

1-5a

Made this 20<sup>TH</sup> day of October 2020 by David S. Bragg, residing at 3483 US Route 11, McGraw, New York (the "Borrower") and the Town of Cortlandville, a municipal corporation with offices at 3577 Terrace Road, Cortland, New York (the "Town"), through the Town of Cortlandville's Community Development Block Grant (CDBG) Program (the "program").

**WITNESSETH THAT:**

**WHEREAS** the Town has funds available through its CDBG Program for loans to homeowners qualifying under the CDBG Program, and

**WHEREAS** the Borrower has applied for such a loan, or loans, and is qualified and eligible for funds from this program, to be spent on his property located at 3483 US Route 11, McGraw, New York, (the "subject property" as described in the attached Schedule A) for certain repairs and improvements (the "CDBG project"), and

**WHEREAS** the Town is willing to lend money to the Borrower(s) pursuant to such program for the purpose of undertaking the CDBG project, subject to certain terms and conditions.

**NOW, THEREFORE**, in reliance upon the information provided to the Town by the Borrower, and in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

1. The Town agrees to lend \$32,664.90 plus additional funds if there are any approved change orders to the Borrower (the "total CDBG assistance"); \$ N/A of which shall be provided as a direct loan with an interest rate of zero percent (0%) repayable pursuant to the terms and conditions noted below under the heading "Direct Loan" if applicable, and \$32,664.90 of which shall be provided as a deferred payment loan with an interest rate of zero percent (0%) repayable pursuant to the terms and conditions noted below under the heading "Deferred Payment Loan". The direct loan and/or deferred payment loan portions of the CDBG assistance may also be referred to as the loan or loans, collectively.

**A. Direct Loan**

Not Applicable

**B. Deferred Payment Loan**

The Borrower agrees to repay to the Town all or a portion of the deferred payment loan portion of the total CDBG assistance (as calculated below) if:

a. The Borrower sells the property within five years from the date of completion of the CDBG project, or

b. The Borrower voluntarily or involuntarily no longer makes the property his/her/their primary residence within five years from the date of completion of the CDBG project including but not limited to, relocation, death, nursing home confinement, or imprisonment; or

c. The Borrower sells, conveys or otherwise transfers ownership or title in the Property within five years from the date of completion of the CDBG project; or

d. The Borrower rents, leases, or allows the use of the Property for any other person other than the Borrower within five years from the date of completion of the CDBG project; or

e. The Borrower violates any other terms of this Agreement within five years from the date of completion of the CDBG project.

The CDBG project completion date will be the date on which the final disbursement of the total CDBG assistance is/was made. In the event a, b, c, d, or e above should occur, the Borrower may be required to repay all or portion of the assistance. To determine the amount of the assistance to be repaid, the Borrower will be credited 1/60th of the deferred payment loan portion of the CDBG assistance for each month the Borrower reside(s)/resided in the property from the date of completion of the CDBG project, until the date of occurrence of default (i.e., the date a, b, c, d, or e above occurs) (the "residency credit"). The amount of the residency credit shall be subtracted from the deferred payment loan portion of the total CDBG assistance and the resulting balance of the deferred payment loan portion of the total CDBG assistance will be due and payable to the Town.

2. The Borrower agrees to sign a new Owner-Occupied Loan Agreement and Note and Mortgage if the amount of funds advanced is different from the amount identified in #1 above.

3. The Borrower agrees and accepts as a condition of this assistance from the Town to bring current, and keep current for the duration of this loan, all real property taxes, assessments, and water/sewer charges pertaining to all property owned by Borrower in the Town of Cortlandville, Cortland County, New York.

4. The Borrower will provide proof of fire insurance on the subject property to the Town with the Town of Cortlandville listed as a Loss Payee or Mortgagee, as determined by the Town. The insurance shall be in an amount adequate to cover all outstanding debts on the property including the Town's loan or loans, whichever is greater. The insurance will be kept current for the life of the loan or loans.

5. The Borrower will sign a Note and Mortgage in the amount of \$32,664.90, even date herewith, as a condition of this Agreement, and in the event that said Note and Mortgage terms conflict with the terms and conditions stated herein, said Note and Mortgage provisions shall prevail.

6. The Borrower acknowledges the rights of the Town as creditor and agrees to notify the Town prior to incurring any additional debt on the subject property which could cause a lien to be filed against said property.

7. At the option of the Town, the direct loan and /or deferred payment loan portions of the CDBG assistance, whichever is applicable, will be paid in full if the property is sold and/or if the Borrower no longer uses the subject property as Borrower's primary place of residence before the term of the direct loan and/or deferred payment loan expires, whichever is applicable. In the event a pay off is required hereunder, the Borrower will be credited with a residency credit on the deferred payment loan portion of the CDBG assistance determined as noted in condition 1.B. above.

