

VanTrust Land Transfer and Development Agreement Outline

ARTICLE I, Rules of Construction

- Agreement Term:
 - Commence on the Effective Date as per Development Phase
 - Expires on the later of the completion date of each phase or expiration date of all IRB documents applicable to that specific development phase

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ARTICLE II: The project and Project Incentives

- Sets forth Phase 1 as 152,000 square foot industrial building on Lot 1
- Sets forth Phase 2 and 152,000 square foot industrial building on Lot 2
- Sets forth Phase 3 as 250,000 square foot industrial building on cul-de-sac lots
- Foreshadows that each development phase is anticipated to apply for IRBs to obtain a sales tax exemption on construction materials
- Indicates that fixed PILOT (Payment in lieu of taxes) payments are anticipated to be set up for each development phase and that those payments will be the estimated equivalent of the percentage of property tax abatement earned:
 - A 100% property tax abatement is established with PILOTs of 50% to be paid by property owner for the estimated equivalent of a 50% property tax abatement or PILOTs of 30% to be paid by property owner for the 70% property tax abatement if the building is built to LEED Silver standards
 - PILOT payment schedule would be negotiated with the IRB ordinance, at the completion of the project, once projects costs and value is known and also when it is known whether the building was constructed to meet LEED Silver standards

ARTICLE III, Transfer of the Property

- Specifies the conditions to closing on the land transfer for each development phase:
 - Final rezoning (if required)
 - Complete plans and specifications
 - Approved governmental permits, including building permits
 - Executed grading or construction contract with general contractor licensed with the City
 - Evidence of sufficient proceeds to fund hard & soft costs
 - Agreement between City and VanTrust on incentives and related executed documents
 - Developer's certification to start construction within 12 calendar months and finish construction within 24 calendar months from date all building permits issued
- Indicates timing for each development phase (12 calendar months to begin construction after building permit, then completed project within 24 months from building permit date with 9 months maximum in between each phase)
- Establishes reversionary interest of the City in the property if each phase is not completed within the 24 months after the property ownership is transferred
- Provides that the agreement may be terminated if any of the conditions to closing are not met related to each particular phase and that future phases would not proceed if termination occurs on an earlier phase
- Requires developer be responsible for all special assessments and any property taxes due after closing

ARTICLE IV, Development of the Property

- Requires plan, zoning, and building approvals and compliance with city codes
- Specifies a development schedule for each development phase (as outlined above)
- Specifies certification and documentation required by City for completion of the project and meeting threshold for LEED Silver equivalency
- Permits City right to access property for purposes of inspections as needed and agreement compliance
- Specifies restricted uses that will be included in a deed filed with the property to ensure that the restrictions are ongoing

ARTICLE V, Assignment and Transfer

- Specifies that the developer may not transfer to another entity prior to completion of each project phase (completed shell), unless such transfer is approved by the City and such approval will not unreasonably be withheld
- Enables the developer to transfer the project without the City's consent during any time to a VanTuyl-related entity, an assignee that has net worth or assets equal or greater than the developer, or assignee which has guaranty from developer
- Developer agrees to provide a list of all tenants annually and agrees to use its best efforts to work with tenants to provide the City with information regarding the type of business, number of employees, economic impact, etc.

ARTICLE VI, Indemnification and Insurance

- Provides for standard indemnification of the City
- Requires to the City to continue its obligations under the KDHE/EPA Consent order and RCRA relating to the pre-existing environmental conditions of the property. City will retain this liability, except if any pre-existing conditions are exacerbated by the developer
- Developer must hold insurance through the completion of each building phase

ARTICLE VII, Default and Remedies

- Provides the circumstances under which the developer could be in default of the agreement and the rights and remedies of the City

ARTICLE III, Miscellaneous