

EARNED EQUITY PROGRAM

HOMEOWNERSHIP AGREEMENT

Tule River Homebuyer Earned Equity Agency, a Subsidiary of a Subsidiary of a Section 17 Corporation, as Agency

«Homebuyer_1» «And_2» «Homebuyer_2» «And_3» «Homebuyer_3» «And_4» «Homebuyer_4», as Homebuyer

**«Street»
«City», «State» «Zip»**

THIS HOMEOWNERSHIP AGREEMENT (“**Agreement**”), effective as of **«Closing_Date»**, is by and between Tule River Homebuyer Earned Equity Agency (“**Agency**”), whose address is 31071 CA-190, Porterville, CA 93257 and **«Homebuyer_1» «And_2» «Homebuyer_2» «And_3» «Homebuyer_3» «And_4» «Homebuyer_4»**, whose address is **«Street», «City», «State» «Zip»** (“**Homebuyer**”).

ARTICLE 1 - RECITALS

WHEREAS, Agency is or as noted below intends to be the owner of fee simple title to all that certain real property located in **«City», «State»** is as more particularly described in Exhibit A hereto (the “**Property**”);

WHEREAS, the Agency works with participating mortgage lenders and other private and government-related entities (“**Mortgage Lenders**”) to offer affordable and sustainable paths to homeownership for individuals who may face challenges qualifying for a traditional home mortgage loan;

WHEREAS, the Homebuyer desires to become a homeowner, but needs time and assistance to meet the approval criteria for a traditional home mortgage loan financing;

WHEREAS, the Homebuyer has identified the Property as a residential single-family property for purchase, agreed to a purchase price with a third-party seller, and signed a purchase agreement for the Property with said third-party seller (the “**Purchase Agreement**”);

WHEREAS, the Homebuyer has qualified for the home acquisition program offered by the Agency known as the “**Earned Equity Program**”, and the parties agree to the terms of such Earned Equity Program on the terms and conditions provided herein;

WHEREAS, the Homebuyer further agrees to pay and/or have the third-party seller pay for the Cash to Close (defined herein) closing costs and prepaid items required under the Mortgage originated for the Agency by the participating Mortgage Lender;

WHEREAS, under the Earned Equity Program offered by the Agency, the Agency is paying the Property purchase price that the Homebuyer has negotiated with the third-party seller by funding a portion of the down payment and becoming the borrower on a Mortgage Loan in the Homebuyer's place and then is transferring the Property back to Homebuyer pursuant to this Agreement;

WHEREAS, the Homebuyer may provide their own down payment funds to reduce or supplement the amount of Earned Equity Program funds provided by the Agency; and

WHEREAS, the Agency accepts this role as borrower of the Mortgage Loan until such time as the Homebuyer can either (i) assume the role as borrower under the terms and conditions of the Mortgage Loan (if permitted thereunder) and this Agreement, or until such time as the Homebuyer can otherwise satisfy the Mortgage Loan; and the Agency agrees to terminate this Agreement and sell, convey, and transfer fee simple title to the Property to the Homebuyer at that time under the terms and conditions provided herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Agency and Homebuyer hereby enter into this Agreement on the terms and conditions set forth herein.

ARTICLE 2 - DEFINITIONS

Section 1.1 Definitions. Capitalized terms used in this Agreement shall have the meanings referred to below:

(a) **"Additional Cost"** means:

(i) any charges, fees, or penalties imposed on Homebuyer for an Event of Default under this Agreement; and

(i) all amounts which Homebuyer is obligated to pay under this Agreement which, if not paid by Homebuyer, may be paid by Agency (including counseling fees as noted in Section 7.7) and all reasonable costs and expenses incurred by Agency in connection with the performance of any such Homebuyer obligations in the exercise of prudent and customary loan servicing and property preservation standards.

(b) **"Cash to Close"** means, closing costs incurred by Agency to purchase the Property and close on the Mortgage that were not already paid by Homebuyer and/or the third-party seller as of the Commencement Date as described in the Cost Disclosure.

- (c) **"Commencement Date"** means **«Closing Date»**.
- (d) **"Cost Disclosure"** means the Initial Monthly Payment and Cost to Close summary attached as Exhibit C hereto.
- (e) **"Event of Default"** has the meaning set forth in Section 12.2.
- (f) **"Governmental Authorities"** means all federal, state, county, municipal and local governments, and all departments, commissions, boards, bureaus, agencies and offices thereof, having or claiming jurisdiction over all or any part of the Property or the use of either.
- (g) **"Homeownership Expenses"** means all costs and expenses attributable to or incurred in connection with the enjoyment, use, maintenance, and repair of the Property.
- (h) **"Improvements"** means all buildings, structures and other permanent improvements now or hereafter located or erected on, over or under the Property, including all walkway and road improvements, parking areas and facilities, landscaping improvements of whatever nature, utility and sewage lines (to the extent of Homebuyer's interest therein) and the appurtenances to all of the foregoing.
- (i) **"Agreement"** means this Agreement between Agency and Homebuyer.
- (j) **"Ownership Rights"** shall mean the ownership rights granted to Homebuyer in the Property created by this Agreement.
- (k) **"Monthly Payment"** means the Monthly Payment as detailed in the Cost Disclosure which consists of the following components:
 - (ii) the principal (amortized over 40 years), interest (plus a margin) and mortgage insurance premiums owed by Agency under the Mortgage loan;
 - (iii) amounts to provide for payment of Taxes insurance premiums, and other escrow items; and
 - (iv) the monthly program administration fee charged by Agency to provide the Earned Equity Program
- (l) **"Mortgage Lender"** means the bank or licensed mortgage lender that owns or services the Mortgage.
- (m) **"Mortgage Loan"** means the purchase money mortgage loan secured by the Property obtained by the Agency from the Mortgage Lender
- (n) **"Parties"** means Agency and Homebuyer.
- (o) **"Permitted Encumbrances"** means all mortgages, easements and other

encumbrances permitted to exist with regard to the title to the Property, as set forth Exhibit B, attached hereto and incorporated herein by this reference, or as otherwise approved by Agency.

