all documents incorporated herein by reference supersede all prior agreements, negotiations and discussions, both written and oral, relative to the Project and is a full integration of the agreement of the Parties.

Section 10.6 Severability. If any provision, covenant, agreement or portion of this Agreement, or its application to any person, entity or property, is held invalid or unenforceable in whole or in part, this Agreement shall be deemed amended to delete or modify, in whole or in part, if necessary, the invalid or unenforceable provision or provisions, or portions thereof, and to alter the balance of this Agreement in order to render the same valid and enforceable. In no such event shall the validity or enforceability of the remaining valid portions hereof be affected.

Section 10.7 Notice. All notices and requests required pursuant to this Agreement shall be in writing and shall be sent as follows:

To the Developer:

GC Investments, Inc.
Attention: Amro Samy
1911 East Kansas Ave.
Garden City, KS 67846

With a copy to:

Korb W. Maxwell, Esq.
Polsinelli PC
900 West 48th Place, Suite 900
Kansas City, Missouri 64112

To the City:

City of Garden City, Kansas
Attn: City Manager
P.O. Box 499
Garden City, Kansas 67846

With copies to:

Randall Grisell, City Attorney
Doering Grisell & Cunningham, P.A.
124 Grant Avenue
Garden City, Kansas 67846

And: Mary Carson, Bond Counsel
Triplett Woolf Garretson, LLC
2959 N. Rock Road, Ste. 300
Wichita, Kansas 67226

or at such other addresses as the Parties may indicate in writing to the other either by personal delivery, courier, or by certified mail, return receipt requested, with proof of delivery thereof. Mailed notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.

Section 10.8 Time of Essence. Time is of the essence of this Agreement. The Parties will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation.

Section 10.9 Agreement Controls. The Parties agree that the Project Plan will be implemented as agreed in this Agreement. This Agreement specifies the rights, duties and obligations of the City and Developer with respect to constructing the Project, the payment of Project Costs, and all other methods of implementing the Project Plan. The Parties further agree that this Agreement contains provisions that are in greater detail than as set forth in the Project Plan and that expand upon the estimated and anticipated sources and uses of funds to implement the Project Plan. Nothing in this Agreement shall be deemed an amendment of the Project Plan. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the Parties.

Section 10.10 Required Disclosures. The Developer shall immediately notify the City of the occurrence of any material event which would cause any of the information furnished to the City by the Developer in connection with the matters covered in this Agreement to contain any untrue statement of any material fact or to omit to state any material fact required to be stated therein or necessary to make any statement made therein, in the light of the circumstances under which it was made, not misleading.

Section 10.11 Tax Implications. The Developer acknowledges and represents that (1) neither the City nor any of its officials, employees, consultants, attorneys or other agents has provided to the Developer any advice regarding the federal or state income tax implications or consequences of this Agreement and the transactions contemplated hereby, and (2) the Developer is relying solely upon its own tax advisors in this regard.

Section 10.12 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement. A fully-executed copy of this Agreement shall be deemed an original for all purposes.

Section 10.13 Recordation of Agreement. The Parties agree to execute and deliver a memorandum of this Agreement in proper form for recording in the real property records of Finney County, Kansas. The City will make arrangements for recording such memorandum.

Section 10.14 Consent or Approval. Except as otherwise provided in this Agreement, whenever consent or approval of either Party is required, such consent or approval shall not be unreasonably withheld, conditioned or delayed.

Section 10.15 Non-liability of Officials, Employees and Agents of the City. No recourse shall be had for the reimbursement of the Project Costs, or for any claim based thereon or upon any representation, obligation, covenant or agreement contained in this Agreement against any past, present or future official, officer, employee or agent of the City, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officials, officers, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement.

Section 10.16 Incorporation of Exhibits. The Exhibits attached hereto and incorporated herein by reference are a part of this Agreement to the same extent as if fully set forth herein.

Section 10.17 Cash Basis and Budget Laws. The Parties acknowledge and agree that the ability of the City to enter into and perform certain financial obligations pursuant to this Agreement are subject to the K.S.A. 10-1101 *et seq.* (Cash Basis Law) and K.S.A. 79-2935 *et seq.* (Budget Law) and that the City's obligations under this Agreement are to be construed in a manner that assures the City is at all times in compliance with the Cash Basis Law and the Budget Law.

Section 10.18. Conflicts of Interest.

A. No member of the Governing Body or of any branch of the City's government that has any power of review or approval of any of the Developer's undertakings shall participate in any decisions relating thereto which would violate the provisions of K.S.A. 75-4304, as amended. Any person having such a possible interest, shall disclose, in writing, to the City the nature of such interest and seek a determination with respect to such interest by the City Attorney and, in the meantime, shall not participate in any actions or discussions relating to the activities herein proscribed.

