

INSTRUCTIONS FOR COMPLETING CITY OF WICHITA ESCROW AGREEMENTS
(for prepaying special assessments)

Please make certain the following requirements have been met before sending special assessment prepayments to the Debt Management Office:

On the **front** of the Escrow Agreement:

1. Tax Key number must appear in upper right corner of the escrow agreement.
2. The first line of the escrow agreement should include the TYPED (or printed) name of the party making the payment.
3. ***THE DEBT MANAGEMENT OFFICE WILL COMPLETE THE REMAINING PARTS OF THE FIRST PAGE. THE PARAGRAPHS NUMBERED 1 AND 2 SHOULD BE LEFT BLANK***

On the **back** of the Escrow Agreement:

1. The first blank line is for the signature of the party prepaying the specials. The second blank line is for the party's mailing address. (Please note that if the prepaying party is the seller, the address to be used is the NEW address.)
2. Mailing address to whom prepay documentation is to be mailed.

Checks must be made payable to: The City of Wichita

Mail to: City of Wichita
Debt Management
City Hall, 12th Floor
455 North Main
Wichita, KS 67202

Original Escrow Agreement must accompany check.

Documents not in compliance with the above procedure will be returned for the necessary changes/corrections.

We appreciate your assistance in expediting the processing of prepayments.

Rev. 12/03/01

ESCROW AGREEMENT

THIS AGREEMENT dated the _____ day of _____, 20____, by and between

_____ hereinafter "Property Owner", and THE CITY OF WICHITA, KANSAS, hereinafter "Escrow Agent",

WITNESSETH:

WHEREAS, Property Owner is the owner of certain real property legally described as:

(legal description typed here and list of special assessments being prepaid and years paid)

WHEREAS, certain special assessments have been levied against the above-described real property and bonds have been issued by the City of Wichita, Kansas, in payment of the cost of the public improvements or other acts of the City of Wichita, Kansas, for which the said special assessments were levied; and

WHEREAS, Property Owner wishes to deposit with Escrow Agent monies which, when held in an interest-bearing account, will generate sufficient interest such that the required, annual payments of principal and interest on said special assessments can be made until said special assessments are paid in full; and

WHEREAS, Escrow Agent is willing to receive said payment from Property Owner and hold the same subject to the terms and conditions herein stated.

NOW, THEREFORE, the parties hereto do agree as follows:

1. Property Owner deposits with Escrow Agent, subject to the instructions and provisions herein contained, the sum of _____ DOLLARS(\$_____), the receipt of which is hereby acknowledged by the Escrow Agent. Said sum deposited by Property Owner represents the current outstanding special assessments against the real property owned by Property Owner and described hereinabove in the amount of \$_____, which sum has been discounted.

2. The said sum deposited by Property Owner with Escrow Agent shall be deposited by Escrow Agent in an escrow account and invested in direct obligations of the United States Government or in government-backed securities. The interest accruing to the deposit made herein by Property Owner, if said deposit is held for the remainder of the time that said special assessments remain outstanding against the property owned by Property Owner, will be \$_____.

3. Escrow Agent shall, on an annual basis, withdraw from the escrow account herein established an amount necessary to satisfy the then outstanding payment of principal and interest on the said special assessment against the property owned by Property Owner and cause such amount to be distributed to the City's general debt service fund on the same basis as would be other distributions of special assessment receipts from the County Treasurer.

4. As a fee for the maintenance of said escrow account, Escrow Agent shall receive an annual amount equal to five percent (5%) of the annual special assessment payment, which sum shall be deducted from the interest earnings accruing to said escrow account.

5. This agreement shall be revocable at the will of Property Owner so long as Property Owner is, at the time of the exercise of said right to revoke, the owner of the said real property described hereinabove. Revocation of this agreement shall be in writing delivered to the City Clerk of the City of Wichita, Kansas. Escrow Agent shall assess a penalty of ten percent (10%) of the outstanding escrow account balance at the time of such revocation and such sum shall be withdrawn from the amount of the escrow account returned to Property Owner. In addition, Escrow Agent shall withhold from the amount of the escrow account returned to Property Owner funds sufficient to pay the annual special assessment due during the current year and the next succeeding year against said real property. The ten percent (10%) penalty shall be applied by Escrow Agent as a penalty to defer cost incurred in revoking the said escrow account.

6. The Escrow Agent shall be liable as a depository only.

7. The Escrow Agent shall not be liable for collection items until the proceeds of the same in actual cash have been received. It may rely upon any paper, document or other writing believed by it to be authentic in making any delivery of money or property hereunder.

8. In accepting any funds delivered hereunder, it is agreed and understood that, in the event of disagreement between the persons herein mentioned or persons claiming under them, or any of them, the Escrow Agent will and does reserve the right to hold all money, securities and property in its possession, and all papers in connection with or concerning this escrow, until a mutual agreement has been reached between all of said parties or until delivery is legally authorized by final judgment or decree of a court of competent jurisdiction.

"Party Prepaying Specials"

"Address for Mailing Documentation"