(p) **"Property"** means the Property owned by Agency described in Exhibit A, located in **«City», «State»**.

(q) **"Purchase Price"** means the outstanding principal balance of the Mortgage Loan plus any unpaid Monthly Payment(s), Additional Cost, or any other fees or expenses due and payable under this Agreement at the time of purchase as described in Article 9 below, including without limitation, any transfer taxes otherwise payable by Agency at the time of transfer of title.

(r) **"State"** means the State of **«State_2»**.

(s) **"Taxes"** means all taxes, payments in lieu of taxes, assessments, water and sewer charges, charges for public utilities, exercises, levies, license and permit fees and other charges that shall or may be assessed, levied or imposed during the Term by any Governmental Authorities or condominium/homeowners association upon the Property or any part thereof, including the buildings or improvements now or hereafter located thereon; provided, however, that the term "Taxes" shall not include any income tax, capital levy, estate, succession, inheritance, transfer or similar taxes of Agency, or any franchise tax imposed upon any owner of the fee of the Property, or any income, profits or revenue tax, assessment or charge imposed upon the rent or other benefit received by Agency under this Agreement by any Governmental Authorities.

(t) **"Term"** means the period of time identified in Section 3.4.

ARTICLE 3 - BASIC AGREEMENT TERMS

Section 3.1 Property/Contingent on Closing. Agency hereby Agreements to Homebuyer and Homebuyer hereby Agreements from Agency the Property for the Term, upon the terms and conditions stated herein, subject to the Permitted Encumbrances. Notwithstanding the foregoing, this Agreement is contingent upon the Agency acquiring title to the Property in accordance with the related Purchase Agreement. In the event Agency does not acquire title within 30 days of the Purchase Agreement's expected closing date through no fault of Agency, Agency may void this Agreement and Agency shall not be liable to Homebuyer for any damage caused by Agency's failure to acquire title to the Property. Should Agency void this Agreement, all funds advanced to Agency by Homebuyer will be refunded, less the out of pocket costs Agency incurred, such as credit, inspection, appraisal fees or forfeited earnest money. Agency shall have no liability for any refund due to Homebuyer from any third-party, including but not limited to the third-party seller of the Property, any lender, builder, or contractors.

Section 3.2 Equitable Title/Transfer Prohibited. So long as no Event of Default exists, the Agency grants the Homebuyer an equitable interest in the Property with the right to use the Property in the manner of a reasonable homeowner. Homebuyer alone shall be entitled to all of the tax benefits and burdens of homeownership, which may

include the right to claim mortgage interest and property tax deductions, but Agency makes no representations or warranties regarding Homebuyer's rights in regard to Taxes. Notwithstanding the foregoing, since the Earned Equity Program is to enable homeownership for owner-occupied housing, transfer, sale, assignment or sublease of the Property (even short term subleases) requires express written consent of the Agency, which may be withheld for any or no reason at the Agency's discretion.

Section 3.3 **Possession.** Agency agrees to and shall provide possession of the Property to Homebuyer on the Commencement Date, free and clear of all the rights to possession or use by any other individuals or entities other than the Homebuyer. To enable the foregoing agreement by Agency, Homebuyer agrees that the Purchase Agreement (nor any amendment thereto) will not permit any third party seller to occupy the Property after the Commencement Date without Agency's written consent.

Section 3.4 **Term.** The term of this Agreement (the "Term") shall be, unless sooner terminated in accordance with the provisions hereof, for a period of time commencing upon the Commencement Date and ending on the last day of the month «Expiration Date» during which the anniversary of the Commencement Date occurs (the "Maturity Date")

Section 3.5 **Monthly Payment.** Homebuyer shall pay Agency the Monthly Payment monthly on the first day of each month beginning on «Monthly Payment». The Monthly Payment shall amortize the Mortgage Loan over 40 years. If on the Maturity Date, the Agency still owes amounts under the Mortgage, Homebuyer shall pay those amounts in full on that date. Should the Monthly Payment change due to a change in the amounts required under the Mortgage including changes in Taxes and insurance premiums, Agency shall provide advance notice to Homebuyer in accordance with applicable law and customary mortgage loan servicing standards with a revised Monthly Payment amount reflecting the new Monthly Payment and a copy of any notice(s) received affecting the Monthly Payment.

Homebuyer shall pay the Monthly Payment by check, ACH or such other method as is permitted by the Agency. Should Additional Cost be due, Agency may first apply any payments received to Additional Cost owed to Agency before then applying payments received in the same order set forth in the Mortgage or as otherwise permitted by applicable law.

