

CONVEYANCE AGREEMENT
(Sunrise 2nd Addition to the City of Anthony, Kansas)

This Conveyance Agreement (“Agreement”) is entered into this ___ day of _____, 202___, by and between CITY OF ANTHONY, KANSAS (the “City”) and the undersigned (whether one or more, “Grantee”). The City and Grantee are sometimes referred to herein individually as “Party” and collectively as “Parties.”

Recitals

A. The City is owner of that certain real property legally described as Sunrise 2nd Addition, an addition to the City of Anthony, Harper County, Kansas, as shown on recorded plat thereof (“Sunrise 2nd Addition”).

B. The City acquired Sunrise 2nd Addition in order to facilitate residential development of Sunrise 2nd Addition, and in furtherance of such purpose desires to convey individual lots located in Sunrise 2nd Addition to persons who desire and agree to construct a single family home thereon, all in accordance with that certain Declaration of Covenants, Conditions, and Restrictions of Sunrise 2nd Addition dated _____, 2024, executed by City and recorded on _____, 2024 in Book _____ at Page _____ in the office of the Register of Deeds of Harper County, Kansas (the “Declaration”).

Agreement

1. **Conveyance by the City.** Subject to the terms of this Agreement, the City hereby agrees to convey to Grantee the lot in Sunrise 2nd Addition set opposite Grantee’s signature below, as shown on the recorded plat of Sunrise 2nd Addition (the “Lot”), reserving the mineral rights in the Lot to the City, with such conveyance being made expressly subject to the City’s right to reconveyance set forth in Section 7 below. Such conveyance shall be made without consideration to the City, other than Grantee’s fulfillment of Grantee’s obligations hereunder. By entering into this Agreement, Grantee agrees to accept the conveyance of the Lot and any improvements thereon “as is” and City makes no representations or warranties concerning the characteristics or condition of the Lot and any improvements located thereon.

2. **Title Evidence.** Grantee shall have twenty (20) days from the date of this Agreement in which to obtain, at Grantee’s sole expense, a title commitment to insure Grantee’s title to the Lot issued by Security 1st Title, LLC (“Security 1st”). Grantee shall have ten (10) days from Grantee’s receipt of such title commitment in which to furnish the City in writing any objections to title. Upon receipt of such written objections, the City shall have ten (10) days to respond to such objections, notifying Grantee whether it intends to cure such objections. In the event the City elects not to cure any such objection, Grantee may either terminate this Agreement in writing, in which case the Escrow Agent shall return the Warranty Deed to the City and neither Party will have any further obligations hereunder, or Grantee may waive such objection and proceed to closing of this Agreement.

3. **Closing.** Closing of this Agreement shall occur as soon as is practicable, and in no event more than Forty (40) days after execution of this Agreement. Security 1st shall serve as the closing agent. At closing, the City shall execute and deliver to Security 1st its Warranty Deed conveying the Lot to Grantee, reserving the mineral rights in the City, and subject to the City's right to reconveyance as provided in Section 7 below. Each Party agrees to execute and deliver to the other Party such other documents as required by Security 1st or as reasonably necessary to carry out the provisions of this Agreement. Grantee shall pay for all costs of closing including Security 1st's closing fee, the recording the transfer deed, and preparation filing of any other document to pass good title.

4. **Possession.** The City shall deliver possession of the Lot to Grantee at closing of this Agreement, and risk of loss shall pass to Grantee at closing.

5. **Construction of Residence.** Grantee shall be responsible for the costs of all improvements on the Lot. Grantee shall:

a. No later than forty-five (45) days after closing – deliver to the City Administrator and obtain approval of an executed contract between Grantee and a builder approved by the City for the construction of the single-family residence and other improvements on the Lot (the "Construction Contract").

b. No later than ninety (90) days after closing - deliver to the City Administrator and obtain approval of construction drawing. The plan should include a final site layout of the location of all structural and surface improvements and compliance with the City Drainage plan. All construction must comply compliant with the following code standards: 2018 ICC, 2017 NEC, and the Unified Development Zoning Code of the City. The City may require any other such drawings required for permit approval.

