

## Limited Builder's Warranty Agreement

This Limited Warranty Agreement (this "Warranty") is extended by Habitat for Humanity Capital District, Inc. a 501 © 3 nonprofit corporation having an address at 207 Sheridan Ave, Albany, New York 12210 ("Habitat" or "Builder") to \_\_\_\_\_ with an address at \_\_\_\_\_ ("Buyer"), who [is/are] the original Buyer(s) of the property with respect to improvements (the "improvements") constructed at the following address (the Property): \_\_\_\_\_

**This limited warranty excludes incidental, consequential, secondary and/or punitive damages, and all other damages set forth in section 3B, limits the duration or implied warranties, and provides for liquidated damages as expressly hereafter set forth.**

### **1. What is Covered by the Warranty**

The Builder warrants that all construction related to the Improvements substantially co confirms with the plans and specifications and change orders for this job. The Builder warrants that during the first 30 days after the Buyer moves in, the Builder will adjust or correct minor construction defects, omissions, or malfunctions, such as missing equipment or hardware, sticking doors, drawers, and windows, dripping faucets, and other minor malfunctions reported by the buyer upon inspection of the Improvements.

Within one year from the date of closing or occupancy by the Buyer, whichever is first (the "Warranty Period"), the Builder will repair or replace, at the Builder's option, any latent defects in material or workmanship by the standards of construction relevant in (city, state). A latent defect is defined as one that was not ascertainable at the time of occupancy. The Buyer agrees to accept a reasonable match in any repair or replacement in the event the original item is no longer available.

### **2. What is Not Covered**

This limited warranty does not cover:

- A. Damage resulting from fires, floods, storms, electrical malfunctions, accidents, nor acts of God;
- B. Damage from alterations, misuse, abuse negligence or failure to maintain or properly operate any of the covered items by any person;
- C. Damage resulting from the Buyer's failure to observe any operating instructions furnished by the builder at the time of installation;
- D. Damage resulting from a malfunction of equipment or lines of the telephone, cable TV or computer, gas, power, or water companies;
- E. Any items listed as "Nonwarrantable Conditions" on the list that is attached as Exhibit A, incorporated into this contract; the Buyer acknowledges receipt of the list of "Nonwarrantable Conditions";

\_\_\_\_\_/\_\_\_\_\_; (Buyer's Initials)

- F. Any item furnished or installed by the Buyer; and
- G. Any appliance, piece of equipment, or other item that is a consumer product for the purposes of the Magnuson-Moss Warranty Act, 15 U.S.C. 2301 et seq., installed or included in the Buyer's Improvement. The only warranties of items listed below are those that the manufacturer provides to the Buyer:

Roofing Brick, Siding  
Plumbing Fixtures, Water Heater  
Heating Equipment, Refrigerator  
Cooling Equipment, Microwave  
Kitchen Appliances, Ovens, Stove  
Windows, Doors, Garbage Disposal  
Light Fixtures, Floor Coverings

- (i) The Builder has made any such warranties available to the Buyer for the Buyer's inspection and the Buyer acknowledges receipt of copies of any warranties requested.

\_\_\_\_\_/\_\_\_\_\_ (Buyer's initials)

- (ii) Habitat hereby assigns (to the extent that they are assignable) and conveys to the Buyer all warranties provided to Habitat on any manufactured items that have been installed or included in the Buyer's Improvements. The Buyer accepts this assignment and acknowledges that the Builder's have no responsibility relating to such items other than any claim resulting from the installation of these products.

\_\_\_\_\_/\_\_\_\_\_  
(Buyer's Initials)

\_\_\_\_\_/\_\_\_\_\_  
(Initial of Habitat's signing officer)

### **3. Remedies and Limitations**

- A. The Buyer understands that his/her sole remedy under this limited warranty agreement is repair and replacement as set forth herein

\_\_\_\_\_/\_\_\_\_\_  
(Buyer's Initials)

- B. With respect to any claim whatsoever asserted by the Buyer against the Builder, the Buyer understands that the Buyer will have no right to recover or request compensation for, and the Builder shall not be liable for any:

- (1) Incidental, consequential, secondary, or punitive damages;

- (2) Damages from aggravation, mental anguish, emotional distress, or pain and suffering; nor
- (3) Attorney's fees or costs.

\_\_\_\_\_/\_\_\_\_\_  
(Buyer's initials)

- C. The Builder hereby limits the duration of all implied warranties, including the implied warranties of fitness of purpose, habitability, and workmanlike construction to one year from the date of occupancy of the improvements, whichever comes first.
- D. These limitations shall be enforceable to the extent permitted by law. Some states do not allow the exclusion or limitation of incidental or consequential damages or the limitation of implied warranties, so the limitations or exclusions listed above may not apply.
- E. In no event shall Buyer have a damage claim against Builder for more than the corrective work as required by this Agreement.

The Buyer understands that this provision limits the amount of damages for which the Builder will be liable but agrees that (1) the damages provided for under this provision are fair and reasonable because damages under this limited warranty agreement would otherwise be uncertain as to amount and difficult to prove, (2) this limited warranty agreement as a whole is not so manifestly unconscionable, unreasonable, or disproportionate in amount as to justify the conclusion that it does not express the true intention of the parties, and (3) it is the intention of the parties that damages in the amount stated should follow the breach thereof. The Buyer further acknowledges acceptance of this liquidated damages provision (and has initialed the same below) in consideration for the limited warranties provided by the Builder and the other provisions of the construction contract.

\_\_\_\_\_/\_\_\_\_\_  
(Buyer's initials)

- F. This warranty is personal to the original Buyer and does not run with the property or the items contained in the house. The original Buyer may not assign, transfer, or convey this warranty without the prior written consent of Habitat, which Habitat may approve or deny in Habitat's sole discretion.

#### **4. How to Obtain Service**

If a problem develops during the Warranty Period, the Buyer shall notify Habitat in writing at the address given above of the specific problem. The written statement of the problem should include the Buyer's name, address, telephone number, and a description of the nature of the problem.

Habitat will begin performing the obligations under this warranty within a reasonable time of the Builder's receipt of such written request and will diligently pursue these obligations to completion.

Repair work will be done during Builder's normal working hours. The Buyer agrees to provide the Habitat or Habitat's representative access to the house and the presence, during the work, of a responsible adult with the authority to approve any repair and sign a call-back ticket upon completion of the repair.

**5. Specific Legal Rights**

This Warranty gives the Buyer specific legal rights.

**6. Where to Get Further Help**

If the Buyer wishes further information concerning this Warranty, the Buyer should contact Habitat.

**7. The Only Warranty Given by the Builder**

The Buyer acknowledges (a) that the Buyer has thoroughly examined the property and Improvements to be conveyed, (b) that the Buyer relies solely on the Buyer's judgment in signing the limited warranty, and (c) that Habitat has made no guarantees, warranties, understandings, nor representations (nor have any been made by the representatives of Habitat) that are not expressly set forth in this document and there are no warranties except those expressly set forth in this document.

I/We acknowledge having read, understood, and received a copy of this Warranty, and have had the opportunity to review this Warranty with our legal advisor.

Buyer:

\_\_\_\_\_

Date: \_\_\_\_\_

Builder:

Habitat for Humanity Capital District, Inc.