Section 3.6 **Additional Cost.** Homebuyer shall pay Agency all Additional Cost within thirty (30) calendar days after Agency has notified Homebuyer in writing of such amount or prior to consummation of any termination or assumption.

Section 3.7 **Payments by Homebuyer.** Homebuyer will pay all costs, expenses, liabilities, charges or other deductions whatsoever with respect to the Property and the improvement, maintenance, repair, rebuilding, use or occupation of the Property, including any Improvements and Taxes.

Section 3.8 **Expiration of Term.**

(a) The Agreement shall terminate upon the Maturity Date as provided in Section 3.4 or Homebuyer's achievement of any of the conditions to transfer of the Property from Agency to Homebuyer set forth in Article 9. Thereupon, Homebuyer shall accept the Property in its as-is condition, and, upon presentation by the Homebuyer of an updated title report evidencing acceptable title, the Agency shall deliver (1) a termination of the Memorandum of Agreement in appropriate form for recording in the Property jurisdiction; and (2) a special warranty deed sufficient under local law to transfer fee simple title to the Property subject only to the Permitted Encumbrances (or other items agreed to by Homebuyer), to the Homebuyer. Provided, however, the Homebuyer shall be responsible for all costs related to the termination of the Agreement and the conveyance of the Property, including but not limited to all legal and processing expenses and fees incurred by Agency, title insurance and other costs of closing and transfer including recording costs and charges, and local, county, and state transfer taxes.

(b) Upon termination of this Agreement arising out of an Event of Default, Homebuyer will surrender, quit, and vacate the Property immediately and shall, upon request of Agency, execute and deliver a termination of any Memorandum of Agreement. Upon the termination due to an Event of Default of the Agreement, the Improvements and all alterations, additions, equipment and fixtures shall remain or become, as the case may be, the property of the Agency.

ARTICLE 4 - REPRESENTATIONS AND WARRANTIES

Section 4.1 **Agency's Representations and Warranties.** Agency hereby represents and warrants to Homebuyer that:

(a) Agency shall transfer title to the Ownership Rights, free and clear of all liens, charges, encumbrances, encroachments, easements, restrictions, Agreements, tenancies, occupancies or agreements and other matters affecting title, except for the Permitted Encumbrances and any items agreed to by Homebuyer.

(b) Agency has full right, power and authority to make, execute, deliver and perform its obligations under this Agreement. Agency has obtained all required and necessary consents and approvals to enter into this Agreement with Homebuyer. The entry by Agency into this Agreement with Homebuyer and the performance of all of the terms, provisions and conditions contained herein does not and will not violate or cause a breach of or default under any agreement or obligation to which Agency is a party or by which it is bound.

(c) No representation, statement or warranty by Agency contained in this Agreement or in any exhibit attached hereto contains any untrue statement or omits a material fact necessary to make the statement of fact therein recited not misleading.

(d) The person signing this Agreement on behalf of Agency is duly and validly authorized to do so.

Section 4.2 **Homebuyer's Representations, Warranties and**

Acknowledgements. Homebuyer hereby represents and warrants to Agency that:

- (a) Homebuyer has the full right, power and authority to make, execute, deliver and perform this Agreement.
- (b) Homebuyer's execution and delivery of this Agreement by Homebuyer and the performance of its obligations hereunder will not violate or contravene any agreement or obligation to which Homebuyer is a party or by which it is bound.
- (c) No representation, statement or warranty by Homebuyer to induce the Agency to enter this Agreement or contained in this Agreement or in any exhibit attached hereto contains any untrue statement or omits a material fact necessary to make the statement of fact therein recited not misleading.
- (d) Homebuyer shall take occupancy of the Property on the Commencement Date and shall fund the Cash to Close.
- (e) Homebuyer understands and acknowledges that this Agreement is not a mortgage subject to foreclosure, but that Homebuyer's Ownership Rights in the Property are subject to the terms of this Agreement (including the right to purchase fee simple title to Property in accordance with Article 9 below and the Agency's rights upon default in accordance with Article 12).
- (f) Homebuyer further understands and agrees that the failure to pay Monthly Payments or other amounts due under this Agreement and/or any other Event of Default could result in eviction other proceedings or remedies exercised by Agency to dispossess and remove Homebuyer from the Property.

ARTICLE 5 - IMPROVEMENTS

Section 5.1 **Improvements.** Homebuyer may construct Improvements on or to the Property at its own expense subject to the terms and conditions of this Agreement and the Mortgage.

Section 5.2 **Compliance with Laws.** Any additions or repairs to the Improvements by Homebuyer shall be constructed and in good and workmanlike manner and in accordance with the requirements of all applicable laws, ordinances, codes, orders, rules and regulations of all governmental authorities, agencies or departments having jurisdiction over the Property.

ARTICLE 6 - ENVIRONMENTAL CONDITIONS

Section 6.1 **Environmental Conditions.** Without limitation of any of Homebuyer's other covenants, agreements and obligations under this Agreement, Homebuyer hereby specifically covenants and agrees to comply with all environmental laws applicable to Homebuyer relative to the Property. Any hazardous materials present, handled or

generated or used by Homebuyer on the Property shall be transported and disposed of in a lawful manner. Homebuyer shall provide Agency with copies of all forms, notices and other information received by Homebuyer or received by Homebuyer on behalf of Agency concerning any releases, spills or other incidents relating to hazardous materials or any violations of environmental laws at or relating to the Property when and as supplied by any government agency. Agency shall provide Homebuyer with copies of all forms, notices and other information received by Agency or by Agency on behalf of Homebuyer concerning any releases, spills or other incidents relating to hazardous materials or any violations of hazardous materials Laws at or relating to the Property when and as supplied by any governmental agency.