B. The Developer warrants that it has not paid or given and will not pay or give any officer, employee or agent of the City any money or other consideration for obtaining this Agreement. Except as may be permitted by laws of the State or ordinances and policies of the City, the Developer further represents that, to its best knowledge and belief, no officer, employee or agent of the City who exercises or has exercised any functions or responsibilities with respect to the Project during his or her tenure, or who is in a position to participate in a decision making process or gain insider information with regard to the Project, has or will have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the Project, or in any activity, or benefit therefrom, which is part of the Project at any time during or after such person's tenure.

Section 10.19. Effect of Violation of the Terms and Provisions of this Agreement; No Partnership. The City is deemed the beneficiary of the terms and provisions of this Agreement, for and in its own rights and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the covenants running with the land have been provided. The Agreement shall run in favor of the City, without regard to whether the City has been, remains or is an owner of any land or interest therein in the Project or the District. The City shall have the right, if the Agreement or covenants are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such


breaches to which it or any other beneficiaries of this Agreement and covenants may be entitled. Nothing contained herein shall be construed as creating a partnership between the Developer and the City.

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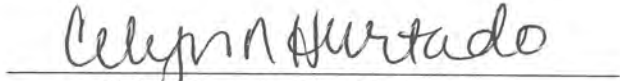
IN WITNESS WHEREOF, the City and the Developer have duly executed this Agreement pursuant to all requisite authorizations as of the date first above written.

Date: December 20, 2018

CITY OF GARDEN CITY, KANSAS


Roy Cessna, Mayor

ATTEST:


Celyn Hurtado, City Clerk

APPROVED AS TO FORM:

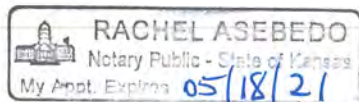

Randall D. Grisell, City Attorney

STATE OF KANSAS)
) ss.
COUNTY OF FINNEY)

Appeared before me today, this 20 day of December, 2018, Roy Cessna, personally known to me and after first being sworn did state that he is the Mayor of the City of Garden City, State of Kansas, and that the seal affixed to the foregoing instrument is the official Seal of the City of Garden City, and that said instrument was signed and sealed on behalf of the City, and that the matters set forth herein are true and correct to the best of his and the City's knowledge, information and belief, and acknowledge that he executed the same on behalf of the City as its free act and deed.


Notary Public

My Commission Expires:



(City Signature Page)

Date: 12/20, 2018

DEVELOPER:

GC INVESTMENTS, INC.
a Kansas corporation

By: [Signature]
Name: Amro. m. Samy
Title: President

STATE OF KANSAS)
) ss.
COUNTY OF FINNEY)

On this 20 day of December, 2018, before me personally appeared Amro Samy to me personally known, who being by me duly sworn did say that he is the President of GC Investments, Inc., and that said instrument was signed and delivered on behalf of said company and acknowledged to me that he executed the same as the free act and deed of said company.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.

[Signature]
NOTARY PUBLIC

My Commission Expires: 3/27/19
NOTARY PUBLIC - State of Kansas
ACACIA DAVIS
My Appt. Expires: 3/27/19

[SEAL]

(Developer Signature Page)

EXHIBIT A

Ordinance No. 2677-2014 (Creating STAR Bond District)

[See attached]

(Published in *The Garden City Telegram* on December 20, 2014)

ORDINANCE NO. 2677-2014

AN ORDINANCE OF THE GOVERNING BODY OF THE CITY OF GARDEN CITY, KANSAS MAKING FINDINGS REGARDING A STAR BOND PROJECT DISTRICT AND ESTABLISHING A STAR BOND PROJECT DISTRICT WITHIN THE CITY.

WHEREAS, pursuant to the provisions of K.S.A. 12-17,160 through 12-17,170, as amended (the "Act"), the City of Garden City, Kansas (the "City") is authorized to establish sales tax and revenue ("STAR") bond project districts within defined areas of the City for certain purposes and in eligible areas as defined in the Act; and

WHEREAS, in Resolution No. 2609-2014, adopted November 4, 2014 and published on December 8, 2014, the governing body of the City gave the notice required by the Act of its intent to create a STAR bond project district under the Act (the "District") and described the proposed district plan, proposed project areas and generally described the buildings and other facilities to be constructed and/or improved within the District; and

WHEREAS, the City has published and delivered notice of a public hearing as required by the Act and on this date conducted a public hearing on the advisability of creating the District; and

WHEREAS, the City desires to establish the District in accordance with the provisions of the Act; and

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF GARDEN CITY, KANSAS:

Section 1. Eligible Area. The governing body finds and determines the District is a STAR bond project as defined in K.S.A. §12-17,162 and is an "eligible area" as defined by the Act. This finding shall become effective only upon a finding by the Kansas Secretary of Commerce that the area described on Exhibit A to this Ordinance is an "eligible area" under the Act.