\_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_

Date: \_\_\_\_\_

185 183 181 179 177 175 173 171 169 165 167



Orange St, Sheridan Hollow, Albany, NY 12210

# homebuyer handbook

Updated April 2024



Habitat Office: (518) 462-2993  
207 Sheridan Ave., Albany, NY 12210



We build strength, stability and self-reliance through affordable homeownership.

Dear homebuyer,

Congratulations! You have been approved to purchase an affordable home from Habitat for Humanity Capital District.

We created this Homebuyer Handbook to guide you through the process of purchasing a home from Habitat for Humanity. This handbook, along with the attachments, should answer many of your questions about what to expect and how to be a successful homeowner. Please reach out to us with any questions you may have.

Again, congratulations! We look forward to partnering with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Christine Schudde".

Christine Schudde  
Executive Director



*Habitat for Humanity follows a nondiscriminatory policy of family selection. We are pledged to the letter and spirit of the U.S. policy for the achievement of equal housing opportunity throughout the nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status, or national origin.*

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# Attachments

1. Partnership agreement and media release agreement
2. Purchase contract
3. Volunteer agreement, release & waiver
4. Sweat equity tracking sheets
5. Homebuyer education information
6. Sample closing documents
7. Sample Builder’s Warranty



Habitat for Humanity Capital District helps individuals and families achieve **strength, stability and self-reliance** through **shelter**.

As active participants in building a better future for themselves and their families, **qualified Habitat homebuyers are...**

## in need of better housing

Potential homebuyers might be dealing with poorly made, unhealthy or inadequate housing; unaffordable rent; homes inaccessible for their disabilities or damaged by natural disasters; or have other shelter needs.



## willing to partner with Habitat

Habitat homebuyers put in hundreds of hours of "sweat equity" helping build their own home and the homes of others in the program. This might also include classes in personal finances, home maintenance and other homeownership topics.

## able to pay an affordable mortgage

Habitat offers homebuyers an affordable mortgage. Their mortgage payments cycle back into the community to help build more affordable houses.





## What is Habitat for Humanity?

Habitat for Humanity is a global nonprofit housing organization working in local communities across all 50 states in the U.S. and in approximately 70 countries.



our vision: a world where everyone has a decent place to live

**Habitat welcomes people from all walks of life to partner in serving families in need and creating a better community for everyone who lives here.**

Our service area includes Albany, Rensselaer and Southern Saratoga counties, where we have built over 150 homes in partnership with local families. Collectively, Habitat has helped more than 39 million people meet their affordable housing needs around the world.

Habitat's vision is of a world where everyone has a decent place to live. Habitat works toward our vision by building strength, stability and self-reliance in partnership with people in need of a decent and affordable home.

Habitat partners with people to help them build a place they can call home. Homeowners work alongside volunteers to help build their own homes, which they then purchase with an affordable mortgage.

**No matter who we are or where we come from, we all deserve to have a decent life. We deserve to feel strength and stability day after day.**

## How does Habitat for Humanity work?

**Step 1.** Habitat homebuyers are qualified based on their **level of need**, their **willingness to partner** with us, and their **ability to repay an affordable mortgage**.

**Step 2.** Habitat uses a combination of private donations and public funding to buy **quality construction materials** or sometimes receives donated materials. Habitat is committed not just to building homes, but to building community. We prioritize our construction efforts within focus neighborhoods to maximize our impact.

**Step 3.** Under the supervision of our expert staff, **volunteers give of their time and energy** to help Habitat families build their new homes.

**Step 4.** Each homebuyer volunteers 100 hours of their time and effort— what we call “**partnership hours**”— on the construction site and in the Habitat ReStore. They also attend **homeownership and financial education** classes.

**Step 5. Habitat is not a giveaway program.** Like other homeowners, each Habitat homeowner pays for their home by making monthly payments on their affordable mortgage.

## The homeownership process

Congratulations on your acceptance into Habitat's program! Here are the key milestones in your journey to homeownership.

### 1. Partnership agreement

Your acceptance into the program means that you have met Habitat's criteria for selection and have been pre-approved for a home loan. We will now work with you to obtain an affordable mortgage from one of our banking partners. As you go through this process, you will also work toward fulfilling your Habitat partnership commitments. The first step is to meet with a Habitat team member to review and sign your partnership agreement. This agreement outlines Habitat's commitment to you and also explains your commitments to us. You will also review and complete our media release agreement, which will document the ways in which you agree to allow Habitat to share parts of your story.

**Please insert a copy of your Partnership Agreements under ATTACHMENT 1.**

### 2. Real estate contract (also known as "purchase contract")

In order to move forward with the mortgage loan application, you will enter into a written real estate contract with Habitat for the purchase and sale of your home. This is a legal contract between you and Habitat that specifies the address of the home you will be purchasing. Congratulations!

**Please insert a copy of your real estate contract under ATTACHMENT 2.**

### 3. Mortgage loan application

You have already been pre-qualified for a mortgage loan by one of Habitat's banking partners. Now, you will need to complete the bank's official lending application. You may also need to submit additional documentation to the bank's lending officer.

### 4. Partnership hours

Now that you have been accepted into the Habitat program, you are eligible to begin working on your partnership commitment. Sweat equity is a core tenet of Habitat. The term refers to the hands-on involvement of prospective homeowners in the construction of their homes and in other Habitat and community activities. You will work on completing your partnership commitment throughout the mortgage application process—start early so you can finish by the time your house is ready!

**Please see ATTACHMENT 3 – Partnership Policy.**

## 5. Financial preparation

It is important to start saving money in a bank account for your home closing. Depending on your household income and the location of your new home, you may be eligible for a down payment assistant grant to help you cover costs associated with the closing process. A Habitat team member will help you determine if you are eligible and will assist you in completing the application.

The most common down payment assistant grants are:

- **City of Albany Home Acquisition Program (HAP)** - When funds are available, the Albany Community Development Agency (ACDA) provides up to \$14,900 for homebuyers in the City of Albany.
- **City of Troy Home Incentive Program (HIP)** - When funds are available, Troy Rehabilitation and Improvement Program (TRIP) offers up to \$30,000 for homebuyers in the City of Troy.
- **Reparative Housing Justice Fund (RHJF)** – Up to \$10,000 available in assistance to first-time homebuyers in the City of Albany who identify as Black or African American.

<b>Cost</b>	<b>Amount Owed</b>	<b>Due</b>
Habitat deposit	\$500	Now
Typical cash to close	\$2,000	Thru mortgage process
Closing cost w grants	\$750 – \$1,000	At closing

Other necessary financial preparation:

- Moving expenses after closing day!
- Homebuyer education: **\$99** – individual advisement and online homebuyer education with a HUD-approved agency
- Any childcare, transportation, or other expenses you’ll need to complete partnership hours
- Your home insurance premium, due at the end of your loan process (varies – shop around!)
- Your down payment – Use your Loan Estimate as an initial guide

## 6. Homebuyer education

As part of your sweat equity commitment, you must complete homebuyer education coursework. Depending on the location of your home, you will either complete a course offered by the Affordable Housing Partnership (AHP) or Troy Rehabilitation and Improvement Program (TRIP). Additionally, you may be required to complete coursework directly through Habitat for Humanity.

**Please see ATTACHMENT 5 for more information on homebuyer education.**

## **7. Final walk-through and maintenance class**

Before you close and move into your home, you will meet with a Habitat construction staff member for an on-site orientation and home maintenance training. This will happen as part of the final walk-through of your home before closing.