ARTICLE 7 - HOMEOWNERSHIP COVENANTS

Section 7.1 **Payment of Taxes.** Following the Commencement Date, as and when the same shall become due, Homebuyer will pay all of the Taxes either through payments of Monthly Payment or directly, including any damages related to such Taxes, except that if any Tax that Homebuyer is obligated to pay in whole or in part is permitted by law to be paid in installments, then Homebuyer may pay or cause to be paid such Tax (or its proportionate part thereof) in installments as and when such installments become due. Upon the written request of Agency, Homebuyer shall exhibit and deliver to Agency evidence satisfactory to Agency of payment of all Taxes. If any special assessments are payable in installments, Homebuyer shall pay only those installments that are due and payable during the Term. Homebuyer shall forward any notices received from Governmental Authorities, relating to Taxes within five (5) business days of receipt. If Taxes are escrowed as part of the Monthly Payment, Agency (or its servicer) shall notify Homebuyer of any change in the Taxes due in accordance with applicable law and customary mortgage loan servicing standards and in any event within thirty (30) days of receipt of notice thereof from any Government Authority.

Section 7.2 **Homeownership Expenses.** Homebuyer will be responsible for and pay or cause to be paid all Homeownership Expenses.

Section 7.3 **Contest.** Notwithstanding anything contained herein to the contrary, Homebuyer shall have the right to contest all Taxes assessed against the Property, or any portion thereof or estate therein, so long as Homebuyer is diligently and in good faith pursuing its objection to the same by appropriate administrative or legal proceedings, which actions shall operate to prevent the enforcement or collection of the same. While such contest is proceeding, failure to pay such Taxes shall not be an Event of Default hereunder; provided, however, that if such delay exposes the Property, or any part thereof to sale for such nonpayment, Homebuyer shall pay, under protest, reserving Homebuyer's rights hereunder, any such Tax prior to such sale (and in sufficient time to avoid such sale).

Section 7.4 **Homebuyer's Insurance.** Homebuyer will, at its sole expense, obtain and keep in force during the Term of this Agreement, adequate insurance as set forth in Exhibit E hereto.

Section 7.5 **Compliance with Laws.** Homebuyer shall not use or occupy, or suffer or permit any portion of the Property to be used or occupied, in violation of any law, ordinance, order, rule, regulation, certificate of occupancy, or other governmental requirement.

Section 7.6 **Agency Right of Entry.** To the extent permitted under any Mortgage, Agency, and such Mortgage lender shall have the right, to enter upon the Property (with such notice as is required of the Mortgage Lender under the Mortgage), or any part thereof, for the purpose of ascertaining the condition thereof, or whether Homebuyer is observing and performing the obligations assumed by it under this Agreement.

Section 7.7 **Homeownership Counseling.** At Agency's election Homebuyer shall complete a Homebuyer Education class approved by Agency at Homebuyer's own cost and expense and provide a certificate of completion to Agency. Homebuyer may also be required to participate in an online post-purchase homeownership counseling program ("**Homebuyer Planning**") at their own cost and expense with a qualified housing counseling agency selected by Agency. This Homebuyer Planning is conducted by HUD-approved counselors and includes financial planning, home care, credit management, and mortgage readiness counseling. If, at any time during the Term, Homebuyer has difficulty paying the Monthly Payment on time, Homebuyer may be required to use hardship counseling services as identified by Agency before any accommodations will be considered. The Homebuyer's personal information collected by Homebuyer Planning may be shared with the counseling agency and servicers of this Agreement. Any fees for such services not directly paid by or billed to Homebuyer prior to the Commencement Date will be included in the closing costs, or, after the Commencement Date, included as Additional Cost.

ARTICLE 8 - ASSIGNMENTS, SUBLEASES AND TRANSFERS

Section 8.1 **Transfer Prohibited.**

(a) **Prohibited Transfers.** Homebuyer agrees for itself and its successors and assigns in interest hereunder that it will not (1) assign, sublease or transfer this Agreement or any of its rights under this Agreement, (2) make or permit any voluntary or involuntary total or partial sale, Agreement, assignment, conveyance, mortgage, pledge, encumbrance or other transfer of any or all of the Property, the Improvements, or the property or the occupancy or use thereof, other than in accordance with this Agreement.

(b) **No Duty to Recognize.** Unless due to operation of law upon the death or incapacity of a Homebuyer, any person to whom any transfer is attempted have no claim, right or remedy whatsoever hereunder against Agency, and Agency shall have no duty to recognize any person claiming under or through the same.

ARTICLE 9 - PURCHASE OR HOMEBUYER MORTGAGE ASSUMPTION

Section 9.1 **Right to Purchase.** Homebuyer may purchase the Property in fee

simple at any time with not less than 30-days advance written notice to Agency upon payment of the Purchase Price. Should any Monthly Payment or Additional Cost be due to the Agency at that time, the Agency shall first apply any payment received to amounts owed under this Agreement prior to applying any remaining prepayment to the balance of the Mortgage loan. Partial prepayments shall not change the Monthly Payment or Monthly Payment Schedule without the approval of and written notice from the Agency. Should the Homebuyer fully pay the Purchase Price and otherwise be in good standing under the Agreement, the Agency shall confirm the satisfaction and release of the Mortgage and the parties shall proceed with the termination of this Agreement and conveyance of the Property to Homebuyer pursuant to Section 3.8(a).

Section 9.2 Assumption of Mortgage. Homebuyer may seek to assume the Mortgage from Agency at any time with not less than 30-days advance written notice to Agency and Mortgage Lender and provided that there are no Events of Default under this Agreement and Homebuyer has paid all Monthly Payments and Additional Cost through the date of assumption. Agency agrees to cooperate with Homebuyer and timely respond to all reasonable requests of the Mortgage Lender in connection with the Mortgage Loan assumption. Provided, however, Homebuyer shall bear all costs of applying for and consummating the assumption, including but not limited to lender charges, attorneys' fees, a title company costs. Should the Mortgage Lender approve the Homebuyer's request to assume the Mortgage Loan, there continue to be no Events of Default under this Agreement, and the Homebuyer pays the difference between the balance owing under the terms of this forty-year Agreement and the thirty-year assumed Mortgage Loan, then the parties shall proceed with assignment of the debt from Agency and Homebuyer, the termination of this Agreement, and conveyance of the Property to Homebuyer pursuant to Section 3.8(a).

ARTICLE 10 - MAINTENANCE, REPAIR, ALTERATIONS

Section 10.1 Homebuyer's Obligations for Upkeep, Maintenance and Repair. Homebuyer expressly acknowledges that Agency has no responsibility whatsoever for maintenance, repair or improvement of the Property or Improvements and that all Homeownership Expenses are the Homebuyer's exclusively. Homebuyer will, at its sole cost and expense, maintain or cause to be maintained the Property and Improvements and make or cause to be made repairs, restorations, and replacements to the Improvements, including, the landscaping, exteriors, interiors, windows, heating, ventilating, air conditioning, mechanical, electrical, and plumbing systems, structural roof, walls, and foundations, and the fixtures and appurtenances to the Improvements as and when needed to preserve them in good working order and condition, and regardless of whether the repairs, restorations, and replacements are ordinary or extraordinary, foreseeable or unforeseeable, capital or non-capital, interior or exterior.

Section 10.2 Consent Not Required for Alterations. Homebuyer may make or cause to be made any alterations, additions, or improvements to the Property without Agency's prior written consent. Agency shall execute a limited power of attorney in the form provided in Exhibit F hereto (the "LPA") to permit Homebuyer to act as the owner of the Property for dealing with third parties such as utility providers. Notwithstanding the

foregoing, Homebuyer shall not destroy, damage or impair the Property or Improvements, allow the Property or Improvements to deteriorate or commit waste on the Property.

Section 10.3 No Liens. Except as expressly provided in any LPA Homebuyer shall not have any right, authority or power to bind Agency or any interest of Agency in the Property and will pay or cause to be paid all costs and charges for work done by Homebuyer or caused to be done by Homebuyer, in or to the Property, for any claim for labor or material or for any other charge or expense, lien or security interest incurred in connection with the development, construction or operation of the Improvements or any change, alteration or addition thereto.

Section 10.4 Indemnifications. Notwithstanding any other provision of this Agreement to the contrary, Homebuyer hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to Agency) Agency, its trustees, officers, directors, affiliates, agents and employees from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith, including, but not limited to, reasonable attorneys' fees and expenses (collectively "**claims**"), arising from or relating to (a) the use, occupancy, conduct, improvement or management of the Property during the Term, or (b) any work or thing whatsoever done or not done on the Property during the Term, or (c) any breach or default by Homebuyer in performing any of its obligations under this Agreement or applicable law, or (d) any negligent or intentionally tortious or other act or omission of Homebuyer or any of its agents, contractors, servants, family members, sublessees, licensees or invitees during the term of Homebuyer's obligations under this Agreement, and the maintenance or use of the Improvements. This indemnity shall survive the termination of this Agreement.

ARTICLE 11 - CASUALTY, CONDEMNATION

Section 11.1 Casualty and Condemnation. If any act or occurrence of any kind or nature (including any taking by condemnation or any casualty) shall result in damage to or loss or destruction of the Improvements, in whole or in part, the Homebuyer, to the extent that insurance proceeds or condemnation proceeds and other funds, if any, made available permit, shall promptly cause the restoration, reconstruction, and/or repair of the Improvements as nearly as possible to its value, condition and character immediately prior to such taking or casualty. If such condemnation or insurance proceeds and other available funds are not sufficient or restoration is otherwise determined in accordance with the Mortgage to be not feasible such proceeds shall be paid pursuant to the Agency in accordance with the Mortgage. Homebuyer shall notify Agency promptly of receipt of any proposed or pending taking or condemnation.

ARTICLE 12 - DEFAULT, REMEDIES

Section 12.1 Agency's Right to Perform.

(a) Agency's Option. If Homebuyer fails to pay when due amounts payable under this

Agreement or to perform any of its other obligations under this Agreement within the time permitted for its performance, then Agency, after prior written notice to Homebuyer and without waiving any of its rights under this Agreement, may (but will not be required to) pay such amount or perform such obligation.

(b) Notwithstanding Section 12.1(a), any amounts paid by Agency or costs incurred by Agency that, in its reasonable judgment, were necessary to protect the Property or its interest in same, may be charged as Additional Cost to the Homebuyer.

Section 12.2 Events of Default. The occurrence of any of the following events shall constitute and are defined as an “**Event of Default**” by Homebuyer:

(a) Homebuyer fails to make any Monthly Payment according to the terms, tenor, and effect of this Agreement or to perform any obligation required by or arising from, the Agreement beyond any applicable grace period provided therein, or in the absence of any such grace period, beyond a period of five (5) days following written notice of such failure by Agency to Homebuyer;

(b) Homebuyer fails to make any payment of Additional Cost according to the terms, tenor, and effect of this Agreement or to perform any obligation required by or arising from, the Agreement beyond any applicable grace period provided therein, or in the absence of any such grace period, beyond a period of five (5) days following written notice of such failure by Agency to Homebuyer;

(c) Homebuyer breaches (in a material respect) any of the other agreements, terms, covenants, or conditions which this Agreement requires Homebuyer to perform, including without limitation the provisions of Article 12 hereof, and such breach continues for a period of thirty (30) calendar days after written notice by Agency to Homebuyer; provided, however, if the nature of the breach is such that it cannot be cured by Homebuyer reasonably within the period of thirty (30) calendar days, Homebuyer shall not be deemed in default of this Agreement if Homebuyer commences the curing of such default within such period of thirty (30) days and prosecutes in good faith the curing of same continuously thereafter until the same is, in fact, cured;

(d) Any representation, warranty or certificate given or furnished by or on behalf of Homebuyer shall prove to be materially false as of the date on which the representation, warranty or certification was given; provided, however, that if any representation, warranty or certification which proves to be materially false is due to Homebuyer’s inadvertence (as reasonably determined by the Agency), Homebuyer shall have a thirty (30) day opportunity, after written notice thereof, to cause such representation, warranty or certification to be full, true, and complete in every respect;

(i) Homebuyer has filed against it a petition for bankruptcy, insolvency or similar action pursuant to state or federal law, and such petition shall not have been vacated within the time frame for vacating bankruptcy under the Mortgage; or is adjudicated bankrupt or insolvent, under any present or future statute, law, regulation, either state or federal, and such judgment or

decree is not vacated or set aside within such period;

(ii) Homebuyer files a petition for bankruptcy, insolvency or similar action pursuant to state or federal law; or Homebuyer consents to, or acquiesces in, the appointment of a receiver, liquidator, or trustee of itself or of the whole or any substantial part of its properties or assets or a court of competent jurisdiction enters an order, judgment or decree appointing a receiver, liquidator or trustee of Homebuyer, or of the whole or any substantial part of the property or assets of Homebuyer;

(iii) Homebuyer makes an assignment for the benefit of creditors, or shall submit in writing its inability to pay its debts generally as they become due;

(iv) Any attachment, execution or lien, whether voluntary or involuntary, including mechanics liens, is filed against the Property and is not discharged or dissolved by a bond within fifteen (15) calendar days;

(v) Homebuyer knowingly makes any assignment, sublease or transfer of its Ownership Rights in violation of this Agreement;

(vi) Homebuyer uses the Property for any use other than as Homebuyer's primary residence; or

(vii) Homebuyer fails to pay or cause to be paid any Taxes, insurance premiums or other liquidated sums of money herein stipulated to be paid by Homebuyer, if such failure shall continue for a period of five (5) days after notice thereof has been given to Homebuyer by Agency.

Section 12.3 Late Charges; Remedy. In the event Homebuyer fails to pay any Monthly Payment in full within seven (7) days from the first calendar day of the month, the Agency may charge the Homebuyer a late fee and/or NSF fee equal to any such charge permitted under the Mortgage In addition and without limitation of the foregoing, if any one or more Events of Default set forth in Section Section 12.2 occurs, then Agency may: (1) sue for and recover all damages suffered by Agency as the result of the Event of Default, and (2) terminate this Agreement by written notice to Homebuyer of its intention to terminate this Agreement and on the date (including any cure period described above) specified in such notice, and, on the date specified in such notice, Homebuyer's right to possession of the Property will cease and the Ownership Rights conveyed by this Agreement shall terminate and revert in Agency. Without limitation of the foregoing, following such Event of Default and expiration of any applicable cure period, Agency shall be immediately entitled to exercise and pursue any and all remedies available at law or equity to regain possession of the Property, including without limitation, eviction proceedings under applicable state law.

Section 12.4 Remedies Cumulative. Unless otherwise specifically provided in this Agreement, no remedy herein shall be exclusive of any other remedy or remedies, and each such remedy shall be cumulative and in addition to every other remedy; and every

power and remedy given by this Agreement may be exercised from time to time and as often as may be deemed expedient by either party. No delay or omission by the Agency to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. The absence in this Agreement of an enumeration of events of default by the Agency or remedies of either party with respect to money damages or specific performance shall not constitute a waiver by either party of its right to assert any claim or remedy available to it under law or in equity.

