

Repayment Agreement

THIS AGREEMENT made this _____ day of _____, _____ by and between the CITY OF MCPHERSON (hereinafter the "CITY") and

(Hereinafter referred to as HOMEOWNER (S),

WHEREAS, the CITY is authorized to administer CDBG rehabilitation grants utilizing dollars authorized and provided through the State of Kansas and the Department of Housing and Urban Development; and

WHEREAS, the HOMEOWNER(s) has applied to the CITY to be provided funding through the CDBG grant program; and

WHEREAS, the CITY has determined that the HOMEOWNER(s) qualified for receipt of a homeowner rehabilitation grant in accordance with all program rules; and

WHEREAS, the CITY has the responsibility as the disbursing agent for the proper expenditure of certain federal dollars; and

WHEREAS, the HOMEOWNER(s) desire that the CITY disburse CDBG grant dollars in accordance with the grant application; and

WHEREAS, the CITY has disbursed \$ _____ in CDBG rehabilitation dollars on behalf of HOMEOWNER(s), the HOMEOWNER(s) agree:

1. That the correct legal description for the real property is as follows:
2. To continue to own, occupy and maintain insurance on the structure repaired with CDBG funds for a period of three (3) years after the issuance of a Certificate of Completion; and
3. To maintain the rehabilitated property in a "standard condition" so as to prevent substantial destruction of the improvements due to the negligence of the HOMEOWNER(s); and upon breach of any of the aforesaid covenants, the HOMEOWNER(s) agrees to repay the CITY, 1/36 of the rehabilitation cost for every month prior to the expiration of the repayment agreement
4. The HOMEOWNER(s) further covenants and agrees that if the structure is totally destroyed by fire, natural disaster, public condemnation or through other causes within three (3) years after the issuance of a Certificate of Completion, the HOMEOWNER(s) should repay to the CITY, out of any insurance proceeds or other compensation received, a sum of money to be computed according to the schedule set forth above; provided, however, if the HOMEOWNER(s) received insurance proceeds or other compensation in an amount less than the fair market value of the structure after CDBG funded improvements, then the amount to be repaid shall be limited to the total insurance

proceeds or other compensation received which is in excess of the fair market value of the structure prior to the CDBG funded improvements.

- 5. That in the event the HOMEOWNER(s) reside in and retain the real property for three (3) years from the date of the signed Certificate of Completion, this agreement shall expire and become null and void.

WHEREAS; the CITY and HOMEOWNER(s) agree and acknowledge this agreement will be filed as a public record with the Register of Deeds in the County where the real property is located and is intended to provide full public notice of the existence of this security instrument.

IT IS SO AGREED
City of McPherson

By: _____ Date: _____

SUBSCRIBED AND SWORN TO before me this _____ day of _____, _____.

Notary Public: _____

My appointment expires: _____

HOMEOWNER(s)

Signed: _____ Date: _____

Signed: _____ Date: _____

SUBSCRIBED AND SWORN TO before me this _____ day of _____, _____.

Notary Public: _____

My appointment expires: _____