c. No later than six (6) months after closing – commence construction of the Residential Dwelling. The City Administrator shall submit construction plans to the City's Special Housing Committee (the "Committee") for review and approval in accordance with the Declaration of Covenants, Conditions, and Restrictions of Sunrise 2nd Addition. adopted by the Anthony City Commission ("Guidelines"). Upon approval of the Construction Contract and all required city permits, Grantee may begin commencement of construction which must occur within six (6) months of closing. If not utilizing Klausmeyer Construction a project bond shall be required to be filed with the Harper County District Court Clerk prior to permit approval being issued. Grantee shall be deemed to have commenced construction on the date on which the building inspector retained by the City certifies that the breaking of ground on the Lot sufficient to constitute commencement of construction has occurred. Grantee shall cause construction to proceed in a diligent manner through completion and the issuance of a Certificate of Occupancy, which shall occur in accordance with the construction schedule set forth in the Construction Contract, and in no event later than 365 days after the issuance of the building permit to the Grantee ; provided, however, that the City may in its discretion grant up to two (2) 45-day extensions of such deadline.

6. **Default.** The Grantee shall be in default under the terms of this Agreement upon failure to comply with the provisions herein and the occurrence of any of the following events (each an "Event of Default"):

- A. Grantee fails to obtain approval of a Construction Contract within forty-five (45) days of the closing of this Agreement.
- B. Grantee fails to obtain approval of the construction drawings within ninety (90) days of the closing of this Agreement.
- C. Grantee fails to diligently pursue the issuance of and obtain approval of the required permits for the construction of the single-family residence on the Lot.
- D. Grantee fails to commence construction within six (6) months after the closing of this Agreement.
- E. Grantee fails to complete construction and obtain a Certificate of Occupancy within 365 days after issuance of the zoning permit.
- F. Any mechanic's lien is filed against the Lot and is not resolved within sixty (60) days after its filing; *provided, however*, that in the event Grantee or Grantee's builder files suit against the mechanic's lien claimant within such sixty (60) day period, no default shall occur unless and until the validity and enforceability of such mechanic's lien is adjudicated in the lien claimant's favor.

The City may in its sole discretion waive an Event of Default, grant Grantee additional time to cure an Event of Default, or otherwise forbear from enforcing its rights and remedies hereunder to allow Grantee to cure an Event of Default.

7. **Right to Reconveyance of Lot.** Upon the occurrence of an Event of Default, the City shall have the right to compel Grantee to reconvey the Lot to the City in its then "as is" condition, on the terms set forth in this Section 7. If the City elects to enforce its right to reconveyance upon the occurrence of an Event of Default, the City shall not be required to pay any consideration for such reconveyance. In the event the City elects to proceed with such reconveyance, closing shall occur within thirty (30) days after such election. Any property remaining on the Lot after said closing shall become property of the City.

8. **Mortgage Protection.** The City acknowledges that Grantee may finance construction of the residence on the Lot through a construction loan secured by a construction mortgage thereon (the "Mortgage"). The City agrees that its right to reconveyance under Section 7 above is subject and subordinate to the rights of the mortgagee under the Mortgage.

Commented [W1]: Can we stipulate that mortgagee has to complete the improvements.

9. **Real Estate Tax.** Real estate taxes for the year immediately preceding the closing date, and all prior years, are the responsibility of City. Real estate taxes for the year of the closing and all subsequent years shall be the responsibility of Grantee. City hereby discloses to Grantee that the Lot is not subject to special assessments and is not located in an improvement district created pursuant to K.S.A. 12-601 *et seq.* or K.S.A. 12-6a01 *et seq.* The Lot is included in a Reinvestment Housing Incentive District pursuant to K.S.A. 12-5241 *et seq.*

10. **Inspection.** Buyer acknowledges and agrees that the dwelling and all other improvements constructed on the Lot shall be subject to inspection by a qualified inspector of City's choosing, and must pass such inspection. In the event of any such improvements do not pass such an inspection, Grantee shall be obligated to make such repairs and improvements as necessary to pass inspection. All costs of inspection shall be paid by Grantee.

11. **Megan's Law Disclosure.** Kansas law requires persons who are convicted of certain crimes, including sexually violent crimes, to register with the sheriff of the county in which they reside. If the Grantee desires information regarding those registrants, information can be found on the homepage of the Kansas Bureau of Investigation (KBI) at <http://www.Kansas.gov/kbi> or by contacting the local sheriff's office.