ARTICLE 13 - MISCELLANEOUS

Section 13.1 Recordation. Agency and Homebuyer shall record a Memorandum of this Agreement among the public land records of «County», «State», in the form attached hereto as Exhibit D. Upon termination of this Agreement due to an Event of Default or otherwise, Homebuyer shall promptly execute a quit claim termination of its interest in this Agreement and Ownership Rights. Upon Agency's request, Homebuyer shall execute a power of attorney in favor of Agency to release the Memorandum of Agreement upon Event of Default in the form attached hereto as Exhibit G.

Section 13.2 Time of Essence. Time is of the essence of each and every provision of this Agreement.

Section 13.3 No Waiver. No waiver of any condition or agreement in this Agreement by either Agency or Homebuyer will imply or constitute a further waiver by such party of the same or any other condition or agreement. No act or thing done by Agency or Agency's agents during the Term of this Agreement will be deemed an acceptance of a surrender of the Property, and no agreement to accept such surrender will be valid unless in writing signed by Agency. No payment by Homebuyer, nor receipt from Agency, of a lesser amount than the Monthly Payment, Additional Cost or other charges stipulated in this Agreement will be deemed to be anything other than a payment on account of the earliest stipulated amount owed. No endorsement or statement on any check, or any letter accompanying any check or payment as Monthly Payment or Additional Cost, will be deemed an accord and satisfaction. Agency will accept such check for payment without prejudice to Agency's right to recover the balance of such Monthly Payment or Additional Cost or to pursue any other remedy available to Agency. If this Agreement is assigned, or if the Property or any part of the Property are sublet or occupied by anyone other than Homebuyer, Agency may collect rent from the assignee, sublessee, or occupant and apply the net amount collected to the Additional Cost reserved in this Agreement. No such collection will be deemed a waiver of the covenant in this Agreement against assignment and subletting, or the acceptance of the assignee, sublessee, or occupant as Homebuyer, or a release of Homebuyer from the complete performance by Homebuyer of its covenants in this Agreement.

Section 13.4 Captions, Gender, Etc. The captions are inserted in this Agreement only for convenience of reference and do not define, limit, or describe the scope or intent of any provisions of this Agreement. Unless the context clearly requires otherwise, the singular includes the plural, and vice versa, and the masculine, feminine,

and neuter adjectives include one another.

Section 13.5 **Entire Agreement.** Except for those which are specifically set forth in this Agreement, no representations, warranties, or agreements have been made by Agency to Homebuyer with respect to this Agreement.

Section 13.6 **Amendment.** This Agreement may be amended by mutual agreement of the Agency and Homebuyer, and provided that all amendments must be in writing and signed by both parties.

Section 13.7 **Severability.** If any provision of this Agreement is found by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remainder of this Agreement will not be affected, and in lieu of each provision which is found to be illegal, invalid, or unenforceable, there will be added as a part of this Agreement a provision as similar to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable, provided such severability does not materially affect the basic understanding of the parties hereto as reflected in this Agreement.

Section 13.8 **Notices.** Any notice, request, demand, consent, approval, or other communication required or permitted under this Agreement shall be in writing and shall be deemed given when (i) received, if delivered by hand, (ii) sent by registered or certified mail, return receipt requested, (iii) sent by recognized overnight delivery service such as Federal Express, or (iv) transmitted by electronic mail, provided such notice is also sent simultaneously in the manner provided for in (i), (ii), or (iii) above, addressed as follows:

If to Homebuyer:

« Homebuyer_1 » «And_2» « Homebuyer_2 » «And_3» «
Homebuyer_3» «And_4» « Homebuyer_4»,
«Street»
«City», «State» «Zip»

If to Agency:

Tule River Home Buyer Earned Equity
31071 CA-190,
Porterville, CA 93257

With a copy to:

Arrive Home
8821 S Redwood Rd. Ste B
West Jordan, UT 84088

A party may change its address or to whom a copy should be sent by giving written notice to the other parties as specified herein.

Section 13.9 **Waiver of Jury Trial.** Agency and Homebuyer shall waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other on all matters arising out of this Agreement or the use and occupancy of the Property.

Section 13.10 **Quiet Enjoyment.** Homebuyer, upon paying all amounts due under this Agreement and keeping, observing and performing all the terms, covenants, agreements, provisions, conditions and limitations of this Agreement on Homebuyer's part to be kept, observed and performed, shall quietly have and enjoy the Property during the Term of this Agreement without hindrance or molestation by anyone lawfully claiming by, under or through Agency, subject, however, to the Permitted Encumbrances, reservations and conditions of this Agreement.

Section 13.11 **Reasonableness.** Agency and Homebuyer shall act in a reasonable manner with respect to their respective obligation as set forth in this Agreement, including the granting of any consent or approval.

Section 13.12 **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be fully effective as an original and all of which shall together constitute this Agreement.

Section 13.13 **Request for Consent.** If Homebuyer requests Agency's consent pursuant to this Agreement, Homebuyer shall provide to Agency such information as may reasonably be required by Agency.

Section 13.14 **Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of «State_2».

Section 13.15 **Subordination.** This Agreement shall be subordinate to the lien of the Mortgage Loan.

[signatures on following page]

IN WITNESS WHEREOF, Agency and Homebuyer, have caused this Agreement to be executed in each of their names.