8. At the option of the Town, no advance shall be due unless (a) all work usually done at that stage of construction is done in a good and workmanlike manner, and (b) all materials and fixtures usually installed and furnished by that stage of construction are installed and furnished. The Town shall inspect the work prior to the making of any installment. Work is to be done to the Town's satisfaction. No installment is to be paid unless construction is approved by an engineer, architect, or other party satisfactory to the Town.

9. At the option of the Town, if the work stops or does not proceed at a reasonable speed, the Town may employ workmen and purchase materials to complete or protect the work. If mechanics liens or orders or assignments of contract are filed against the property, the Town may pay and satisfy them. If any taxes, assessments, sewer rates, or water rates charged against the property are not paid when due, the Town may pay them. Payments made by the Town under this Paragraph are secured by the aforementioned Note and Mortgage as if they were installments paid to the Borrower.

10. At the option of the Town, Borrower agrees to pay for and indemnify the Town for all claims or liens for materials, labor, or services furnished for the improvements on the property. Borrower shall defend any action or proceeding brought against the Town on these liens or claims with an attorney of the Town's choice.

11. The Borrower agrees to maintain the subject property and make immediate corrections to any code violations. Yearly inspections of the subject property may be made for the term of the loan or loans, whichever term is longer, by the Town Code Enforcement Office or other Town representatives.

12. Compliance with HUD requirements: The Borrower shall comply with all of the following requirements:

(a) The regulations for the CDBG Program contained in 24, Part 570.

(b) All requirements imposed by Title VI of the Civil Rights Act of 1964 (Public Law 88-352) and Section 109 of the Housing and Community Development Act of 1974, as amended, and the regulations related to equal opportunity (24 CFR, Part 570.601). No person in the United States shall, on the grounds of race, color, creed, religion, national origin, sex, familial status, or handicap be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any project assisted with Community Development Block Grant funds.

(c) The flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (Public Law 93-234), if the rehabilitated property is located within the Town's floodplain area.

(d) The regulations, policies, guidelines, and requirements of OMB Circular A-102 Revised (Handbook 1300.17), which relates to the acceptance and use of federal funds.

(e) Requests from HUD, the Town and/or the Comptroller General (or any authorized representatives) for access to and the right to examine all records, books, papers or documents related to the loan and cooperate fully with the Town in supplying information to meet CDBG audit requirements.

(f) The regulations of Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988; which directly prohibits discrimination in the sale, financing, rental, or advertisement of housing on the basis of race, color, religion, national origin, sex, familial status, or handicap.

(g) The lead-based paint requirements of 24 CFR, Part 35, Subpart B, issued pursuant to the Lead-Based Paint Poisoning Act (42 U.S.C., 4801 et seq.).

13. The Borrower will, if requested by the Town, cooperate fully and adjust for clerical errors, execute, or re-execute any and all agreements or other documents executed as evidence of the Borrower's debt to the Town as deemed necessary or desirable in the reasonable discretion of the Town to enable the Town to fully complete the transaction as intended, and to protect the Town's interests to the satisfaction of its Town's legal counsel.

14. In the event the direct loan and/or deferred payment loan is provided to rehabilitate a multi-family, owner-occupied property, the Borrower agrees to comply with the Town's requirements to make units both available and affordable to low-to-moderate income persons/households. In order to insure the rental unit(s) are available to low/mod persons/households, the Borrower agrees to rent the non owner-occupied unit(s) to only low-to-moderate income individuals or households for the longer of the term of the direct loan or deferred payment loan portion of the total CDBG assistance, whichever is applicable. The most current HUD income limits for the County as adjusted for family size shall be used to determine if a person/household meets the low-to-moderate income test.

In order to insure the rental unit(s) are affordable to low-to-moderate income persons/households, rent(s) for the non-owner occupied units for the first year following completion of rehabilitation must not exceed Fair Market Rents (FMR) in accordance with the Town's Process to Insure Affordability. Rents will be deemed affordable if:

(i) the subject property's rental unit(s) is occupied by a low/mod household and the current rent does not exceed the current Fair Market Rate (FMR) as established by HUD. FMR includes utilities but will be adjusted accordingly for utilities paid directly by the tenant;

(ii) the subject property's rental unit(s) is renting above the FMR and is occupied by a low/mod household(s), the property owner agrees to immediately reduce the rent for said unit(s) to the established FMR (net of utility allowances for utilities paid by tenant) at the time of signing the agreement to participate in the rehabilitation program.

(iii) the unit(s) is renting above the FMR and is occupied by a non low/mod tenant, the property owner will not be required to reduce the rent nor be required or allowed to displace the non low/mod tenant(s). The property owner agrees to comply with the FMR requirements when and if the non low/mod tenant(s) first vacate the property.