## **8. The closing**

This is the day that your new home will be legally transferred to you—you will become a homeowner! You will need to hire an attorney to help review your closing documents and represent you at the closing. We suggest checking with your employer or union to see if you have a no-cost legal representation benefit. You may also reach out to The Legal Project to inquire about their Affordable Real Estate Attorney program.

The bank, attorneys and you will coordinate a date and time to schedule the closing, where you will sign and finalize all paperwork including the mortgage and note, deed and other agreements that will be reviewed with you ahead of time. You will also pay any closing costs at this time.

## De-selection policy

There are circumstances that could cause you to become ineligible to purchase a home from Habitat for Humanity. De-selection can occur at any time prior to the closing on grounds including, but not limited to:

- Fraud or misrepresentation of facts or information on your application
- Failure to complete the requirements set forth in the Partnership Agreement
- Negative changes in economic circumstances which may disqualify the applicant from obtaining a mortgage from the bank
  - Change in employment (Example: loss of job)
  - Credit (Example: late payments, increase in debt)
  - Change in household size or composition
- Presence on a sexual offender database

**If anything in your application changes, please notify us as soon as possible.** It may be possible for us to work with you to preserve your participation in the Program. Open communication and honesty is your best assurance against a sudden and unexpected de-selection notice. It's better to speak with us about changes in your situation so that we can try to help keep you in the program, than to withhold information and be de-selected right before you are scheduled to buy the home.

## Sex offender registry policy

As an affiliate of Habitat for Humanity International, we are required to check the names of potential homeowners in the sexual offender databases. If your name is found in the sexual offender database, you will be de-selected from the Habitat program.

## Sweat equity requirements

Your partnership agreement (**ATTACHMENT 1**) outlines a schedule for successfully completing your sweat equity requirement as well as important sweat equity milestones. Each homebuyer, including any co-applicants, must complete 100 hours. The following is an explanation of the break-down of the minimum sweat equity requirements.

Build days	50 hours (minimum)
Community hours	10 hours (minimum)
Self-directed hours	40 hours (minimum)
<b>TOTAL</b>	<b>100 hours</b>

At least 50 hours must be completed by attending scheduled build days

At least 10 hours must be completed by attending community events (examples below)

The remaining required 40 hours can be completed in ways of your choosing (guidelines below)

Up to 25% of your self-selected hours can be completed by friends and family.

### Build days

Approximately once a month, Habitat will schedule a “build day” for all homebuyers. All homebuyers must attend a total of 50 hours of build days. The purpose of these build days is to meet your neighbors as well as help you connect to your future home through skills building.

We will try our best to give at least two weeks’ notice, allowing you time to adjust your schedule to attend. As always, communicate with us as soon as any challenges arise that may make it difficult to attend or participate.

### Community hours

You will need to attend at least 10 hours of community events. This may include attending the neighborhood association meeting for your future neighborhood or participating (or organizing!) a neighborhood revitalization event such as a clean-up.

### Self-directed hours

You are in control of how you choose to track the remaining 40 hours. You can track any time spent in homebuyer education, working with the bank, or coming to the office for partnership tasks as at-choice hours. You can also volunteer regularly at the ReStore or sign up for more construction site shifts to complete these hours.

Another idea is to allow Habitat to share your story in a blog post or fundraising letter. Occasionally, we’ll come up with some opportunities for all homebuyers to participate in. You are also welcome to bring your ideas to us! Check in with homeowner services to see if your idea can count.

*Tip: Use these questions as a guide for thinking about community and at-choice hours: “How can I connect with my new community? How can I help build community?”*

Up to 25% of the 40 self-selected hours may be completed by non-household friends, relatives and/or support groups, or what we call “Friend & Family Hours”. In order for “Friend and Family Hours” to count toward your sweat equity requirement, at least one household member (16 years or older) must be present and working alongside them. Note: You will be completing your sweat equity commitment alongside many other volunteers from local companies, schools, faith groups. Under no circumstance are you allowed to solicit hours from these volunteers to use toward your sweat equity commitment.

Exceptions to the above requirements may be made on a case-by-case basis by the Executive Director.

## How do I get started?

**You must schedule your sweat equity hours—as well as your “Friend and Family Hours”—in advance with a Habitat staff member.** If you do not schedule in advance, you may be turned away from the construction site, ReStore or office if there isn’t enough work for you to safely complete.

Prior to beginning your sweat equity, you must sign a volunteer waiver and create a VolunteerLocal profile. It is your responsibility to make sure that anyone helping with you “Friend & Family Hours” also completes a volunteer waiver.

### **The Hand Up – partnership newsletter**

Periodically, you’ll receive an email from us with program updates, including upcoming sweat equity opportunities. It will also include reminders about upcoming deadlines and instructions for the next Build Day event. Be sure to keep up with your email inbox, so you do not miss important emails from us!

**Construction site (for self-directed or group hours)** Please contact Erica at [erica@habitatcd.org](mailto:erica@habitatcd.org) or (518) 462-2993 x117

**ReStore** Please contact Dave at [dave@habitatcd.org](mailto:dave@habitatcd.org) or (518) 265-6638 x112.

**Other** To arrange other forms of partnership, please contact Tiffany at [tiffany@habitatcd.org](mailto:tiffany@habitatcd.org) or (518) 462-2993 x105.

## How do I track my hours?

You should track your sweat equity hours using the attached tracking sheets (ATTACHMENT 6). At the end of each sweat equity activity. On the first Monday of every month, update the homeowner services department with your sweat equity hours. Emailing a picture of your tracking sheet is an easy, acceptable way to submit your hours. You should keep a copy for your own records as well. Please let us know if you ever need a new tracking sheet for any reason.

Please note: We will not require you to have someone “sign off” on your completed hours. We trust you to be honest. We promise to work with you through any challenges, so please reach out to us if you



need any support in completing hours. Dishonesty in your sweat equity tracking may result in de-selection from the program. Mutual trust and respect are key to partnership!

### **What happens if I don't complete my partnership commitment by the time I close on my home?**

Partnership is an important and critical component of the Habitat program. In the event that you are not able to complete your hours before you close on your home, you must pay a \$500 sweat equity deposit directly to Habitat. You will have six months from the date of your closing to complete any remaining hours. Upon satisfaction of the sweat equity commitment, you will receive your full sweat equity deposit back from Habitat.

### **What happens to my hours if I am deselected or withdraw from the program?**

Partnership Hours are not assigned a monetary value, nor does it constitute a down payment. Should you be deselected or withdraw from the program, no monetary compensation will be given for partnership hours completed.

### **Can I complete more than 100 hours?**

Yes! Our partnership hour requirement is just a minimum every homebuyer should meet. One of our hopes is that sweat equity will encourage future Habitat homeowners to be community builders. Maybe through attending neighborhood association meetings, you become an advocate at common council meetings or organize community events. Maybe by volunteering at the ReStore once or twice, you feel like you can contribute a special skill of yours and want to volunteer there more often. Maybe you never thought you could spend a Saturday in a hard hat holding a hammer, but after a build day or two, you find out you really like it and sign up for more shifts.

As a reminder, partnership holds no monetary value, and you will not be compensated in any way for completing more than 100 hours as outlined in the policy.

## **Your Habitat home**

### **Design & location**

**Habitat does not build custom homes.** You will have the opportunity to purchase a home that is appropriate for the size and composition of your household. To keep the homes affordable, Habitat cannot accept custom design requests. Homebuyers sometimes have the opportunity to select home finishings such as flooring and cabinets. Remember, once you purchase your home and move in, you will be able to make any changes or customizations that you want.

