

## CITY OF KLAMATH FALLS

## HOUSING REHABILITATION LOAN PROGRAM

## HOME IMPROVEMENT LOAN AGREEMENT

THIS AGREEMENT is made this 1<sup>st</sup> day of April, 1986,  
between the City of Klamath Falls, Oregon, a Municipal Corporation ("City")  
and Paul and Carolee Ratzlaff, husband and wife  
("Homeowner").

WITNESSETH: That in consideration of a loan of Four thousand nine  
hundred fifty and 00/100ths (\$ 4,950.00 ) Dollars from  
the City, of technical and other assistance provided by the City in  
connection with repairs and/or improvements to Homeowner's property, and of  
promises contained in this agreement, the Homeowner and the City agree as  
follows:

1. The work to be paid for with loan proceeds in an amount not to exceed \$ 4,950.00 shall include only repairs and improvements listed or described in the Contract Documents and other eligible costs approved by the City, which documents are hereby incorporated by reference within this agreement. Homeowner's property to be improved is located at 2122 Home Avenue (street address) in the City of Klamath Falls, Klamath County, Oregon, and more particularly described as:  
  
Lot 320, Block 111, MILLS ADDITION, to the City of Klamath Falls according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, free of all encumbrances except reservations, restrictions, easements and rights-of-way of record and those apparent upon the land.
2. Homeowner and City agree that the administration of the construction work to be performed with the loan proceeds shall be governed by and subject to the terms of the Contract Documents and the applicable terms of the Housing Rehabilitation Loan/Grant Program for the City of Klamath Falls, Oregon, as adopted by the City Council and currently existing as of the date of this Agreement.
3. The Homeowner expressly authorizes the City to establish a rehabilitation account with the loan proceeds, and to disburse such proceeds in accordance with the Contract Documents and the Program.
4. The Homeowner will begin the contract work on or after receiving written authorization to proceed from the City, and will complete the work within 45 days of such receipt. If the work is not completed within such time, and the completion date has not been extended in writing by the City due to work delay not caused by Homeowner's negligence or neglect, the City shall have the right to complete the work by whatever method it deems expedient, and the right to use any amount remaining in the Homeowner's rehabilitation account to pay the costs of such completion.
5. Homeowner shall notify City in writing of the sale or transfer, whether for consideration or not, of any legal or equitable interest in any part of the property, whether it is voluntary or involuntary. Such notice shall be sent as soon as Homeowner knows that there will be a sale or transfer and not later than one week before the expected sale or transfer except in the case of the death of the last surviving Homeowner, in which case the Homeowner's estate shall notify the City as soon as reasonably possible. The notice must include the name of the Homeowner, the address of the property, the name of the person to whom the property is being sold or transferred, and the name of any person or company who is acting as a closing agent for the sale or transfer or is otherwise participating in the transaction. Homeowner authorizes City to contact any of the persons so named and authorize and direct such persons to pay City any obligations owing under this agreement from any monies which such persons owe to Homeowner.
6. Homeowner has executed a Promissory Note in favor of the City the same date as this agreement and, to secure said note, a Trust Deed to the City which document Homeowner acknowledges will be recorded by City. In addition, Homeowner acknowledges that City may record this agreement.
7. Each Homeowner who signs this agreement shall be individually and jointly responsible for performing the obligations of Homeowner in this agreement. This agreement shall be binding upon the successors of the parties. Homeowner shall not assign this agreement.