(iv) the unit(s) is vacant, the property owner agrees to rent to a low/mod household and to comply with the FMR requirements immediately upon occupancy.

The allowable rent for any rental unit(s) in the subject property for the first year shall be as follows:

Unit 1: Gross FMR - \$ n/a less total utility allowances of \$ n/a =  
\$ n/a  
(Landlord provides *itemize utilities here*; Tenant provides *itemize utilities here*)

15. In the event there is more than one Borrower, each shall be jointly and severally responsible for the direct loan and/or deferred payment loan, whichever is/are applicable.

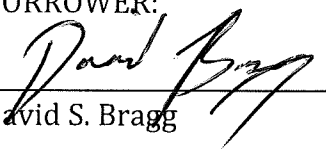
16. This Agreement is binding upon the parties hereto, their heirs, successors, representatives, administrators, and assigns. The Borrower shall not assign without Town approval.

IN WITNESS WHEREOF, the Town and the Borrower hereto have set their hands as of the date set forth at the beginning of this Agreement.

Town of Cortlandville

\_\_\_\_\_  
Thomas A. Williams, Supervisor

BORROWER:

  
\_\_\_\_\_  
David S. Bragg

**ACKNOWLEDGEMENT**

STATE OF NEW YORK     )  
COUNTY OF CORTLAND    )     ss:

On the \_\_\_\_ day of \_\_\_\_\_ in the year 2020 before me, the undersigned, a Notary Public in and for said state, personally appeared Thomas A. Williams, Supervisor of the Town of Cortlandville, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
Notary Public

STATE OF NEW YORK     )  
COUNTY OF CORTLAND    )     ss:

On the \_\_\_\_ day of \_\_\_\_\_ in the year 2020 before me, the undersigned, a Notary Public in and for said state, personally appeared David S. Bragg, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
Notary Public

\* See Next Page.

## SCHEDULE A

ALL

THAT TRACT OR PARCEL OF LAND, situate on the west side of Route No. 11 in Lot No. 87 and Lot No. 88 of the Town of Cortlandville, County of Cortland and State of New York, being bounded and described as follows: BEGINNING at a point where the center line of Route No. 11 is intersected by the north line of premises now or formerly of Jordan (Instrument No. 1997-3412), said point being located approximately ½ mile north of the intersection of said Route No. 11 and Blodgett Mills Road; thence running S-89°-36'-W along said Jordan's north line and the south line of premises of the grantors, a distance of about 362.5 feet to a point in the center of the Tioughnioga River; thence running northerly, along said center line of the Tioughnioga River, a distance of about 1200 feet to a point being the southwest corner of lands now or formerly of Henry (Book 312 of Deeds, Page 704); thence S-84°-04'-E, along the south line of said Henry (R.O.) a distance of about 218.4 feet to a point in the center line of Route No. 11; thence S-01°-29'-W, along said center line of Route No. 11, a distance of 355.04 feet to a point; thence S-01°-00'-W, along said center line, a distance of 421.76 feet to a point; thence S-02°-39'-W, along said center line, a distance of 235.59 feet to the place of beginning, containing 8.51 acres of land, more or less.

That portion of the above described premises lying within the bounds of Route No. 11 is conveyed subject to the rights of the public therein for street or highway purposes.

The above described premises are the same premises shown on a map of a survey made by Milton A. Greene, P.L.S. No. 42000, dated September 16, 1976 and revised August 27, 1998, which is incorporated herein by reference and attached hereto.

The above described premises are the same premises conveyed to the grantors herein by Executor's Deed dated December 8, 1981 and recorded January 19, 1982 in Book 371 of Deeds at Page 735 in the Cortland County Clerk's Office.



ACKNOWLEDGEMENT

STATE OF NEW YORK )  
COUNTY OF CORTLAND ) ss:

On the 20<sup>th</sup> day of October in the year 2020 before me, the undersigned, a Notary Public in and for said state, personally appeared Thomas A. Williams, Supervisor of the Town of Cortlandville, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

*Renee J. Lobdell*  
Notary Public

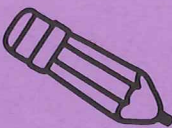
STATE OF NEW YORK )  
COUNTY OF CORTLAND ) ss:

On the 20 day of October in the year 2020 before me, the undersigned, a Notary Public in and for said state, personally appeared David S. Bragg, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

*Renee J. Lobdell*  
Notary Public

RENEE J. LOBDELL  
Notary Public, State of New York  
No. 01LO6120377  
Qualified in Cortland County  
Commission Expires Dec 20, 2020



  
Signo top in error.  
Did not want to  
cross out.  
*Renee Lobdell*