

EXHIBIT 9-N

MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

(SAMPLE) AGREEMENT (CONCERNING LMI ASSESSMENT PAYMENTS) FOR OWNERS OF LOW AND MODERATE-INCOME OCCUPIED RESIDENTIAL PROPERTY

THIS AGREEMENT made and entered into this _____ day of _____, 200__, by and between _____ County, Montana (hereinafter referred to as the County) and _____, the owner (Owner) of rental property located within _____/County Water and Sewer District (the District) whose address is: _____, _____.

WHEREAS, as a part of the District's sanitary sewer improvement project, the County is making available Community Development Block Grant (CDBG) funds to **pay the assessments of those District residents who qualify as low and moderate-income (LMI)** persons under U.S. Department of Housing and Urban Development (HUD) and CDBG guidelines; and

WHEREAS, for properties within the District owned by non-LMI persons, but occupied by renters who qualify as LMI, **CDBG funds can be utilized to offset the special sewer assessment costs for the subject property, in accordance with the following agreement;**

NOW THEREFORE, the parties agree as follows:

I. USE OF FUNDS

Funds provided by the County under this Agreement will be used to **pay the District's 200 special sewer assessment for rental residences occupied by LMI tenants.**

II. OWNER'S DUTIES AND RESPONSIBILITIES

In consideration of receiving assistance under this the Owner agrees as follows:

- I. The Owner agrees that if the Owner rents the real property described in this Agreement within five years of signing this Agreement, the Owner, as landlord, will:
 - A. for five years from the date of this Agreement, maintain rents for the unit at or below the Fair Market Rents established by HUD and subject to review for compliance by the County.
 - B. allow the County to annually review the rents charged for the unit to ensure compliance with the rent cap. The Owner agrees to provide the County with any information necessary to perform this review.

2. If the Owner fails to comply with the conditions in Section II of this Agreement, the County may assess and collect from the Owner within 60 days of the date of any special sewer assessment notice to Owner, the amount of funds granted to the Owner by the County under this Agreement pursuant to a prorata five-year sliding scale of 20 percent per year. If the Owner does not repay the funds owed to the County within 60 days of the date of notice, the amount owed becomes a lien against the property, and the County may resort to the property and seek any remedies provided by the laws of Montana, including foreclosure, always holding the Owner responsible for any deficiency after the sale of the property securing the grant.
3. If the Owner conveys the real property described in this Agreement within five years of the date of this Agreement, the repayment provisions of paragraph 2, above, apply.

III. COUNTY DUTIES AND RESPONSIBILITIES

1. The County agrees to pay the initial special sewer assessment for the Owner's property for which there is a qualified LMI renter, using CDBG grant funds.
2. The County will assess and collect any sanitary sewer grant fund monies that the Owner owes to the County because of the Owner violation of or failure to comply with the Owner's obligation under to this Agreement.
3. If the Owner fails to meet the conditions described in Section II of this Agreement, the County will place a lien on the property described herein, and the County may levy a tax against the property for the amount owed the County.

IV. REAL PROPERTY TO BE BENEFITED

The real property to be benefited through the use of sanitary sewer assistance grant funds and which real property has a lien assessed against it by the County pursuant to the provisions of this Agreement is legally described as follows:

 Lot _____
 Block _____

The street address for this property is:

_____, _____, Montana 59xxx

V. SECURITY

The Owner will provide as security for the performance of this Agreement, a security interest to the County of those certain properties described in Section IV of this Agreement.

VI. LEVEL OF ASSISTANCE

The amount to be granted under this Agreement will be determined by deducting \$XXX,xxx (the amount of grants awarded for the project by the Montana Departments of Commerce and Natural Resources and Conservation) from the final, total cost of the project and dividing the

balance by the number of equivalent dwelling units (EDU's) being served by the District sewage collection/treatment system as of the date of the closing of a loan to the project from the State of Montana Revolving Loan Fund.

VII. FAIR MARKET RENTS

If the Owner rents the benefited real property within five years of the date of this Agreement so that the rent requirements set forth herein are activated, the Owner agrees to rent the property in accordance with Fair Market Rents as determined by HUD. Fair Market Rents are subject to change; therefore, the Owner is responsible for confirming the Fair Market Rent for the property prior to renting the property. Current Fair Market Rent guidelines will be used for annual reviews.

VIII. NO DISCRIMINATION IN RENTAL OF PROPERTY

If the Owner rents or sells the property, the Owner will not unlawfully discriminate in the sale, lease or rent of the property and will not refuse to sell, lease, or rent the property on the basis of sex, marital status, race, creed, religion, color, age, familial status as that term is defined by 42 United States Code Section 3602 (K), physical or mental disability or national origin.

IX. BINDING ON SUCCESSORS IN INTEREST

This Agreement is binding on all successors in interest or assigns of the parties to this Agreement.

X. LIAISON AND AUTHORIZED REPRESENTATIVE OF COUNTY

The County's liaison with the Owner for purposes of administering this Agreement is the President of the _____/ County Water and Sewer District who is authorized represent and to act on the County's behalf with respect to all matters arising under this Agreement.

XI. NOTICES

The parties agree to deliver any written notice required under the Agreement to each other at the following addresses and to personally contact each other at the following telephone numbers:

_____/COUNTY WATER
AND SEWER DISTRICT

President, Water/Sewer District
Phone: (406)- XXX-xxxx
P.O. Box XXX
_____, MT 59XXX-xxxx

Owner

XI. ENTIRE AGREEMENT

The provisions of this Agreement constitute the entire Agreement and understanding between the parties and is intended to be a final, complete expression of the terms of this Agreement. The parties agree that provisions, terms, conditions, obligations, or promises other than those set forth in this Agreement are not legally binding. This Agreement supersedes all previous communications, representation, or agreements between the parties whether oral or written.

XIII. MODIFICATIONS TO AGREEMENT MUST BE IN WRITING

Any modification to this Agreement must be in writing and signed by both parties.

XIV. DURATION OF AGREEMENT

This Agreement will be in effect for a period of five years from the date signed, until the Owner has had a reasonable time to comply with the provisions of this Agreement, and, if necessary, the County has had a reasonable time to collect any monies owed to the County as a result of the Owner's failure to comply with the provisions of this Agreement but no longer than eight years from the date of execution of this Agreement.

AGREED TO AND ENTERED INTO BY THE UNDERSIGNED PARTIES THIS _____ DAY OF _____, 200_____.

_____ COUNTY, MONTANA

By: _____
_____, PRESIDENT
_____/COUNTY WATER AND SEWER DISTRICT

OWNER(S)

Owner's Signature

Owner's Signature (if second owner)

Print Owner's Name

Print Owner's Name

STATE OF MONTANA)
)ss.
County of _____)

This instrument was acknowledged before me on _____,
by _____.

(NOTARIAL SEAL)

MONTANA

Printed Name: _____
NOTARY PUBLIC FOR STATE OF

Residing at _____
My Commission expires _____