

FORM OF GRANT AGREEMENT

THIS GRANT AGREEMENT is dated as of _____ by and between the City of Maize, Kansas, a Kansas, municipal corporation (the "City") and _____ (the "Owner").

SECTION 1 RECITALS

A. The City has established its 2015-2020 Housing Incentive Plan for the purpose of stimulating the overall economic development of the City by encouraging the construction and sale of new residential housing within the City and thereby bringing new residents to the City.

B. The Owner is a Qualified Resident owning Property (as such terms are defined in the Plan) and has applied to the City for participation in the 2015-2020 Housing Incentive Plan.

C. The parties hereto enter into this Grant Agreement to make and confirm certain commitments to each other with respect to certain real property and incentives for the mutual economic benefit and well being of the parties and the residents and inhabitants of the City.

SECTION 2 DEFINITIONS

. In addition to words and terms defined elsewhere herein, the following words and terms in this Grant Agreement shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

"Act" means Article 12, § 5 of the Constitution of the State of Kansas (the "Home Rule Amendment") and Home Rule Ordinance No. 833 of the City as modified on October 20, 2014.

"Grant" means an annual economic development grant payable by the City to the Owner, in the amounts set forth on *Exhibit A* hereto, for the duration of the Grant Period; provided, however, that the amount of the Grant shall never exceed the actual amount of ad valorem property taxes levied against the Property by the City in the calendar year for which the Grant is paid.

"Grant Agreement" means this agreement between the City and the Owner.

"Grant Period" means a 5-year period set forth on *Exhibit A* hereto.

"Plan" shall mean the Housing Incentive Plan approved by the governing body of the City of Maize, Kansas in effect as of the date hereof.

"Property" means the free-standing, single-family residence, and associated real property and appurtenances, described on *Exhibit B* hereto.

SECTION 3 REPRESENTATIONS AND WARRANTIES

A. Representations of the City.

(1) The City is a city of the third class duly organized and existing under the laws of the State of Kansas and is authorized by the Act to enter into and perform obligations, agreements and undertakings such as those set forth in this Grant Agreement.

(2) This Grant Agreement constitutes a legal, valid and binding obligation of the City enforceable in accordance with its terms. Such obligation is not subject to the provisions of K.S.A. 10-1101 *et seq.* (Kansas Cash-basis Law) or the annual appropriation of funds.

B. Representations of the Owner.

(1) The Owner acknowledges receipt of a complete copy of the Plan and agrees to comply with its terms and conditions.

(2) The Property is a free-standing, single-family residence owned by the Owner. The Owner is either the commercial builder of the Property and has the property listed for sale, or occupies the Property as a single-family residence. The Property is not occupied or rented to a third-party unrelated to the Owner, nor is it used for business or commercial purposes.

(3) The Owner is not delinquent in any tax payment and/or special assessment for real property located within the City.

(4) The Owner agrees to comply with all codes, rules and regulations in effect in the City with respect to the Property throughout the Grant Period.

(5) The appraised value of the Property, as determined by the Sedgwick County appraiser, is at least \$125,000 as of the date hereof.

(6) If the Property is sold within the Grant Period, the Owner agrees to pass on all information concerning compliance with the Plan to the subsequent owners.

(7) The Owner acknowledges and agrees that the Plan is subject to the laws of the State of Kansas. If the laws of the State of Kansas prohibit the continuation of the Plan, then the City will terminate the Plan, which may result in the termination of any Grant payments that would otherwise be made pursuant to the Plan and this Grant Agreement.

**SECTION 4
GRANT PAYMENTS**

A. The City agrees to make annual Grant payments as set forth on *Exhibit A* hereto, provided the Owner has been in compliance with the terms and conditions of the Plan and this Grant Agreement for the calendar year in question. Such Grant payments will be paid by check payable to the Owner or assigns within 60 days of receipt of the notice required by Section 4(B) hereof. Form 1099-G will be filed with the Internal Revenue Service and the Kansas Department of Revenue with respect to each Grant payment made.

B. The Owner agrees to notify the City when all conditions of the Plan and this Grant Agreement, including payment of all ad valorem taxes and special assessments, are satisfied for a given calendar year and request payment of the Grant for such year.

**SECTION 5
MISCELLANEOUS**

A. This Grant Agreement may be amended only with the prior written consent of the City and the Owner. This Grant Agreement may be assigned by the Owner to a subsequent owner of the Property without the

consent of the City, provided such subsequent owner is a Qualified Resident within the meaning of the Plan. The Owner agrees to provide the City with written notice of such assignment.

B. This Grant Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument, and any of the parties hereto may execute this Amendment by signing any such counterpart.

C. The parties hereto agree that this Grant Agreement shall be governed and construed in accordance with the laws of the State of Kansas.

D. In the event any part or parts of this Grant Agreement are found to be void, the remaining provisions of this Grant Agreement shall nevertheless be binding with the same effect as though the void parts were deleted.

E. GRANT PAYMENTS MAY OR MAY NOT HAVE TAX IMPLICATIONS FOR THE OWNER AND ITS ASSIGNS. EACH RECIPIENT OF GRANT PAYMENTS SHOULD SEEK THE ADVICE OF TAX PROFESSIONALS WITH RESPECT TO THE TREATMENT OF SUCH GRANT PAYMENTS FOR STATE AND FEDERAL INCOME TAX PURPOSES.

IN WITNESS WHEREOF, the City and the Owner have caused this Grant Agreement to be duly executed by their duly authorized representatives.

CITY OF MAIZE, KANSAS

By: _____
City Administrator

OWNER

Name:

Title: