

THIS INSTRUMENT PREPARED BY:

CITY OF FORT SMITH, ARKANSAS
Attn: Community Development Department
P. O. Box 1908
Fort Smith, AR 72902-1908
(479) 784-2209

**DEED RESTRICTION - HOME INVESTMENT
PARTNERSHIPS PROGRAM**

KNOW ALL PERSONS BY THESE PRESENTS:

_____ is the Owner ("Owner") in fee simple of certain property located in Sebastian County, Arkansas, more particularly described on the attached Exhibit "A" (the "Property").

Owner has obtained _____ and ___/100 Dollars (\$_____) as the total HOME subsidy from the City of Fort Smith, Arkansas Community Development Program ("City") as Administrator of the federal HOME Investment Partnerships Program (the "HOME Program") to assist in financing the purchase or rehabilitation of the Property, conditioned upon compliance with all HOME Program requirements including, but not limited to, the affordability requirements contained in 24 CFR Part 92.

In consideration of the foregoing, the receipt and sufficiency of which is hereby acknowledged, Owner, on behalf of (himself/herself/ themselves), their successors and assigns, hereby covenants with the City, its successors and assigns, as follows, which covenants shall constitute covenants running with the land and shall be binding upon all current and future parties having any right, title, or interest in the Property or any part thereof, their heirs, administrators, successors, and assigns:

1. DURATION OF AFFORDABILITY RESTRICTIONS. The housing constructed or rehabilitated in connection with the improvements described herein shall qualify as affordable housing pursuant to 24 CFR 92.254, as may be amended from time to time, for a period of _____ (___) years (the "Affordability Period") beginning after project completion whereupon the covenants and restrictions contained herein shall terminate without any further action being required of Owner or the City.
2. TERMINATION OF AFFORDABILITY RESTRICTIONS. The affordability restrictions shall terminate sooner upon foreclosure or transfer in lieu of foreclosure provided, however, that the affordability restrictions shall be revived according to the original terms thereof if, during the original affordability period the owner of

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record before the foreclosure or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Property.

3. RECAPTURE RESTRICTIONS. The Owner understands and agrees that the applicable pro rata amount of total HOME funds invested in the Property shall be repaid to the City if, within the applicable Affordability Period of _____ (____) years, the Property is sold or otherwise transferred to any purchaser or or otherwise fails to occupy the Property as their principal residence. In instances where the Property has appreciated in value over the elapsed period of affordability, the amount of appreciated value to be retained by the original HOME-assisted owner shall be pro-rated based upon the ratio of the original HOME-assisted owner's total investment in the Property to the total amount of HOME assistance initially provided. If the proceeds of the sale or transfer are not sufficient to repay the entire HOME subsidy, the repayment may be reduced or pro-rated by City at its sole and absolute discretion. If the Property is sold or transferred to a qualifying purchaser, the Affordability Period will continue to be in effect for the remainder of the original Affordability Period, and the same resale provisions will apply to the qualifying purchaser or transferee.

EXECUTED on this ____ day of _____, 20__.

Owner:

Printed Name: _____

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ACKNOWLEDGMENT

STATE OF ARKANSAS)

) ss

COUNTY OF)

BEFORE ME, the undersigned Notary Public, on this day personally appeared, _____, known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he had executed the same as Mortgagor, with authority for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this ____ day of _____, 20__.

NOTARY PUBLIC

My Commission Expires:

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