

DOWNPAYMENT ASSISTANCE AGREEMENT

THIS DOWNPAYMENT ASSISTANCE AGREEMENT (the “Agreement”) is made and entered into as of this ____ day of _____, 20__, by and between the VILLAGE OF DEFOREST, a Wisconsin municipal corporation whose principal address is 120 S. Stevenson Street, DeForest, Wisconsin 53532 (the “Village”), and _____ (“Recipient”).

RECITALS

WHEREAS, the Village has established the HomeReach DeForest housing program (the “Program”) to promote affordable housing and strengthen the local housing stock as further set forth in Exhibit A to this Agreement;

WHEREAS, the Village has determined that the Recipient and the property to be purchased (the “Property”) described herein meet the eligibility requirements of the [ENTER PROGRAM CATEGORY] Fund category of the Program;

WHEREAS, the Village agrees to provide the Recipient with financial assistance in the form of a grant to assist with purchasing the Property as outlined in the Recipient’s approved application; and

WHEREAS, such assistance will advance the Village’s goal to improve housing accessibility, affordability, and quality within the Village of DeForest.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

ARTICLE I THE PROPERTY

1.01. Property Description. The Recipient agrees to purchase the Property described in the Recipient’s application to the Program, incorporated herein as **Exhibit B**.

1.02. Purchase Price. Recipient has represented that the total estimated cost of purchasing the Property is \$_____.

1.03. Completion of Purchase. The Recipient must obtain fee simple ownership of the Property within ninety (90) days of the date of this Agreement unless otherwise extended by the Village in writing.

ARTICLE II

THE GRANT

2.01. Financial Assistance. Subject to the terms and conditions of this Agreement, including the Recipient completing purchase of the Property as described in Section 1.03, the Village agrees to provide the Recipient with financial assistance in the following amounts:

a) Grant: Up to \$ _____, subject to program eligibility.

2.02. Financing Commitment. Recipient acknowledges that the Grant is contingent upon Recipient having received a commitment for financing to purchase the Property and warrants that it has received such a commitment as further set forth in **Exhibit C.**

2.03. Use of Funds. The Grant funds are to be used solely as a downpayment for purchase of the Property. Any unauthorized use of funds shall constitute default.

2.04. Disbursement. Funds shall be disbursed to Recipient at closing of the purchase of the Property. Village agrees to cooperate with title company or lender as needed to successfully process closing of the transaction.

2.05. Rental of Property. The Property shall be owner-occupied by the Recipient for a period of no less than three (3) years. If the Property is rented, or any title interest in the Property is sold, to another party within three (3) years of this Agreement, all Grant funds shall be immediately repaid to the Village.

[2.06. Termination of Employment. If Recipient has been qualified under the Local Public Service Downpayment Assistance Program, and the Recipient's employment with a qualifying agency is terminated voluntarily by the Recipient within one (1) year of purchasing the Property, Recipient shall repay all grant funds to the Village within thirty (30) days of termination.

ARTICLE III REPRESENTATIONS AND WARRANTIES

3.01. Authority to Act. Recipient has all requisite power and authority to enter into this transaction, to execute, deliver, and perform this Agreement, to execute and deliver each and every instrument and otherwise to consummate the transaction herein contemplated. Neither the execution and delivery, nor performance of this Agreement by Recipient, will result in the breach of any contract, covenant or agreement, or order, judgement or decree by which Recipient is bound or affected.

3.02. Interest in Property. Recipient will become owner and occupant of the Property upon closing of the purchase transaction.

3.03. Program Compliance. All information provided in the program application and supporting documentation is true and correct. Recipient's household income meets the program's eligibility requirements.

3.04. Insurance. Recipient shall maintain homeowner's insurance on the property for its full replacement value.

ARTICLE IV
DEFAULT AND REMEDIES

4.01. Events of Default. Any one or more of the following events is an Event of Default under this Agreement:

- a) Material nonperformance by Recipient of any covenant, agreement, term or condition in this Agreement not involving the payment of money and where no other time period for cure is specified, and the continuation thereof for a period of thirty (30) days after receipt by the Recipient of written notice from the Village specifying such nonperformance, provided, however, if such nonperformance is not a health or safety violation, and if the nature of the nonperformance reasonably requires more than thirty (30) days to fully cure, the Recipient shall not be deemed to be in default if it immediately commences and diligently proceeds thereafter to cure within a reasonable period of time;
- b) The failure of any representation of Recipient to be true and correct at the time of then entering into of this Agreement or at the time of disbursement of the Grant;
- c) The failure of Recipient to comply with any and all program requirements as set forth in Exhibit A.

ARTICLE V
MISCELLANEOUS

5.01. Entire Agreement. This Agreement represents the entire agreement between the parties hereto and may be amended only by a written agreement executed by both parties.

5.02. Severability. The various provisions in this Agreement are intended to be severable. In the event that any single term in this Agreement is determined to be invalid or unenforceable, such determination shall not affect any of the remaining provisions which shall continue in full force and effect.

5.03. Governing Law. This Agreement shall be governed by and construed according to the laws of the State of Wisconsin. In the event of a dispute, venue shall lie for all parties in Dane County, Wisconsin.

5.04. Section Captions. The captions or headings of the various sections of this Agreement are intended for ease of reference only and shall not be deemed to define, limit or describe the scope or intent of this Agreement and are not part of this Agreement.

5.05. Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors or assigns.

IN WITNESS WHEREOF, the Village and the Recipient have executed this Agreement as of the day and year first above written.

VILLAGE OF DEFOREST

By: _____
_____, Village President

Date: _____

RECIPIENT

Name: _____

Address: _____

Date: _____

EXHIBIT A
THE PROGRAM

EXHIBIT B
RECIPIENT'S APPLICATION

EXHIBIT C
FINANCING COMMITMENT