Section 2. Description of and Creation of STAR Bond Project District. The legal description of the District is set forth on Exhibit A to this Ordinance and incorporated here by this reference. The property described on Exhibit A, including adjacent rights-of-way, is designated and created as the District, according to the Act and subject to the conditions stated in Section 1 of this Ordinance.

A map of the District is attached as Exhibit B and incorporated here by this reference. The District does not contain any property not referenced in Resolution No. 2609-2014 providing notice of a public hearing.

TWG REF: 443965
STAR Bond District Ordinance

Section 3 STAR Bond Project District Plan. The STAR bond district plan is approved and is attached to this Ordinance as Exhibit C and incorporated here by this reference.

Section 4. Further Action. The Mayor, City Manager, City Clerk and other officials and employees of the City, including the City Attorney and the City's Financial Advisor and Bond Counsel, are further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Ordinance.


Section 5. Effective Date. This Ordinance, including the attached Exhibits shall become effective upon its passage by the governing body of the City and publication in the official newspaper of the City.

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PASSED AND APPROVED by the governing body of the City of Garden City, Kansas
on December 16, 2014.

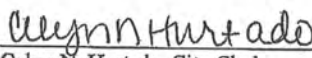


CITY OF GARDEN CITY, KANSAS



Roy Ceszka, Mayor

ATTEST:



Celyn N. Hurtado, City Clerk

TWG REF: 443965
STAR Bond District Ordinance

EXHIBIT B

Ordinance No. 2774-2017 (Approving Project Plan)

[See attached]

(Published in the *Garden City Telegram* on October 21, 2017)

ORDINANCE NO. 2714-2017

AN ORDINANCE OF THE GOVERNING BODY OF THE CITY OF GARDEN CITY, KANSAS ADOPTING A STAR BOND PROJECT PLAN (SPORTS OF THE WORLD COMPLEX).

WHEREAS, K.S.A. 12-17,160 through 12-17,179, as amended ("Act") authorizes the city of Garden City, Kansas ("City") to create sales tax and revenue ("STAR") bond project districts, approve STAR bond project district plans and project plans for development of such districts and provide for the financing of eligible costs of STAR bond projects from state and local sales, use and transient guest tax increments collected within the district and allocated to the development project, and other revenues as allowed by the Act; and

WHEREAS, in Ordinance No. 2677-2014, adopted and approved on December 16, 2014, the City created a STAR Bond District in the City (the "District") and approved a District Plan attached to such ordinance, all as provided in the Act; and

WHEREAS, in Resolution No. 2707-2017, adopted September 5, 2017, the City gave or approved giving the notices required by the Act of its intent to consider approval of a STAR bond project plan for the Sports of the World Complex (the "Project Plan"), and made findings required by the Act, including establishing the public hearing date, describing the STAR Bond district and the project area, describing the Project Plan and providing for mailed and published notice of the public hearing to consider adopting the Project Plan; and

WHEREAS, the City has published and delivered notice of a public hearing as required by the Act and on this date conducted a public hearing on the advisability of adopting the Project Plan; and

WHEREAS, the City desires to adopt and approve the Project Plan as authorized by and under provisions of the Act.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF GARDEN CITY, KANSAS:

Section 1. Project Plan. The governing body approves and adopts the Project Plan in the form previously presented to the governing body and currently on file with the City Clerk.

Section 2. Descriptions and Documents Delivered to Other Entities. According to the Act, following publication of this Ordinance, the City Clerk is authorized and directed to send a copy of the description of the land within the District, a copy of this Ordinance and a map indicating the boundaries of District and the project area to be developed to the Finney County Clerk, the Finney County Assessor, the Finney County Treasurer, the Board of County Commissioners of Finney County, Kansas and the Board of Education of Unified School District

TWG REF: 572298
STAR Bond Project Ordinance

No. 457 on or before January 1 of the year in which the tax increments described in the Project Plan are first allocated to taxing subdivisions.

Section 3. Further Action. The Mayor, City Manager, City Clerk and other officials and employees of the City, including the City Attorney and the City's Financial Advisor and Bond Counsel, are further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Ordinance.

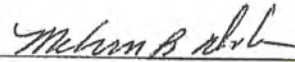
Section 4. Effective Date. This Ordinance shall become effective upon its passage by a two-thirds vote of the governing body of the City and publication in the official newspaper of the City.

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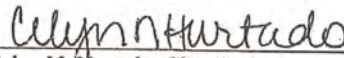
PASSED AND APPROVED by a two-thirds vote of the governing body of the City of Garden City, Kansas on October 17, 2017.