Habitat is committed not just to building homes, but to building community. We prioritize our construction efforts within focus neighborhoods to maximize our impact. You will have the option to select your home based on our current projects and focus locations.

## Cost

Habitat is committed to keeping housing payments affordable for our qualified homebuyers. Your monthly housing payment, which includes your mortgage payment, homeowners' insurance and property taxes, should not be more than 30% of your gross monthly household income. The sales price will take into account the fair market value of the home, number of bedrooms, location and additional amenities provided.

Your monthly mortgage payments are sent to directly to the bank that provided your financing.

### **MONTHLY PAYMENT =**

**+ Principal**

**+ Interest**

**+ PMI (Private Mortgage Insurance that the bank charges until 20% of the loan is paid off)**

**+ Escrow (1/12<sup>th</sup> of annual homeowners insurance cost + property taxes)**

Your monthly escrow payment amount may change annually due to changes in insurance premiums and taxes. You are responsible for paying your water bill, electricity, heating, and all other bills directly.

## When will your house be ready?

Homebuyers are in the program until their house has been built or renovated; generally, this takes 6 to 12 months. The construction process is complex with many variables depending on funding sources, the construction schedule, and building requirements. This complexity makes it difficult to predict the length of time from acceptance into the program to the date of purchase. We will keep you updated throughout the construction process.

## What happens if you want to sell your home?

Habitat homeowners can sell their home at any time, although there are important restrictions that may apply.

You may receive down payment assistance that stipulates resale restrictions or affordability periods. Before you accept these grants, Habitat will explain any resale restrictions thoroughly so you understand the impact they may have on selling your home.

Please contact our office if you ever plan to sell your home, so we can make sure there are no loose ends.

## Purchasing your home

Once your house is built and you have completed all the requirements, including the sweat equity and education requirements, and have saved the funds needed for the down payment and closing costs, you are able to officially complete the process at a meeting called a “closing.”

### The most important documents at your closing

**Deed.** Signed by the seller (Habitat), receipt of this document makes you the official owner of your new home. Usually, it is presented to you at the closing, then taken to the County Clerk’s Office for recording and mailed back to you later.

**The note.** The promissory note is the actual I.O.U., in which you promise to make monthly payments until your loan is paid off in 30 years. It states the amount of payments (not including escrow for taxes and insurance), where to send them and a warning about a late fee if the payments are submitted late.

**The mortgage.** This is the document that gives the bank a lien on your house that lasts until the Note is paid off. If you default on the Note, the bank can foreclose on your home. If you make all scheduled payments, the Mortgage is removed and you own your home “free and clear.”

**Sample documents are included in ATTACHMENT 6.**

**After the closing takes place, you may move into your new home!**

### Limited Builder’s Warranty Agreement

An important aspect of purchasing a Habitat home is the “Limited Builder’s Warranty Agreement”. **This Agreement details Habitat’s obligation to make required repairs during the Warranty period, which is one year from the date of the closing.**

Prior to the closing, you and a Habitat representative inspect your home to determine that the home is free of defects, as defined in the Agreement. The Limited Builder’s Warranty provides for the remediation of *certain* defects during the period of the Warranty. It is very important that you familiarize yourself with its provisions, as it does not cover maintenance of your home or all repairs. See **ATTACHMENT 7** for a copy of the Limited Builder’s Warranty Agreement and its attached “Final Walk Through” Inspection form.

During the final walk-through inspection, you and a Habitat staff member will go through your new home room by room and carefully check to see whether all items are in satisfactory condition. If any repairs or adjustments are required, write them on the inspection form.

You will receive a warranty binder containing all of your home warranty agreements and a signed copy of the Limited Builder’s Warranty Agreement.

We do our best to bring the items that require correction up to satisfactory condition, consistent with the standards of construction in the city or town in which your home is located, and with our affiliate's standards. We warrant that during the first 30 days after the Buyer moves in, we adjust or correct minor construction defects, omissions, or malfunctions, such as missing equipment or hardware, sticking doors, drawers, and windows, dripping faucets, and other minor malfunctions reported by the Buyer upon inspection of the improvements. After the needed improvements are made, you have the opportunity to check all items again to make sure they meet with your approval.

**As soon as you become a homeowner, maintenance is your responsibility.** During the first year, however, some *limited repairs* may be covered under the Builder's Warranty. After you become the owner of your new home, you may make any desired modifications to it at your own expense, although some modifications could void the Limited Builder's Warranty Agreement. Please contact Habitat if you have any concerns about this.

## You are a homeowner!

Congratulations! As a new homeowner, you have several important responsibilities:

**Pay your mortgage on time.** This is one of the fastest ways to build your credit. If you have any trouble making your mortgage payments, reach out to your mortgage servicer (the company that send you the mortgage statement each month) to come up with a payment agreement.

**File your STAR exemption.** At closing, your attorney will give you an informational page on how to sign up for STAR exemption.

**Maintain your home and property.** A seasonal maintenance checklist is included in your Homeowner Operations & Maintenance Manual. By maintain your home, you are protecting your investment and building equity in the property. Experts recommend saving 1% of your home's value every year in a savings account specially for home maintenance. So, try to save at least \$160 a month, or start at a smaller number and work your way up bigger goal. Because your home is brand new, you should have plenty of time to save before big repairs or maintenance items are needed.

**Build community.** Get to know your neighbors, attend neighborhood association meetings and have fun.



## Partnership Agreement (Notice of Program Pro-Approval)

\_\_\_\_\_

Date

Dear \_\_\_\_\_:

Congratulations! You have been selected to participate in the Habitat Homeownership Program (the “Program”) with Habitat for Humanity Capital District (“Habitat for Humanity”) and pre-approved for a home loan, subject to the express terms and conditions contained in this Partnership Agreement (Notice of Program Pre-Approval) (this “Agreement”). This Agreement describes the terms and conditions of your acceptance into the Program. **This Agreement is not a sales contract or a loan application for purposes of certain federal laws, and expressly excludes the following information:**

- **the address of the house;**
- **the specific plans for the house;**
- **the price of the house;**
- **the specific amount of your mortgage or mortgages in favor of Habitat for Humanity;**
- **the time when construction will be completed.**

(Initial \_\_\_\_\_)

If you are not satisfied with any of the terms of the Program when disclosed, you may withdraw from the Program at any time up to loan closing and receive a full refund of any cash payments you have paid towards closing costs. You will not, however, be compensated in any way for any of the “sweat equity” hours you have volunteered, as described in Paragraph 2 of the next section of this Agreement.

Based on our current house production procedures, we expect the completed house to generally conform to the basic house description attached to this Agreement.