12. **Agency Disclosure.** City and Grantee represent and warrant to the other that they have not engaged a real estate broker or finder in connection with the purchase of the Lot.

13. **Designated Builder.** Grantee acknowledges that City encourages Grantee to consider Don Klausmeyer Construction, LLC ("Builder") as Grantee's builder to construct a single-family residence on the Lot, and Grantee agrees to give Builder the first opportunity to negotiate a Construction Contract with Grantee for the construction of the residence. City makes no representation or warranties regarding the quality of Builder's work, or regarding Builder's finances or ability, and Grantee hereby releases and holds City harmless from any claims of Grantee arising from or related to Builder's performance or the quality of the Builder's work. If Grantee desires to select a builder other than Builder, Grantee shall furnish the Committee the basis for Grantee's selection of such other builder, and the selection of such other builder shall be subject to the approval of the Committee, which shall not be unreasonably withheld so long as such other builder's qualifications are at least equal to Builder's qualifications

14. **Kansas Housing Investment Tax Credits.** If the Lot is benefited by Kansas Housing Investment Tax Credits, Grantee hereby agrees to pay ten percent (10%) of the net value of any such tax credits received by Grantee to Heartland Housing Partners pursuant to its agreement with City.

15. **Nonassignable.** This agreement may not be assigned by Grantee.

16. **Notices.** Any notices required or necessary between the parties shall be in writing and given to the City, c/o City Administrator, 124 S Bluff, Anthony, KS 67003, and to the Grantee at the address shown under Grantee's signature on this Agreement.

17. **Representations of Grantee.** Grantee represents and warrants to City that (a) Grantee has adequate funding available and the financial ability to complete and pay for the construction of a single-family residence on the Lot, and (b) Grantee owns no real estate in Harper County, Kansas that, as of the date of this Agreement, has unpaid and delinquent real estate taxes or special assessments against it, or has un-remediated code violations.

18. **Entire Agreement.** This Agreement shall be binding upon the Parties and their respective heirs, successors and assigns. This Agreement constitutes the entire agreement between

the Parties and may not be contradicted by any prior or contemporaneous oral agreements between the Parties.

19. **Governing Law; Jurisdiction and Venue.** This Agreement shall be governed by the law of the State of Kansas, without regard to conflict of laws. Grantee agrees that the District Court sitting in Harper County, Kansas shall have exclusive jurisdiction of any action arising from a dispute or claim under this Agreement, and Grantee submits to jurisdiction and venue in such District Court.

20. **Counterparts; Electronic Signatures.** This Agreement may be executed in any number of counterparts, each of which is identical, all of which shall be deemed to be an original, and all of which shall be construed together as a single agreement, and all signature pages may be collected into a single counterpart for record-keeping purposes. Electronic or other facsimile signatures may be exchanged and shall be binding on the parties as though they were original signatures. Notwithstanding the execution of this Agreement, this Agreement shall not be effective with respect to or binding upon any party hereto until all of the parties to this Agreement have executed at least one counterpart of this Agreement.

21. **Contingency.** The City's obligations hereunder are contingent upon the approval of the transaction contemplated hereby by the Anthony City Commission, and City as has executed this Agreement conditioned upon such approval. Upon approval by the Anthony City Commission, the Anthony City Administrator shall have the authority to execute all documents at closing to complete this transaction.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the day and year first above written.

CITY:

CITY OF ANTHONY, KANSAS

Gregory Cleveland, Mayor

ATTEST:

Cyndra Kastens, City Clerk

GRANTEE:

LOT: Block ____
Lot ____
Sunrise 2nd Addition

Name:

Address: _____

City, State, Zip: _____

STATE OF KANSAS)
)SS.
COUNTY OF HARPER)

The foregoing instrument was acknowledged before me this ____ day of _____,
2024, by _____.

(SEAL)

Notary Public

Name:

Address: _____

City, State, Zip: _____

STATE OF KANSAS)
)SS.
COUNTY OF HARPER)

The foregoing instrument was acknowledged before me this ____ day of _____,
2024, by _____.

(SEAL)

Notary Public