CITY OF GARDEN CITY, KANSAS





Melvin L. Dale, Mayor



Celyn N. Hurtado, City Clerk

TWG REF: 572298
STAR Bond Project Ordinance

EXHIBIT C

Ordinance No. 2769-2017 (Amending Comprehensive Plan)

[See attached]

(Published in the Garden City Telegram on the 12th day of September, 2017)

ORDINANCE NO. 2769-2017

AN ORDINANCE AMENDING THE FUTURE LAND USE MAP OF THE GARDEN CITY 2020 COMPREHENSIVE PLAN; AND REPEALING THE CURRENT FUTURE LAND USE MAP OF THE GARDEN CITY 2020 COMPREHENSIVE PLAN.

BE IT ORDAINED by the Governing Body of the City of Garden City, Kansas:

SECTION 1. The Future Land Use Map of the Garden City 2020 Comprehensive Plan, adopted by Ordinance No. 2469-2010 with all amendments thereto, is hereby amended as follows:

The boundary of the Commercial/Residential Potential overlay is hereby amended to include the following described real property:

Tracts of land lying in the Northeast Quarter (NE¼) of Section Sixteen (16), Township Twenty-four (24) South, Range Thirty-two (32) West of the 6th P.M., Finney County, Kansas, being more particularly described as follows:

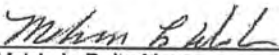
Lots 5 through 11, and Lot 38, all in Block 2; all of Blocks 3, 4 and 5, Heritage Place Second Addition; and an unplatted tract lying North of the South line of the Northeast Quarter (NE¼) of Section Sixteen (16), bounded by Heritage Place Addition No. 1 and Heritage Place Second Addition, containing 32.7 acres, more or less.

SECTION 2. The Future Land Use Map of the Garden City 2020 Comprehensive Plan, adopted by Ordinance No. 2469-2010, as previously existing and amended, be and the same is hereby repealed, to be replaced as specified in this ordinance.

SECTION 3. If any section, clause, sentence or phrase of this ordinance is found to be unconstitutional or is otherwise held invalid by any court of competent jurisdiction, it shall not affect the validity of any remaining parts of the ordinance.

SECTION 4. This ordinance shall be effective from and after its publication in the Garden City Telegram, the official city newspaper.

APPROVED AND PASSED by the Governing Body of the City of Garden City, Kansas, this 5th day of September, 2017.


Melvin L. Dale, Mayor

ATTEST:


Celyn N. Hurtado, City Clerk

APPROVED AS TO FORM:



Randall D. Grisell, City Attorney

EXHIBIT D

Letter from Secretary of Commerce dated January 17, 2018

1000 S.W. Jackson St., Suite 100
Topeka, KS 66612-1354



Phone: (785) 296-3481
Fax: (785) 296-5055 TTY: 711
KansasCommerce.com

Nick Jordan, Interim Secretary

Sam Brownback, Governor

January 17, 2018

Matt Allen
City Manager
301 N. 8th Street
PO Box 998
Garden City, Kansas 67846-0998

RE: Garden City STAR Bond Project Plan

Dear Mr. Allen:

Thank you for Garden City's STAR Bond Project Plan (the Plan) formally submitted on or about October 26, 2017, and supplemental information. The Plan identifies a potential project related to the Sports of the World Complex, (the Project) After having reviewed the Project Plan, and pursuant to K.S.A. 12-17,160 *et seq.*, I take the following actions:

- (1) find and determine that the Garden City STAR Bond District, contains a "major multi-sport athletic facility" and a major commercial entertainment area and is an "eligible area" within the meaning of K.S.A. 12-17,162(f);
- (2) approve the issuance of up to \$25,400,000 (exclusive of approved financing costs) in STAR Bond financing for the improvements and amenities related to the Project.

In considering whether an area proposed for a project constitutes a "major commercial entertainment and tourism area" and therefore an "eligible area" within the meaning of the Act, I evaluated project criteria including projected visitation, economic impact, city and developer investment commitment, uniqueness of the project, prospects for long-term profitability, significance as a travel destination, integration and collaboration with other resources or businesses, the quality of the service or experience to be provided and project accountability.

The STAR Bond Project District is identified as an area of approximately 312 acres located in east central Garden City near the intersection of US 50/83/400 and Schulman Avenue. The developments contemplated for the Project area will include an Ice Arena, World Food Plaza, Fieldhouse and Jump Park, Headwater Plaza and other sports and related activity venues and attractions.

Total cost for Phase 1 of the Project is estimated to be in excess of \$129,384,000. The STAR Bond financing represents only 18% of the total project cost. Garden City has satisfied the Department of Commerce policy that STAR Bond applicants pledge to repay the STAR Bonds

Matt Allen
January 17, 2018
Page 2

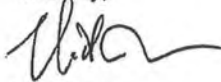
using all available local sales tax and transient guest tax generated within the STAR Bond Project District.

The Feasibility Study submitted by Garden City reflects that the Project will attract visitors from across the region. It further demonstrates the Project will generate more sales tax revenue over the life of the bonds than is necessary to support the \$25,400,000 (exclusive of financing costs) STAR Bond issue. The annual total economic impact of businesses and their employees in the Project on the area economy is projected to exceed \$115 million and attract over 1 million visitors annually.