### Your obligations under the Habitat homeownership program

Your participation in the Program is subject to the performance of all of the following requirements within 12 months of execution of this Agreement:

1. **DEPOSIT:** Upon execution of this Agreement, you must pay to Habitat for Humanity Capital District the amount of \$500 as a deposit. This deposit will reduce the amount of your mortgage loan.
2. **CLOSING COSTS PAYMENTS:** You must prepare additional funds for closing on your house that will be used to pay items such as a title insurance policy, recording fees, inspections, homeowner's insurance, escrow reserve funds, etc. Closing costs are in addition to the sales price and are outlined in the Good Faith Estimate, the Truth in Lending statement, or Closing Disclosure. You should begin a savings program to ensure that you have enough funds to pay for these costs. Typically, \$1,000 - \$5,000 is required, and use of grant assistance is acceptable for most of these items. Please speak with the bank representative regarding use of grant funds and the use of your own funds.
3. **DOWN PAYMENT:** Down payment beyond your house deposit is not required by Habitat, however, it may be required by your mortgage lender. Please speak to the bank representative about their requirements regarding down payment. Any down payment will reduce the amount of your mortgage loan. If down payment is funded by a third-party subsidy provider, the amount of down-payment and/or closing cost assistance is typically written into a lien by that party, in the form of a deferred subordinate mortgage in favor of the subsidy provider.
4. **PARTNERSHIP HOURS:** Before the closing of your loan, you and your family members must work at least 100 "partnership hours" as a Habitat for Humanity volunteer. At least 50 hours of your hours must be completed in construction of your own home or the homes of other Habitat for Humanity buyers. Our current policy is included in the Homebuyer Handbook. These hours will not reduce the purchase price of your house and, if you decide to withdraw from the Program or your application is otherwise terminated, Habitat for Humanity will not pay or compensate you for any of these hours.
5. **HOMEOWNER EDUCATION:** You must attend any required prospective homeowner workshops and classes that will cover many topics relating to homeownership, including financial and home maintenance training. Hours spent in these training sessions will be credited against your partnership requirement.

**(Initial \_\_\_\_\_)**

## Habitat for Humanity's right to revoke your acceptance into the Habitat homeownership program

Your acceptance into the Program is based on the information contained in your application, as defined in Habitat for Humanity's policy and discussed with you prior to receiving this Agreement. In the event Habitat for Humanity determines that the information contained in your application was materially inaccurate, Habitat for Humanity reserves the right to terminate your participation in the Program.

In addition, Habitat reserves the right to terminate your selection as a prospective homeowner if any of the following occurs:

- a. You experience a material adverse change in your financial situation, such as the loss of employment or new debts, and pursuant to its policies, Habitat for Humanity determines, in its sole discretion, that you can no longer afford a Habitat for Humanity house. If there is a significant change in your financial situation, please notify us as soon as possible. It may be possible for us to work with you to preserve your participation in the Program.
- c. You fail to attend the required homebuyer workshops.
- d. You fail to make your \$500 deposit to Habitat within 10 days of the date of your real estate contract.
- e. We determine that you are registered in a sexual offender database. Our Sex Offender Registry Policy is included in the Homeowner Handbook.
- f. We determine that there are grounds for terminating your selection as a prospective homeowner in accordance with our De-Selection Policy. Our De-Selection Policy is included in the Homeowner Handbook.

(Initial \_\_\_\_\_)

## House construction

At the appropriate time and if you fulfill all of the conditions contained in this Agreement, we will begin to review with you the estimated cost of construction of the house, the estimated construction schedule, your estimated mortgage payments, specific house plans and other details regarding the construction and sale of the house.

Houses constructed by Habitat for Humanity are built with a combination of skilled labor, unskilled volunteer labor and the labor of you and your household members. In addition, many



materials and a significant portion of the money used to build your house will be donated. While we will make reasonable efforts to complete the house in general accordance with the attached basic house description and more specific house plans to be shown to you at a future date, because of changes in circumstances and uncertainty regarding future funding and donations, we are unable to promise that your house will be built according to the original plan, or that it will be built at all. In addition, if the house is built, we cannot guarantee a completion date..

If you are not satisfied for any reason with specific details about the house plans or features, location, price, construction schedule or any other matter, you may withdraw from the Program at any time prior to closing and receive a full refund of any closing costs payment you have made to Habitat, although you will not be compensated for the value of your "partnership hours," as described under the "Partnership Hours" section of this Agreement.

**(Initial\_\_\_\_\_)**

### **Finance of house**

At the appropriate time and if you fulfill all of the conditions contained in this Agreement. You must finance the purchase of your home with an acceptable home loan that meets affordability criteria of no more than a 30-year term, fixed interest, and an estimated monthly payment no more than 30% of your household's monthly income. You must sign a third-party disclosure form to allow your mortgage lender and Habitat to communicate about your home loan.

Habitat for Humanity cannot guarantee that you will be approved for a mortgage loan. If your financial situation changes due to a change in employment, income or the accrual of new debt, you may not be approved for a mortgage.

If you are not satisfied with the proposed terms of the house financing for any reason, you may withdraw from the Program at any time prior to loan closing and receive your deposit back. You will not be compensated for the value of your "partnership hours," as described under the "Partnership Hours" section of this Agreement.

**(Initial\_\_\_\_\_)**

## Resale / occupancy policy

The house that you purchase must remain owner-occupied for the term of the mortgage, that is, you must live in the house until the mortgage is paid in full. You cannot rent your house to someone else. (Note: if you are purchasing a two-family home, you are allowed to rent out one of the units, but you must continue to live at the property as well.)

You will be required to sign a Right of First Refusal in favor of Habitat at closing, giving Habitat the first opportunity to match a bona-fide offer upon resale.

There may be additional resale restrictions and occupancy policies required by assistance grants or loan you acquire. You will be required to sign a 30-year deed restriction with NYS Homes and Community Renewal, the terms of which are described in the draft of the agreement provided to you.

If you are not satisfied with the proposed terms of your house purchase documents for any reason, you may withdraw from the Program at any time prior to loan closing and receive a full refund of any deposit you have paid, although you will not be compensated for the value of your "partnership hours," as described under the "Partnership Hours" section of this Agreement.

**(Initial \_\_\_\_\_)**

This Agreement is intended to outline the general requirements of the Program. By signing this Agreement, you are indicating that you understand the Program, that you are willing to partner with Habitat for Humanity and that you will complete the requirements contained in this Agreement. If you are unable to meet these requirements, we will not be able to continue the Program with you.

By signing this Agreement, Habitat for Humanity is indicating its intent to partner with you to develop a plan for the construction, sale and finance of a house to be used as your principal residence, all pursuant to the process and subject to the requirements described in this Agreement.

Sincerely,  
HABITAT FOR HUMANITY CAPITAL DISTRICT



Christine Schudde  
*Executive Director*

Read, understood and accepted this \_\_\_\_ day of \_\_\_\_\_, 20\_\_

Prospective homeowner: \_\_\_\_\_

Prospective homeowner: \_\_\_\_\_



## Habitat homebuyer media release form

Sharing the stories of Habitat homebuyers like you is essential to help more families and neighborhoods through affordable homeownership. We need people in the community to see how hard you'll be working to build your home. We need them to hear *why* you have chosen to partner with Habitat. We need them to feel excited for you and still feel the urgency of all the work we still have left to do.

Your Habitat story has the potential to inspire other people to partner with Habitat, whether as homebuyers or donors, volunteers and champions of our work. **Maybe you found us because someone else shared their Habitat story.** Your story, image and voice are *yours*. So, we want to make sure that we're documenting and sharing your Habitat journey in a way you're comfortable with and that respects your wishes.

