

AGREEMENT

This Agreement ("Agreement") made and entered into this ____ day of _____, 2013, by and between the City of Lawrence, Kansas, a municipal corporation ("City"), and Lawrence Community Shelter, Inc., a Kansas not-for-profit corporation ("Shelter").

WHEREAS, Shelter is a community organization created and operated for the purpose of providing food, shelter, counseling, job opportunity training, and other basic and essential services for the homeless;

WHEREAS, Shelter has purchased, and now occupies, a facility designed to assist the homeless, located at 3701 Franklin Circle, Lawrence, Kansas ("Facility"):

WHEREAS, to acquire Facility, Shelter obtained a construction loan from Peoples Bank, upon which there remains an unpaid principal balance of _____, together with interest thereon at the rate of _____% per annum from the ____ day of _____, 2013, which said loan is due and payable in full;

WHEREAS, there is an immediate need to make repairs to the roof of the main Facility building;

WHEREAS, Shelter has requested the City to make it a loan in the principal amount of \$725,000.00, the proceeds of which will be used exclusively by Shelter to repay the Peoples Bank loan. After the payment, the balance of City's loan of \$725,000.00 will be used by Shelter to acquire roof repairs to its main building which amount shall not exceed \$_____.

NOW THEREFORE, the parties agree, each with the other, that City will loan to Shelter an amount not to exceed \$725,000.00, in consideration of and subject to the following terms and conditions:

1. The recitals stated above are by reference incorporated herein and made a part of the Agreement.

2. The loan shall be made in two separate checks to be issued by City, to-wit: One check made payable jointly to the order of Peoples Bank and Shelter in the amount of \$_____, in full payment of existing construction loan issued by said bank; a second check made payable jointly to the order of Shelter and the company which shall be the lowest responsible bidder for the making of the roof repairs to Shelters' main building, said amount not to exceed \$_____.

3. In consideration of the loan by City to Shelter, Shelter agrees to repay said loan in the following manner, to-wit:

a. Shelter shall pay to the City the sum of \$225,000.00 on or before October 31, 2014, which said amount shall have been interest free if fully and timely paid. Should Shelter fail to timely re-pay the full amount of \$225,000.00, said sum shall bear and draw interest at the rate of 2% per annum from the original loan date until principal and interest are fully paid, all of which shall be in addition to the regular monthly payments of principal and interest set-forth in numbered paragraph 4 hereof.

4. Other than the \$225,000.00 to be paid by Shelter by October 31, 2014, Shelter shall pay to City the principal amount of \$500,000.00, together with interest thereon at the rate of 2% per annum on the unpaid principal amount existing from time to time, in 180 equal monthly payments of \$1,848.00 each, commencing January 10, 2014, and continuing on the same day of each month thereafter, until December 10, 2028, at which time the entire unpaid balance of principal and interest on the original principal loan amount of \$725,000.00, shall be paid in a lump sum to City. It is expressly understood and agreed that the \$1,848.00 monthly payments are based on a payment over 30 years, rather than 15 years.

5. In the event Shelter shall fail to fully and timely make any payment of principal or interest when due by the terms hereof, City shall have the right to withhold said amount of any allocations of public funding money made or to be made by City for the benefit of Shelter. The amount of such withholding(s) shall first be applied to accrued and unpaid interest with the balance remaining, if any, to be applied to the existing principal balance.

6. Shelter shall have the right, without penalty, to accelerate full and final payment of principal and interest due City hereunder.

7. The District Court of Douglas County, Kansas, Lawrence, Kansas, shall be the sole court of jurisdiction to hear unresolved legal disputes which may arise between the parties; and that arbitration is not a means by which disputes can or will be resolved.

8. It is expressly understood and agreed by the parties that the making of loan by City to Shelter does not in any manner, create a relationship, legal or otherwise, between the parties other than that of creditor and debtor.

9. The parties represent, each to the other, that the Agreement is being entered into and executed with the express authority of their respective governing bodies.

IN WITNESS WHEREOF, each of the parties hereto have caused this Agreement to be signed on its behalf on the date(s) shown, with the last date to be the effective date of the Agreement.

City of Lawrence, Kansas
A Municipal Corporation

By: _____
Michael Dever, Mayor

Date

Attest:

By: _____
Jonathan M. Douglass, City Clerk

Lawrence Community Shelter, Inc.,
A Kansas Not-for-Profit Corporation

By: _____
John Tacha, President

Date

Attest:

Anne M. Bracker, Secretary