Based on all of the above, it is my determination that the Project Plan and Project constitute a major-multi-sport athletic facility and a major commercial entertainment and tourism area and is therefore an "eligible area" within the meaning of the Act. The Project is hereby designated a "STAR Bond Project" within the meaning of the Act. I further approve the issuance of up to \$25,400,000 (exclusive of approved financing costs) of STAR Bonds to finance the Project provided; 1) the City takes all lawfully required actions to implement the STAR Bond Project Plan; 2) STAR Bonds shall only be used to finance eligible Project costs necessary to implement the STAR Bond Project Plan; 3) the City implements the approved "Sources and Uses" allocations and budgets and Commerce approves a final line-item budget prior to the expenditure of any STAR Bond proceeds; 4) all financing costs and certain Project expenses to be financed with STAR Bond proceeds must be approved by the Secretary of Commerce prior to payment; 5) the Secretary of Commerce approves the terms and conditions of the STAR Bonds; 6) the City insures that adequate private or other funds are available to fully fund the Project prior to any STAR Bonds being issued; 7) the Secretary of Commerce and Secretary of Revenue will establish a sales tax "base" for any retailers relocating into the STAR Bond District; 8) that Commerce be notified at least 45 days in advance of the transfer or sale of any real estate acquired with STAR Bond proceeds; 9) that in the event any parcel of real estate acquired with STAR Bond proceeds is sold within five (5) years of the date bonds are issued, for an amount in excess of the amount paid to acquire the parcel, that any profit be used to repay STAR Bonds; 10) the City commits to pledging all available City sales tax, all available City share of county sales tax and any available transient guest tax generated within the District for debt service on the STAR Bonds; 11) that prior to STAR Bonds being issued, bond counsel for the City provide a written opinion affirming the legality of automobile dealerships being located within the STAR Bond District.

We look forward to working with you on this exciting project.

Sincerely,



Nick Jordan
Interim Secretary

**SPORTS OF THE WORLD COMPLEX
GARDEN CITY START BOND PROJECT
TIMELINE**

Stage	No	Item	Responsible Party	Date	Comment	Done	Note
District formation & Project approval							
	1	Adopt Resolution setting a public hearing to create the District	City	November 4, 2014		XX	Res 2609-2014
	2	Submit Resolution to Secretary of Commerce	City	November 10, 2014		XX	11/12/2014 Preliminary Approval Rec'd
	3	Mail Resolutions by Certified mail, return receipt requested, to Finney	City	11/10/2014 no later than 11/14	Not more than 10 days following the date of adoption of the resolution	XX	11/12/2014
	4	Mail resolution by certified mail, return receipt requested, to each owner and	City	11/10/2014 no later than 10/17	Not more than 10 days following the date of adoption of the resolution	XX	11/12/2014
	5	Publish Resolution with Sketch of the District Plan area	City	12/2/2014 no later than	Not more than 2 weeks, but not less than 1 week before public hearing	XX	12/9/2014
	6	Public hearing before City Commission to consider establishment of the District.	City	December 16, 2014	Not less than 30 days and no more than 70 days after the resolution is	XX	
	7	Adopt Ordinance creating District	City	December 16, 2014	Not more than 30 days after public hearing.	XX	Ord 2677-2014 12/20/14 Published
	8	Submit Ordinance & plan to KDOC	City	December 17, 2014		XX	
	9	KDOC granted preliminary approval	KDOC	December 19, 2014		XX	
	10	Submit business list to KDOR for determination of sales tax baseline	City	February 26, 2015		XX	
	11	KDOR provides sales tax baseline	KDOR	March 19, 2015		XX	\$3,403,668
	12	Submit request for extension to KDOC	City	December 8, 2016		XX	
	13	KDOC grants 6 month extension	KDOC	December 14, 2016		XX	extension approved through 6/8/17
	14	Submit request for 2nd extension to KDOC	City	June 8, 2017	No later than 6/8/17, if Legislature extends program	XX	6/6/17 - Legislature overrode veto, 3 year extension of program
	15	KDOC grants 2nd extension	KDOC	June 15, 2017		XX	extension approved through 12/8/17
	16	Feasibility study	Developer/ Canyon	July 25, 2017	Prior to City Commission resolution calling public hearing - no timeframe	XX	Canyon Research on site June 5-6
	17	Project Plan	Developer	July 25, 2017	Prior to City Commission resolution calling public hearing - no timeframe	XX	
	18	Approval of Project Plan by Planning Commission	City	August 17, 2017	PC agenda deadline 7/25.	XX	
	19	Adopt Resolution setting a public hearing to adopt the project Plan	City	September 5, 2017		XX	Res 2707-2017
	20	Mail Resolution certified mail, return receipt requested to BOE, GCCC and	City	September 11, 2017	Not more than 10 days following the date of adoption of the resolution	XX	no later than 9/15./17
	21	Mail Resolution certified mail, return receipt requested to property owner(s)	City	September 11, 2017	Not more than 10 days following the date of adoption of the resolution	XX	no later than 9/15./17
	22	Publish Resolution with Sketch of the Project Plan area	City	October 4, 2017	Not more than 2 weeks, but not less than 1 week before public hearing	XX	10/3/17 - 10/10/17
	23	Public hearing before City Commission to consider adoption of Project Plan. Adopt	City	October 17, 2017	Not less than 30 days and no more than 70 days after the resolution is	XX	Ordinance # 2774-2017, approved by 5-0 vote 10/17/17
	24	Decide (1) if Bonds will include full faith & credit pledge, (2) private placement v.	City	October 17, 2017	60 day protest period required, if pledging full faith & credit (12/16/17)	XX	Special Obligation bonds via private placement approved
	25	Publish Ordinance	City	October 21, 2017		XX	
	26	Revise Project Plan - post public hearing revisions	City	October 23, 2017		XX	
	27	Submit Project Plan, feasibility study, request to issue bonds and related	City	October 27, 2017		XX	
	28	KDOC grants final approval	KDOC	January 17, 2018		XX	
	29	Submit copy of ordinance adopting district to County Clerk, Appraiser, & Treasurer,	City	January 18, 2018	no later than 12/31/18, but anytime after KDOC approval.	XX	From Celyn, include map(s)