**Please take time to review the following media release terms. You can also write in any notes you'd like us to follow, and we'll try to do so. If you have special concerns about privacy or safety, please let us know so we can appropriately address them.**

- 1. Habitat would like to take photos and videos of you and your family** during your partnership with us, and we'd like to share them with our audiences online and offline. We may share them now or in the future.
- 2. Habitat would also like to share your Habitat story.** We will try to interview you and give you ample opportunity to share your own story in your own words and approve final edits for accuracy and privacy-related concerns.
- 3. Habitat may not always be able to ask for your approval each time we share your picture or story, but if you are ever uncomfortable with something we've posted, let us know and we'll do our best to make it right.**

**Special notes, exceptions or requests:**

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Habitat partnering homebuyer(s)

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Date

---

Habitat representative

---

Date

## RIGHT OF FIRST REFUSAL

Grant of Right of First Refusal (“Right of First Refusal”) made as of the **Click or tap here to enter text.** day of **Click or tap here to enter text.**, **Click or tap here to enter text.**, from **Click or tap here to enter text.** (“Purchaser”) residing at **Click or tap here to enter text.** and **Habitat for Humanity Capital District, Inc** (“Habitat for Humanity”), a New York Not-For-Profit Corporation having an office at **207 Sheridan Avenue, Albany, NY 12210.**

WHEREAS, Habitat for Humanity has been formed for the purpose of developing and rehabilitating housing for low-to-moderate income individuals; and

WHEREAS, Habitat for Humanity is the owner of a new or renovated single family house located at **Click or tap here to enter text.**, in the City of **Click or tap here to enter text.**, County of **Click or tap here to enter text.**, New York, and more particularly described in Schedule “A” annexed hereto and incorporated herein by reference; and

WHEREAS, Habitat for Humanity has agreed to sell the subject premises situated at **Click or tap here to enter text.** , **Click or tap here to enter text.**, County of **Click or tap here to enter text.**, New York to purchaser pursuant to a purchase contract dates as of **Click or tap here to enter text.**, (the “Purchase Contract”); and

WHEREAS, in order to induce Habitat for Humanity to execute, deliver, and perform the Purchase Contract, Purchaser has agreed to grant the first right of refusal in favor of Habitat for Humanity;

NOW, THEREFORE, in consideration of the promises and mutual agreements hereinafter set forth, and for good and valuable consideration, the parties hereto agree as follows:

### 1. GRANT OF RIGHT OF FIRST REFUSAL

(A) In consideration of one dollar (\$1.00) paid by Habitat for Humanity, receipt which is hereby acknowledged. Purchaser does hereby grant to Habitat for Humanity an exclusive and irrevocable right to purchase the property any time before **30 years from closing date**, upon the terms and conditions herein set forth.

## 2. ELECTION TO EXERCISE THE RIGHT OF FIRST REFUSAL

(A) In the event Purchaser desires to sell the above described property known as **Click or tap here to enter text.** , **Click or tap here to enter text.**, County of **Click or tap here to enter text.**, New York, and received from some third party a bona fide offer for the purchase thereof. Purchaser agrees to disclose the terms of such offer to Habitat for Humanity, by providing a copy of the entire written contract offer within fifteen (15) days following the receipt of the offer. Habitat for Humanity shall have thirty (30) days after receipt of a copy of the written contact offer within which to elect to purchase the entire property on the terms identical to those offered by the third party. Such election shall be made by written notice Purchaser at **Click or tap here to enter text.** , **Click or tap here to enter text.**, County of **Click or tap here to enter text.**, New York, accompanied by a check for one hundred dollars (\$100.00) to the order of Purchaser to be held in escrow pending closing and to be applied to the purchaser price. Within thirty (30) days thereafter, the parties shall enter into a formal contract of sale containing the provisions normally used in such contracts in **Click or tap here to enter text.** County, New York, and expressly including all terms of the original bona fide offer made to Purchaser, except as the parties may mutually agree.

(B) If Habitat for Humanity fails to give the notice and send the payment as provided in Paragraph II, Purchaser shall be relieved of all liability to Habitat for Humanity hereunder and may dispose of the property as Purchaser sees fit.

## 3. PURCHASE AND TERMS OF SALE

(A) Within thirty (30) days of Habitat for Humanity's exercise of this first right of refusal, Purchaser shall obtain evidence of marketable title to the project and submit same to Habitat for Humanity for examination. Habitat for Humanity shall have thirty (30) days from receipt thereof to notify of any defects or objections to the title as so evident and Purchaser shall at Purchaser's expense cure any such defect or objections. Unless otherwise accepted by Habitat of Humanity at the transfer of title, Purchaser shall deliver to Habitat for Humanity a bargain and sale deed with covenants against grantor's acts indicating good and marketable title to purchaser, free of all liens except as otherwise provided herein.

(B) Purchaser hereby grants Habitat of Humanity a right of reasonable access to and inspection of the property after Purchaser gives Habitat for Humanity notice of purchaser's desire to sell the subject property provided above.

(C) Purchaser agrees to cooperate with Habitat for Humanity in signing applications for zone change or other governmental permits. Purchaser shall not be required to incur any expense in making such applications.

(D) The subject premises is being conveyed and sold subject to any zoning regulations and ordinances of the City of [Click or tap here to enter text.](#), any encroachments upon any Street or highway, and any covenants, restrictions and easements of record provided they do not prohibit or affect the property in its intended use or render title unmarketable.

(E) Purchaser agrees that he/ she has no knowledge of any event or proceedings against the property and will notify Habitat for Humanity if eminent domain procedures are instituted against the property during the exercise period of the first right of refusal and in such event, Habitat for Humanity may at its option, either (i) cancel this first right of refusal or (ii) purchase the subject property and take an assignment of Purchaser's rights in any eminent domain proceedings. Purchaser agrees that any written leases entered in to will be subject to and terminate upon the exercise by Habitat for Humanity of its first right of refusal, and Purchaser further agrees not to convey or enter into any easements, written leases or create any encumbrances on the subject property without Habitat for Humanity's prior written consent.

(F) The closing of title shall be held the office of the attorney for Habitat for Humanity on or about ninety (90) days after the exercise of this first right of refusal.

(G) Taxes and assessments, water and sewer charges shall be prorated and adjusted as of the closing date.

(H) The risk of loss or damage to the property by fire or other causes until the delivery of the deed is assumed by Purchaser.

#### 4. SUCCESSOR AND ASSIGNS

(A) The first right of refusal shall be binding upon and insure to the benefit of the parties hereto and their respective successors, assigns and personal representatives. This right of refusal shall run with the land up to and including **30 years from closing date**, and Purchaser agrees to cause this right of first refusal to be recorded with the [Click or tap here to enter text.](#) County Clerk.

(B) Habitat for Humanity shall not assign this first right of refusal to any person or entity that is not a qualified Not-for-Profit organization.

#### 5. ADDITIONAL ACTION AND DOCUMENTS

Each of the parties hereby agrees to take or cause to be taken further actions to execute, acknowledge, deliver, and file such documents and instruments and to use best efforts to obtain such consents as may be necessary or as may be reasonably requested in order to effectuate fully the purposes, terms and conditions of this first right of refusal, whether before, at, or after the closing of the transaction contemplated herein.

#### 6. AMENDMENT

This right of first refusal on the terms and conditions contained herein may be amended only by written agreement signed by the duly authorized representatives of Purchaser and Habitat for Humanity.

#### 7. CONSTRUCTION

This right of first refusal has been prepared following arms length negotiations in which each party had the opportunity to consult with legal counsel regarding the provisions thereof. Every covenant, term and provision of this right of first refusal shall be construed according to a term meeting and not strictly for or against party or parties.

#### 8. ENTIRE AGREEMENT

This right of first refusal contains the entire agreement and understanding of Purchaser and Habitat for Humanity relating to the rights granted and the obligations assumed pursuant hereto. There are no other agreements, understandings or representations upon which either is relying in connection with this first right of refusal or the rights granted and obligations assumed pursuant thereto.

