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City of Manchester

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Prepared by: Thomas Swift, ECIA, P.O. Box 1122 , Dubuque, IA 52001 1-800-942-2464

MANCHESTER HOME OWNERSHIP ASSISTANCE PROGRAM
FORGIVABLE LOAN AGREEMENT
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WHEREAS, the City of Manchester has established the MANCHESTER HOME OWNERSHIP ASSISTANCE PROGRAM to assist LMI buyers of single family residences in housing rehabilitation, and

WHEREAS, the undersigned, (hereinafter referred to as the OWNER) qualifies under the MANCHESTER HOME OWNERSHIP ASSISTANCE PROGRAM for a total loan of
Twenty nine thousand three hundred eighty two and 00/100--dollars
$29,382.00 for housing rehabilitation, and

SC-143

WHEREAS, a requirement of the MANCHESTER HOME OWNERSHIP ASSISTANCE PROGRAM is for the repayment of the loan to be in the amount shown in the Promissory Note whenever the property is sold or transferred,

THEREFORE, in consideration of the awarding of the loan the mutual covenants and promises of the parties and other good and valuable consideration, the CITY and OWNER agree as follows:

FORGIVABLE LOAN PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned jointly and severally promises to pay to the order of THE CITY OF MANCHESTER or any successors or assigns, the sum of
Twenty nine thousand three hundred eighty two and 00/100--dollars
$29,382.00 as follows:

** Plus or minus any increase or decrease change orders in the amount of $2,234.00 for a total indebtedness of $31,616.00 .

A. If the below described property is sold or transferred to an LMI household from the date of Final Inspection to it's fifteenth year anniversary, 50% of the amount shown above shall be called due. The remaining 50% will be transferred to the subsequent buyer.

B. If the below described property is sold or transferred to a Non-LMI household from the date of Final Inspection to it's fifteenth year anniversary, 100% of the amount shown above shall be called due.

(*The Mortgagor of this note will recapture their downpayment, principal payments, documentable capital improvements, and closing cost of the sale before the City has the right to collect any amount of this note. If proceeds remain after this note is paid and the 1st mortgage is satisfied, the Mortgagor of this note may collect the proceeds.)

MANCHESTER HOME OWNERSHIP ASSISTANCE PROGRAM
FORGIVABLE LOAN AGREEMENT
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MORTGAGE (State Law Reference)

Bill & Dawn Ross, 709 West Marion Street, Manchester, Iowa 52057, mortgages and warrants to the CITY OF MANCHESTER, IOWA the following described property in the CITY OF MANCHESTER, COUNTY OF DELAWARE, STATE OF IOWA, to secure the payment of the promissory note set out above,

TO WIT:
LEGAL DESCRIPTION:
Lot 624 original town of Manchester, Iowa, Delaware County, Iowa.

EXECUTED BY:

Billy L. Ross
OWNER Billy L. Ross

Dawn M. Ross
OWNER Dawn M. Ross

Thomas Swift
PROJECT MANAGER Thomas Swift

September 13, 1996
DATE

STATE OF IOWA, COUNTY OF DELAWARE

BE IT REMEMBERED, that on this 13th day of September A.D. 19 96, before me the undersigned, a Notary Pubic in and for the County and State aforesaid, came Billy L. & Dawn M. Ross who personally known to me to such person duly acknowledged the execution of the same.
IN TESTIMONY WHEREOF, I have hereto set my hand and notarial seal the day and year last written above.

MY APPOINTMENT EXPIRES THOMAS P. SWIFT II MY COMMISSION EXPIRES 3/5/99

Thomas P. Swift
NOTARY PUBLIC

PROMISSORY NOTE AND MORTGAGE

STATE OF IOWA, DELAWARE COUNTY, SS.
THIS INSTRUMENT WAS FILED FOR RECORD ON THE ____ DAY OF _____ A.D. 19 ____, AT _____ O'CLOCK ____.M. AND DULY RECORDED IN BOOK _____ AT PAGE _____.

_____
REGISTER OF DEEDS

BY:_____
DEPUTY

FEES

RECORDING $_____

REGISTRATION TAX $_____

TOTAL $_____

MANCHESTER HOUSING REHABILITATION PROGRAM
FORGIVABLE LOAN AGREEMENT
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The following are the terms of the forgivable loan:

1. This property was assisted with funds from the State of Iowa's Housing Fund program to rehabilitate owner occupied housing units. If this property or any part of the house is rented, leased or otherwise altered from its current condition as a single family dwelling unit during the course of this note, the entire original amount becomes due and payable to the City of MANCHESTER immediately. The property must be the owner's primary residence, and be listed on their income tax return as their primary residence, or the entire original amount of the note becomes due and payable immediately when the owner abandons the property.

2. If the property is not preserved in a reasonably clean, safe and sanitary condition as determined by the City's ordinances, the City of MANCHESTER has the option of declaring the entire original amount of the note due and payable to the City of MANCHESTER immediately.

3. The homeowner will request the approval of the City Council prior to undertaking any large renovation projects to the property which would result in an alteration of the existing floor plan.

4. Any convictions resulting from criminal activity occurring on the property will result in the entire original amount of the note becoming due and payable to the City of MANCHESTER immediately.

5. Failure to pay property taxes in a timely manner will result in the entire original amount of the note to become due and payable to the City of MANCHESTER immediately.

6. Establishing and conducting a business enterprise within the dwelling that fails to comply with the City's ordinances will result in the entire original amount of the note becoming due and payable to the City of MANCHESTER immediately.

7. Property insurance coverage in excess of the value of the note will be secured at the homeowner's expense for the entire period of the note. It will be the homeowner's responsibility to provide a copy of the property insurance on an annual basis to the City of MANCHESTER during the entire period of the note. Failure to supply the City with proof of insurance coverage will result in the entire original amount of the note becoming due and payable to the City of MANCHESTER immediately.

8. In the event of the death of the owner occupant, the note can be transferred to an heir or relative who meets the current (at the time of the death of the owner occupant) HUD Low and Moderate Income (LMI) guidelines for the remaining period of the note upon simple majority approval by the City Council. If no such heir or relative exists, then the entire original amount of the note becomes due and payable to the City of MANCHESTER immediately as to the terms of the note.

The City Council of the City of MANCHESTER has the right to waive any or all of the terms of the note due to extenuating circumstances.