STAGE ONE: INTERACTION WITH THE DEPARTMENT OF COMMERCE

**SPORTS OF THE WORLD COMPLEX
GARDEN CITY START BOND PROJECT
TIMELINE**

Development Agreement						
STAGE TWO: INTERACTION WITH DEVELOPER	1	Developer prepares detailed Project Budget	Polsinelli, GCI			
	2	Draft & circulate Development Agreement	City, TWG, Polsinelli, GCI			
	3	Developer approves Development Agreement	Polsinelli, GCI			
	4	City approves Development Agreement	City			
	5	KDOC approves Project Budget	KDOC			
Financing						
STAGE THREE: INTERACTION WITH BOND BUYERS BY CITY & DEVELOPER	1	City pledges all available unallocated sales tax revenue for STAR Bond debt service.	City			
	2	Draft & circulate Bond Issue POS	GKB			
	3	Draft Resolution setting bond sale	TWG			
	4	Draft Transcript	TWG			
	5	Approve final project costs, adopt Resolution setting bond sale & approve	City		Special Obligation Bonds	
	6	Publish Notice of Bond Sale in Kansas Register & GC Telegram, distribute notice	TWG			
	7	Draft Bond Resolution & Ordinance	TWG			
	8	Moody's Rating Interview	GKB, City			
	9	Bond placement - private sale, adopt Bond Resolution & Ordinance	GKB, TWG, City			
	10	Publish Bond Ordinance, mail final Official Statement	TWG			
	11	Submit Bonds to KDOC for approval	TWG			
	12	Transcript to Attorney General, bonds to State Treasurer	TWG			
	13	Bond Closing	GKB			
City's Administration						
STAGE FOUR: CONSTRUCTION	1	Determine method of tracking/approving eligible costs	City		Tax Increment District Administration Procedures prepared 10/19/17	
	2	Determine City Staff member responsible for tracking and approving eligible costs	City			
	3	Set up STAR Bond fund in budget	City			
	4	Notify KDOR of relocations of existing businesses into District and as new	City			
Developer's Construction						
STAGE FOUR: CONSTRUCTION	1	Prepare Site Plan & Design Multi-Event Center	GCI	January 17, 2020	Must begin construction within two years of KDOC approval of Project	
	2	Construct Multi-Event Center	GCI			
	3	Design other components of Project	GCI			
	4	Construct other components of Project	GCI	January 17, 2038	Must complete construction within 20 years of KDOC approval of Project	
TWG = Tripplett, Woolf & Garretson (City Bond Counsel) GKB = George K. Baum & CO. (City Financial Advisor) GCI = Garden City Investments, Inc. (Developer) Polsinelli = Developer's Counsel						
Re 1/18/18						

EXHIBIT E

Resolution No. _____ Approving Development Agreement

[See attached]

EXHIBIT F

[RESERVED]

EXHIBIT G

STAR Project Budget

[See Attached]