**IN WITNESS WHEREOF**, the parties hereto have signed this first right of refusal on the day and year first above written.

Dated [Click or tap here to enter text.](#)

---

Purchaser: **NAME**

#### **HABITAT FOR HUMANITY CAPITAL DISTRICT**

By:

---

**CHRISTINE SCHUDDE  
EXECUTIVE DIRECTOR**



STATE OF NEW YORK )  
COUNTY OF ALBANY ) ss.:

On **Click or tap here to enter text.**, before me personally came, **NAME**, known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on this instrument, the individuals or the persons upon behalf of which the individuals acted, executed the instrument.

---

Notary Public

STATE OF NEW YORK )  
COUNTY OF ALBANY ) ss.:

On **Click or tap here to enter text.**, before me personally came, **CHRISTINE SCHUDDE**, known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on this instrument, the individuals or the persons upon behalf of which the individuals acted, executed the instrument.

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Notary Public

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HOUSING TRUST FUND CORPORATION

and

[Borrower Name]

---

AFFORDABLE HOMEOWNERSHIP OPPORTUNITY PROGRAM

---

REGULATORY AGREEMENT

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DATED AS OF [closing date]

This instrument affects real and personal property situated in the State of New York, [Tax Info] County of [Project county], and [Project Municipality Type] of [Project Municipality], commonly known as [Project address].

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RECORD AND RETURN TO:

STATE OF NEW YORK  
HOUSING TRUST FUND CORPORATION  
38-40 State Street  
Albany, New York 12207  
Attention: Counsel's Office

SHARS I.D. No. [SHARS #]

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**HOUSING TRUST FUND CORPORATION  
REGULATORY AGREEMENT**

AGREEMENT made as of [closing date], between the HOUSING TRUST FUND CORPORATION, a public benefit corporation with its principal place of business at 38-40 State Street, Albany, New York 12207 (“HTFC”) and [Borrower], [an] individual(s) residing at [Borrower address] (such individual(s) together with their successors and assigns, the “Borrower”).

WITNESSETH:

NOW THEREFORE, the parties agree that the Property and the Project (as defined below) containing [Units] [(# of units)] dwelling unit(s) of housing for persons of low and moderate income will be occupied and operated in accordance with the following terms and conditions:

Section I

1. Authorization

Pursuant to Chapter 54 of the Laws of 2022 (“Statute”) and regulations of HTFC (9 NYCRR 1900 et seq.) as may be amended from time to time (“Regulations”), HTFC is authorized to enter into contracts with eligible applicants to provide grants and loans to provide housing for persons of low and moderate income under the Affordable Homeownership Opportunity Program.

2. Term

The term of this Agreement (“Term”) shall commence as of this date and shall expire on the thirtieth (30<sup>th</sup>) anniversary of the date hereof [INCLUDE IF OPTION 1 AFFORDABILITY AND SINGLE-FAMILY: unless earlier terminated in accordance with Section 3(e)].

Section II

1. Award and Income Affirmation

HTFC has agreed to make an award in the maximum amount of [award amount] DOLLARS [(\$award amount:9,999)], (“Loan”) with respect to land and improvements (collectively “Property”) located in the [Municipality Type] of [Property Municipality] in the County of [Property County], which Property is more fully described in the attached Schedule A.

Borrower hereby represents, warrants, and affirms to HTFC that Borrower’s household income is no more than [Applicable AMI]% of the area median income, adjusted for family size,

2. Responsibilities for and Regulation of the Property

During the Term hereof, Borrower shall operate and maintain the Property in compliance with applicable federal, state and local laws, rules, regulations and any applicable agreements relating to the Property executed by Borrower, including but not limited to:

- (a) the Statute;
- (b) the Regulations;
- (c) exhibits to this Agreement; and
- (d) policies and procedures of HTFC as amended from time to time (“Policies and

Procedures of HTFC”).

3. Resale to Eligible Purchaser

(a) Except as set forth herein, during the Term the Property may be sold or transferred only to an individual or individuals whose household income is no more than [Applicable AMI]% of the area median income, adjusted for family size, as published by HUD for [COUNTY] County (“Eligible Purchaser”).

(b) Income eligibility of any Eligible Purchaser must be verified by a HUD-certified homeownership counselor<sup>1</sup>, with payment for such verification being included in the Eligible Purchaser’s closing costs, and such verification must be provided to HTFC.

(c) Borrower shall establish a sale price that is affordable<sup>2</sup> for an Eligible Purchaser. The sale price must be verified as affordable for the proposed Eligible Purchaser by a HUD-certified homeownership counselor, and such verification must be provided to HTFC.

(d) Upon confirmation of an Eligible Purchaser’s income eligibility and the affordability of a proposed sale price for the Property, HTFC shall approve the sale or transfer of the Property to the identified Eligible Purchaser.

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<sup>1</sup> Borrower may contact HTFC to request the names and contact information for HUD-certified homeownership counselors in their area.

<sup>2</sup> The monthly housing payment consisting of principal, interest, taxes, and insurance may constitute no more than 33% of the monthly income of the Eligible Purchaser, taking into account rental income from any rental units.

(e) The following transfers of the Property shall be exempt from the resale restrictions set forth in this Section 3 and such obligations under this Agreement and related Note and Mortgage may be assigned as follows subject to the requirements of Section 6 herein:

(i) any transfer resulting from the death of Borrower by operation of law or pursuant to any will or trust to a spouse, child (including adopted children or stepchildren), parent, grandparent or grandchild of Borrower;

(ii) any transfer resulting from a decree of dissolution of marriage or legal separation or from a property settlement agreement incidental to such a decree, by which a spouse who is a Borrower becomes the sole Borrower; or

(iii) any transfer in connection with foreclosure by senior lender identified in Section 8 hereof, subject to the terms of a subordination agreement between HTFC and a senior lender.

Following any exempt transfer set forth above in this paragraph (e), the Property shall remain subject to the covenants, conditions, and restrictions set forth in this Agreement.

4. Borrower-Occupancy and Use of the Property

(a) Throughout the Term hereof, Borrower shall continuously occupy [INCLUDE IF MULTIFAMILY: unit #[#] of] the Property as their principal place of residence.

(b) Throughout the Term, Borrower shall maintain the Property in a good, safe, and habitable condition in all respects, except for normal wear and tear, and in compliance with applicable federal, State and local laws, rules, regulations (including State and local building codes) and any applicable agreements relating to the Property executed by Borrower, including but not limited to:

(i) that certain note and mortgage, dated as of the date hereof, in favor of HTFC (the "Note and Mortgage");

(ii) exhibits to this Agreement; and

(iii) policies and procedures of HTFC as amended from time to time ("Policies and Procedures of HTFC").

5. Insurance

Borrower shall purchase and maintain insurance as described in the attached and incorporated Exhibit A.

6. Assignments and Transfers

(a) Borrower shall not assign any right granted to it under this Agreement or delegate any obligation imposed on Borrower herein without the prior written consent of HTFC and any purported assignment or delegation without HTFC's prior written consent shall be void.

(b) Borrower shall provide written notice to HTFC, to the attention of its Housing Management Unit, upon sale or transfer of any interest in the Borrower.

(c) For the duration of the Term, Borrower shall not sell or transfer the Property without the prior written consent of HTFC. Any purported sale or transfer of the Property without HTFC's prior written consent shall be void.