AGENCY:

Tule River Homebuyer Earned Equity Agency, a wholly owned subsidiary of Tule River Finance, a wholly owned subsidiary of Tule River Economic Development Corporation, a federally chartered section 17 corporation wholly owned by the Tule River Tribe of California

By:

Name: **«EEA Signer»** for Tule River Homebuyer Earned Equity Agency

Title: Property Acquisitions and Leasing Specialist

STATE OF ____)
) ss.
COUNTY OF ____)

On this the ____ day of _____, _____, before me, the undersigned officer, personally appeared _____, who acknowledged himself to be the _____ of the [Entity Name], an [State and Entity Type] , and he/she, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained as his free act and deed and the free act and deed of the [Property], by signing the name of the corporation as the _____ of such corporation.

In witness whereof I hereunto set my hand.

Notary Public/ My Commission Expires:

HOMEBUYER:

« Homebuyer_1»

By: _____
Print Name: « Homebuyer_1»

« Homebuyer_2»

By: _____
Print Name: « Homebuyer_2»

« Homebuyer_3»

By: _____
Print Name: « Homebuyer_3»

Homebuyer_4»

By: _____
Print Name: « Homebuyer_4»

STATE OF _____)
) ss.
COUNTY OF _____)

On this ____ day of _____, _____, before me, the undersigned officer, personally appeared _____, executed the foregoing instrument for the purposes therein contained as his free act and deed

In witness whereof I hereunto set my hand.

Notary Public/My Commission Expires:

Exhibit A

Legal Description

«Legal Description»

SAMPLE

Exhibit B
Permitted Encumbrances

Certain FHA insured loan in the amount of «M_1st_Amount» («M_1st_AmountWords») at a fixed interest rate of «Rate»% made to Tule River Homebuyer Earned Equity Agency.

A Second Mortgage in the amount of «M_2nd_Amount» («M_2nd_AmountWords») at a 0% interest rate made to Tule River Homebuyer Earned Equity Agency.

Exhibit C
Cost Disclosure

[see attached]

SAMPLE

Exhibit D
Form of Memorandum of Agreement

[See attached]

SAMPLE

This instrument was prepared
by and after recording return
to:

Arrive Home, LLC
8821 S Redwood Rd #B
West Jordan, UT 84088

For the property located at:

«Street»
«City», «State» «Zip»

Property Tax ID #:

«Tax_Parcel_ID»

Above space for Recorder's Use Only

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT ("Memorandum"), effective as of «Closing_Date», is by and between the Tule River Homebuyer Earned Equity Agency, a section 17 subsidiary wholly owned by Tule River Finance, a section 17 subsidiary wholly owned by Tule River Economic Development Corporation, a Section 17 corporation wholly owned by the Tule River Tribe of California ("Agency"), whose address is 31071 CA-190, Porterville, CA 93257 and «Homebuyer_1» «And_2» «Homebuyer_2» «And_3» «Homebuyer_3» «And_4» «Homebuyer_4», whose address is «Street», «City», «State» «Zip» ("Homebuyer").

The following is a correct statement of information with respect to the agreement described below:

1. Agency and Homebuyer have entered into a certain Homeownership Agreement dated as of «Closing_Date» ("Agreement") to which this Memorandum pertains.
2. The Agreement creates an ownership interest in the nature of a ground lease.
3. For the purposes of the Memorandum, the name of the fee simple title holder in the Agreement is Tule River Homebuyer Earned Equity Agency.
4. For the purposes of this Memorandum, the name of the leasehold ownership rights holder in the Agreement is «Homebuyer_1» «And_2» «Homebuyer_2» «And_3» «Homebuyer_3» «And_4» «Homebuyer_4».
5. The address of Agency and Homebuyer set forth in the Agreement are the same as those for such parties set forth above.

6. The Property is described in Exhibit A attached hereto and incorporated herein by reference, as well as all of the building or improvements now or hereafter located thereon (the "Property").
7. The commencement date of the Agreement is «Closing Date».
8. The expiration date of the Agreement is «Expiration Date».
9. Homebuyer has a right to purchase the Property as set forth in the Agreement.
10. Unless otherwise provided herein, all capitalized terms shall have the same meaning as set forth in the Agreement.

This Memorandum contains only selected provisions of the Agreement. Reference is hereby made to the Agreement for all the terms and conditions, which shall control. This Memorandum does not, in any way, amend or supersede the terms of the Agreement. This Memorandum may be executed in counterparts.

IN WITNESS WHEREOF, Agency and Homebuyer have hereby executed this Memorandum of Agreement as of the date first written above.

AGENCY/GROUND LESSOR:

Tule River Homebuyer Earned Equity Agency, a wholly owned section 17 subsidiary of Tule River Finance, wholly owned by Tule River Economic Development Corporation, a federally chartered section 17 corporation, wholly owned by the Tule River Tribe of California

By: _____

Name: «EEA Signer» for Tule River Homebuyer Earned Equity Agency

Title: Property Acquisitions & Leasing Specialist

[insert local acknowledgment form]

HOMEBUYER/LESSEE:

« Homebuyer 1 »

_____ an individual living in «State_2»

« Homebuyer 2 »

_____ an individual living in «State_2»

« Homebuyer 3 »

_____ an individual living in «State_2»

« Homebuyer 4 »

_____ an individual living in «State_2»

[insert local acknowledgment form]

Exhibit A
Legal Description of Property

«Legal_Description»

SAMPLE

Exhibit E

Insurance Requirements

Standard insurance requirements of the Arrive Home Earned Equity Program per Arrive Home Earned Equity Home program guidelines.

SAMPLE