GARDEN CITY STAR BOND PROJECT BUDGET - MULTI SPORT ATHLETIC COMPLEX

<i>Cost Category</i>	<i>Totals</i>
<u>Infrastructure</u>	
Streets and Sidewalks	\$757,586
Utilities	\$543,375
Subtotal	\$1,300,961
<u>Site Work</u>	
Field Earthwork	\$1,043,280
Parking Lot	\$1,646,698
Landscaping	\$181,125
Fencing	\$125,580
Subtotal	\$2,996,683
<u>Hard Construction Costs</u>	
General Construction Conditions	\$1,720,603
Indoor Soccer Field Space	\$5,276,624
Basketball / Volleyball Space	\$3,778,992
Trampoline Space	\$2,792,344
Convention / Meeting Room Space	\$2,282,175
Toilets / Lobby Space	\$2,316,951
Spectator Viewing Mezzanine	\$944,265
Staff Lockers / Storage (below mezzanine)	\$888,720
Kitchen Space	\$838,005
Restaurant	\$3,622,500
Kids Outdoor Play Area (turfed, playground equip.)	\$138,863
Outdoor Eating Covered Canopies	\$56,753
Outdoor Pickleball Courts	\$243,432
Site Lighting	\$301,875
Signage	\$90,563
Subtotal	\$25,292,663
<u>Equipment Costs</u>	
Outdoor Athletic Equipment (volleyball / pickleball, standards, netting, etc.)	\$48,300
Interior Equipment (Scoreboards, goals, OHVB, netting, portable bleachers, etc.)	\$301,875
Trampoline Park Equipment	\$603,750
Trampoline Park Computer Software	\$60,375
Restaurant Kitchen Equipment and Furnishings	\$1,086,750
Outdoor Furniture	\$48,300
Indoor Furniture	\$120,750
Subtotal	\$2,270,100
<i>Subtotal of Infrastructure, Site Work, Hard Construction and Equipment Costs</i>	\$31,860,407

<u>Land Acquisiton</u>		\$3,500,000
	Subtotal	\$3,500,000
<u>Soft Costs</u>		
Architecture & Engineering		\$2,230,228
Taxes, Insurance, Appraisal		\$100,000
Legal		\$3,000,000
Financing Costs		\$1,000,000
	Subtotal	\$6,330,228
<u>TOTALS</u>		\$41,690,635

EXHIBIT H

Description of Phase 1 STAR Bond Tract

[See Attached]

LEGAL DESCRIPTION

Tracts located in the Southeast Quarter of Section 9 and the North Half of Section 16, all in Township 24 South, Range 32 West of the 6th P.M., Finney County, Kansas, more particularly described as follows:

BEGINNING at the Southeast Corner of Section 9, T24S, R32W, thence North, along the east line of said Section, to the Northeast Corner of the Southeast Quarter of Section 9; thence West, along the north line of said Southeast Quarter, to the East line of 156 Commercial, Phase Four; thence South, along said East line to the Southwest corner of 156 Commercial, Phase Four, said point being the Northeast Corner of Schulman Crossing Phase II; thence along the North line of Schulman Crossing Phase II, North 89°50'25" West, 869.90 feet; thence continuing along said line, North 70°46'13" West, 60.00 feet to the Northernmost Corner of Lot 1, Block 2, Schulman Crossing Phase II, said line also being the East right-of-way line of US Highway 50/83/400; thence South along the West line of said Schulman Crossing Phase II and continuing South along the west line of Schulman Crossing the following 3 courses: South 20°45'56" West, 942.44 feet; thence South 10°45'12" West, 508.48 feet; thence South 01°38'07" West, 867.71 feet to the Southwest Corner of the Southeast Quarter of said Section 9; thence North 90°00'00" West, along the North line of the Northwest Quarter of Section 16, T24S, R32W, 363.85 feet, to the northwesterly line of the abandoned Nebraska, Kansas and Southern Railroad right-of-way; thence South 49°51'15" West, 375.78 feet along said line; thence continuing South 49°49'10" West, 546.23 feet, along said line; thence North 01°01'32" West, 595.33 feet to the North line of said Section; thence North 90°00'00" West, 280.00 feet; thence South 00°50'00" East, 828.10 feet, along the East line of Bowman Acres to the Southeasterly line Lot 27, Bowman Acres, said line also being the northwesterly line of the abandoned railroad right-of-way; thence Southwesterly, along the southeasterly line of Bowman Acres to the intersection with the Centerline of Gene Avenue; thence West, along said Centerline to the West line of Section 16; thence South 00°00'00" East, 259.50 feet, along said West line; thence South 89°42'12" East, 227.77 feet, to a point on the southeastern line of Lot 1, Bowman Acres, said line also being the Northwestern line of Block 2, Golden Plains Addition; thence North 50°15'29" East, 111.18 feet, to the Northernmost Corner of Golden Plains Addition; thence South along the west line of said Golden Plains addition to the South line of the Northwest Quarter of said Section 16; thence East along the South line of said Northwest Quarter, to the Center Corner of Section 16; thence North, along the East line of said Northwest Quarter, said line being the East line of Lot 6, Samy Addition, to the South line of said Samy Addition; thence South 88°12'50" East, 156.07 feet; thence continuing along said line, South 88°14'18" East, 308.07 feet, to the Southwest Corner of Heritage Place Second Addition; thence South 89°56'17" East, 499.00 feet along the South line of said Heritage Place Second Addition, to the Southeast Corner of Lot 38, Block 2, Heritage Place Second Addition; thence North 00°08'25" West, 671.66 feet along the East line of said Lot 38, to the Southwest Corner of Lot 2, Block 2, Heritage Place Second Addition; thence North 90°00'00" West, 215.25 feet, along the West line of said Lot 2, to the Southwest Corner of said Lot 2; thence North 00°00'00" West, 148.00 feet, along the West line of said Lot 2, to the Southeast Corner of Lot 1, thence North 90°00'00" West, 284.11 feet along the South line of said Lot 1 and its extension, to the East line of Samy Addition; thence North 01°34'12" East, 197.89 feet, to the Northeast Corner of Samy Addition; thence North 01°47'19" East, 299.92 feet, along the East line of Echo Valley Addition, to the North line of Section 16; thence South 88°17'12" East, 2173.68 feet, more or less, to the point of beginning, containing 274 Acres, more or less.

