

# ESCROW AGREEMENT FOR GUARANTEE OF KANSAS HOUSING INVESTOR TAX CREDIT LIABILITY

This ESCROW AGREEMENT (“Agreement”), entered into this \_\_\_\_ day of \_\_\_\_\_, 2025, between the City of Anthony, a municipal government, herein referred to as “Depositor”, and Bank of the Plains, a Kansas Financial Institution, herein referred to as “Escrow Agent”.

## Recitals

WHEREAS, Depositor desires to appoint an Escrow Agent in connection with Kansas Housing Investor Tax Credits to be provided by the Kansas Housing Resources Corporation.

WHEREAS, Depositor desires to place funds into escrow and such funds are to be released from escrow to Depositor in accordance with the terms and conditions of this Agreement; and

WHEREAS, Depositor desires that the Escrow Agent act pursuant to the terms and conditions hereinafter set forth, and the Escrow Agent has agreed to do so.

NOW, THEREFORE, in consideration of the premises and covenants and the agreements contained herein, the parties agree as follows:

### 1. Certain Definitions

- (a) “**Business Day**” means a day other than a Saturday, Sunday or other day on which commercial banks in the State of Kansas are authorized or required to close.
- (b) “**Escrow Funds**” means the amount of Ninety-Five Thousand Two Hundred and Thirty-Four Dollars (USD \$95,234)
- (c) “**Force Majeure**” means any event beyond the reasonable control of the Depositor, including but not limited to acts of God, war, terrorism, riot, civil unrest; governmental action, regulation or decree; other unforeseen and uncontrollable event that prevents the Depositor from performing its obligations under this agreement.
- (d) “**KHRC Agreement**” means the Agreement for Reservation of Kansas Housing Investor Tax Credits No. 24-0103-HITC dated July 18, 2024, issued between the City of Anthony and the Kansas Housing Resources Corporation.
- (e) “**KHITCs**” means Kansas Housing Investor Tax Credits, or tax credits for qualified housing projects to qualified investors as referred to in the KHRC Agreement.
- (f) “**Qualified Housing Project**” means a qualified housing project subject to the terms and conditions of the KHRC Agreement.
- (g) “**Qualified Investor**” means a Builder (or Builder’s Banking Institution on behalf of the Builder) investing in the Sunrise 2<sup>nd</sup> Housing Addition meeting the conditions of a qualifying investor as defined in the KHRC Agreement.
- (h) “**Sunrise 2<sup>nd</sup> Development**” means Lots 1 through 16 in Block 5 of the Sunrise 2<sup>nd</sup> Addition to the City of Anthony, Harper County, Kansas.

### 2. Escrow, Escrow Agent

The Escrow Agent shall hold the Escrow Funds in escrow in a segregated, federally insured bank money market or checking account. Upon receipt of the KHITC Transfer Notification Form (Notice) as described below, the Escrow Agent shall promptly release appropriate withdrawals of the Escrow Funds to Depositor pursuant to the instructions provided in the Notice. Depositor will in good faith promptly notify Escrow Agent in writing as to the release of the payments from the Escrow Funds by issuing Notice, and the Escrow Agent shall promptly disburse. Depositor will pay Escrow Agent a one-time fee of \$250.00 for the services of the Escrow Agent. Any interest earned from the principal of funds in escrow shall be property of Depositor.

3. Purpose of Escrow

The Depositor was awarded the reservation of KHITCs through the Kansas Housing Resources Corporation by the KHRC Agreement. This agreement reserved \$280,000 of KHITCs to be issued to qualifying investors per qualified investments. In accordance with the First Amendment to the KHRC Agreement, effective July 27, 2025, the deadline to issue said tax credits is December 31, 2025. As of the date of this Escrow Agreement, there is \$95,234.11 of KHITCs still pending issuance. Due to builder timeline delays and the need to issue the tax credits prior to the KHRC Agreement deadline, the Depositor shall serve as the qualified investor by depositing the investment funds necessary into this escrow account until qualifying expenditures for the Sycamore Development have been incurred by other qualified investors in accordance with the KHRC Agreement.

4. KHRC Issuance of Tax Credits

Depositor shall provide KHRC with a copy of this executed agreement along with proof of deposit of Escrow Funds by Escrow Agent and any documentation necessary to request the release of KHITC's, which shall be issued in the name of the City of Anthony and mailed to Escrow Agent upon issuance.

5. Qualifying Investment

A qualifying investment shall meet all requirements as stated in the KHRC Agreement. Once a Qualified Investor has invested up to \$35,000 of qualifying investment per eligible qualifying lot, said Qualified Investor will submit evidence of such investment to the Depositor.

6. Notice

After Depositor and Qualified Investor have executed a KHITC Transfer Notification Form, Depositor shall prepare an official Notice to Escrow Agent for authorization to release escrow funds. Said Notice shall consist of a written authorization from the Depositor along with a copy of the KHRC Transfer Notification Form.

7. Release of Funds

Upon receipt of Notice, Escrow Agent shall release an amount equal to the amount set forth in the KHRC Transfer Notification Form to the Depositor.

8. Close of Escrow Account

This escrow account shall close upon the last issuance of escrow funds. If all funds have not been released by Notice as of September 1<sup>st</sup>, 2026 or (required construction completion date per KHRC Agreement), or an amended construction completion date as approved by KHRC, this escrow will close and all funds remaining as of the date of closure shall be issued to the Depositor and any remaining tax credit certificates shall be returned to KHRC at 611 S Kansas Ave, Suite 300, Topeka, KS 66603. If an amendment to the construction completion date is approved by KHRC, Depositor shall provide a copy of the approved extension notice to Escrow Agent at least 30 days prior to September 1<sup>st</sup>, 2026.

9. Force Majeure and Release of Funds

Upon the occurrence of a Force Majeure Event that requires the use of funds held in the Escrow Agreement by the Depositor for obligations other than the purpose of this Agreement, the Depositor shall:

- 1) Promptly provide written notice of the event to the Escrow Agent and KHRC.
- 2) Submit a written request to KHRC to return any remaining tax credits to KHRC.
- 3) Upon written approval by KHRC to return any remaining tax credits, the Depositor shall provide the Escrow Agent a copy of the approval and the Escrow Agent shall release all remaining funds in the Escrow Account to the Depositor.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2025.

Escrow Agent: Bank of the Plains

Depositor: City of Anthony

\_\_\_\_\_  
Signature of Escrow Agent

\_\_\_\_\_  
Signature of Depositor

\_\_\_\_\_  
Printed Name and Title

Cyndra Kastens, City Administrator  
\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Address

P.O. Box 504 Anthony, KS 67003  
\_\_\_\_\_  
Address

STATE OF KANSAS, COUNTY OF HARPER, ss:

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2025, by

\_\_\_\_\_ and \_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand and affixes my seal, the day and year last above written.

\_\_\_\_\_  
Notary Public

(SEAL)

My commission expires: \_\_\_\_\_