PROJECT SITE
LEGAL DESCRIPTION

Tracts of land lying in the Northeast Quarter (NE ¼) of Section 16, Township 24 South, Range 32 West of the 6th Principal Meridian, Finney County, Kansas, being more particularly described as follows:

Lots 5 to 11, inclusive and Lot 38, all in Block 2, all of Blocks 3, 4 and 5, Heritage Place 2nd Addition, and an unplatted tract lying north of the South line of the Northeast Quarter of said Section 16, bounded by Heritage Place Addition No. 1 and Heritage Place Second Addition, containing 32.7 acres, more or less.

EXHIBIT I-1

Certificate of Project Costs Form

**CERTIFICATE OF PROJECT COSTS
SPORTS OF THE WORLD COMPLEX STAR BOND PROJECT
DEVELOPMENT AGREEMENT**

To: City Manager
Garden City, Kansas

RE: Sports of the World Complex Star Bond Project Development Agreement

Terms used in this Certificate and not otherwise defined here shall have the meanings given them in the Sports of the World Complex Star Bond Project Development Agreement dated as of _____, 2018 ("Agreement") between the City of Garden City, Kansas and GC Investments, Inc.

In connection with the Agreement, the undersigned Developer Representative hereby certifies to his knowledge as follows:

1. Each item listed in Schedule 1 hereto is a Project Cost and was incurred in connection with the Project.
2. These Project Costs are payable to the parties shown on Schedule I or have been paid by the Developer and are reimbursable to Developer under the Agreement.
3. Itemized invoices, receipts or other evidence of such Project Costs are enclosed.
4. Each item listed in Schedule 1 has not previously been paid or reimbursed from money derived from STAR Bond Project Fund, and no part thereof has been included in any other certificate previously filed with the City.
5. There has not been filed with or served upon the Developer any notice of any lien, right of lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested in good faith.
6. All necessary permits and approvals required for the work for which this certificate relates were issued and were in full force and effect at the time such work was being performed.
7. All work for which payment or reimbursement is requested has been performed in a good and workmanlike manner and in accordance with the Agreement and the approved plans for the work.
8. The Developer is not in default or breach of any term or condition of the Agreement, and no event has occurred and no condition exists which constitutes a Developer Event of Default under the Agreement.

9. All of the Developer's representations set forth in the Agreement remain true and correct as of the date hereof.

Dated this ____ day of _____, 20__.

DEVELOPER.

By _____

Name (Printed) _____

Title: _____

[Must be a Developer Representative]

Approved for payment this ____ day of _____, 20__.

By _____

ATTACHMENT I-2 TO CERTIFICATE OF PROJECT COSTS

City of Garden City, Kansas
SPORTS OF THE WORLD STAR BOND PROJECT
Certificate of Project Costs
Schedule 1

Costs submitted				STAR BOND ELIGIBLE EXPENDITURES \$ _____ max			
VENDOR	INVOICE	DATE	AMOUNT SUBMITTED	STAR BOND ELIGIBLE	Cost Centers		
REF No.1: DATE							
REF No.1: TOTALS			\$ - \$	\$ - \$			\$ - \$
REF No.2:							
REF No.2: TOTALS			\$ - \$	\$ - \$			\$ - \$
REF No.3:							
REF No.3: TOTALS			\$ - \$	\$ - \$			\$ - \$
GRAND TOTALS				\$ - \$			\$ - \$
				Balance remaining	\$ - \$		\$ - \$
GC Investments, Inc. I do hereby certify that the above is correct, and that the amount claimed herein is actually due according to the Agreement.				City of Garden City Approved for Reimbursement:			
Signature				Date			
				Matthew C. Allen, City Manager			
				Date			