(d) **[IF APPLICABLE]** If Borrower is a corporation, limited liability company, or other legal entity, Borrower shall provide written notice to HTFC upon sale or transfer of any interest in the Borrower. Any transfer of interest in which HTFC was not given prior notice, shall be deemed void.

7. Agreement to Run With the Land; Recording

This Agreement shall apply to the Property and any successor projects thereto. This Agreement is intended to benefit HTFC and the State of New York as set forth in the Statute. This Agreement and all of the promises, agreements, and covenants herein contained shall be deemed real covenants and shall run with the land and be binding upon the respective heirs, executors, administrators, successors, and assigns of Borrower. HTFC and Borrower hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the Property and that Borrower's legal interest in the Property are rendered less valuable thereby. HTFC and Borrower hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Property by persons for whom the ordinary operations of private enterprise cannot provide an adequate supply of safe, sanitary affordable housing accommodations, and are the intended beneficiaries of such covenants. During the term of this Agreement, the covenants of Borrower set forth herein are enforceable by HTFC as a contract beneficiary whether or not Borrower is or remains indebted to HTFC. Borrower shall record this Agreement against the Property at such time, in such manner and in such places as may be required by HTFC and by any present or future law in order to publish notice of and to fully protect the priority of this Agreement and the interest of HTFC in the Property.

8. Other Mortgages

The mortgage held by [Lender name] (“[Lender position] Mortgagee”), «IF Recorded» dated [Mortgage date], and recorded in the [Property county] County Clerk’s Office on [Recorded date] in Book [Liber/Book #] of Mortgages at page [Page #] «IF NOT Recorded» dated even date herewith, to be recorded in the [Property county] County Clerk’s Office (“[Lender position] Mortgage”) is subject to this Agreement. The terms, provisions and covenants of this Agreement are binding on Borrower and the [Lender position] Mortgagee and shall remain binding on any transferee of the Property as the result of the foreclosure of the [Lender position] Mortgage or otherwise, except insofar as HTFC may expressly agree to the contrary in writing.

9. Indemnification

To the fullest extent permitted by law, Borrower shall defend, indemnify and hold harmless HTFC and its agents and employees from and against claims, damages, losses and expenses, including, but not limited to, attorneys’ fees arising out of or resulting from performance of this Agreement or the work to be performed pursuant hereto.

10. Non-Liability

Nothing in this Agreement or arising out of the development or operation of the Property shall impose any liability or duty whatsoever on HTFC, the State of New York, or any of its agencies or subdivisions.

11. Covenants of Borrower

Borrower covenants as follows:

(a) If a lien for the performance of work or the furnishing of labor or materials is filed against the Property, Borrower shall cause it to be satisfied, discharged or bonded at the earlier of the time of any request for disbursement or within a period of twenty (20) days after the date of filing of such lien;

(b) Borrower shall comply with all of the terms of any mortgage, deed of trust, security agreement, loan agreement, credit agreement or other instrument executed in favor of any other party; and

(c) Borrower shall have HTFC added as mortgagee to all property insurance policies and as additional insured for all other policies of the Borrower.



12. Records and Reports; Inspections

Borrower shall maintain records, submit reports, and cooperate with audits and inspections as stated in the Statute, Regulations, this Agreement and the Policies and Procedures of HTFC and sufficient to provide HTFC with any information necessary to file such reports as the Statute may require.

13. Modification

This Agreement may not be amended, modified or rescinded unless such amendment, modification or rescission is in writing, and signed by HTFC.

14. No Waiver

No term, provision, or condition of this Agreement shall be deemed waived by HTFC's action or inaction unless the waiver is in writing, signed by HTFC and delivered to Borrower.

15. Notice of Investigation or Default

(a) Borrower certifies to the best of its knowledge, for the period beginning ten (10) years prior to the date of this Agreement, Borrower has not: (i) been the subject of any governmental agency's investigation or audit; (ii) defaulted under any mortgage, deed of trust, security agreement, loan agreement or credit instrument executed in connection with any governmental agency's project; (iii) breached any agreement, credit agreement, lease or other instrument executed in connection with any governmental agency's project; (iv) been suspended, debarred or otherwise restricted by any governmental agency from doing business with such agency; or (v) been convicted of, or been the subject of a complaint or indictment charging a felony; or (vi) defaulted on an obligation covered by a surety or performance bond or been the subject of a claim under an employee fidelity bond.

(b) Borrower shall notify HTFC within five (5) days after obtaining knowledge of: (i) the commencement of any investigation or audit of its activities by any governmental agency; (ii) the alleged default by Borrower under any mortgage, deed of trust, security agreement, loan agreement or credit instrument, whether executed in connection with the Property or otherwise; or (iii) any alleged breach by Borrower of any agreement, credit agreement, lease or other instrument executed in connection with the Property.

Borrower shall provide that, in the event of any alleged default under any of such instruments, the mortgagee, secured party, lender or lessor, as the case may be, shall

simultaneously send to HTFC a copy of any notice of such alleged default sent to Borrower, and shall give HTFC a reasonable opportunity to cure such alleged default; if such mortgagee, secured party, lender or lessor fails to send such simultaneous notice, then Borrower itself shall immediately upon receipt send such notice to HTFC. For the purposes of this paragraph, the term "Borrower" shall include all officers, board members, general partners or other principals, including any person holding a controlling interest in Borrower, as applicable.

16. Default

(a) Any of the following shall constitute an Event of Default hereunder:

(i) if Borrower fails, in the opinion of HTFC, to comply with or perform any of the conditions or covenants contained in this Agreement, the Note and Mortgage, or the Policies and Procedures of HTFC;

(ii) if at any time HTFC becomes aware that a representation or warranty made by Borrower with regard to its application or the Property is or was false or materially misleading;

(iii) if Borrower shall fail to comply with any of the terms of any mortgage, deed of trust, security agreement, loan agreement, credit agreement or other instrument executed in favor of any other party;

(b) Upon the occurrence of an Event of Default, and such default shall have continued for a period of thirty (30) days (unless a shorter cure period is provided for therein), after written notice specifying such default and demanding that the same be remedied shall have been given by HTFC to Borrower (or if such default cannot with due diligence be cured within such period, Borrower shall have failed to commence to cure within such period, or having commenced, shall thereafter fail to prosecute and complete such cure with due diligence), HTFC shall have the right to pursue any remedies available at law or in equity for any breach of this Agreement, including the right to terminate this Agreement; the right to injunctive relief; the right to enforce the provisions and/or specific performance of this Agreement; the right to remove any partner, member or shareholder, as applicable, of Borrower; the right to remove any responsible manager director, officers for the violation; and the right to recover damages suffered by HTFC as a result of any breach of this Agreement by Borrower. Further, HTFC shall have the right to extend the term of this Agreement by the period of any noncompliance upon the recording of an amendment to this Agreement executed solely by HTFC against the Property. The period of noncompliance

shall be presumed to be the period running from the date of issuance of any notice of default until cure of such Event of Default to HTFC's satisfaction.

(c) HTFC or a receiver shall have the right, but not the obligation, upon the happening of any uncured Event of Default as provided in (b) above, in addition to any other rights or remedies available to it, to enter into possession of the Property, collect the rents, pay all necessary costs of the Property in accordance with the terms of this Agreement and the Loan Documents and perform or cause the performance of any and all work and labor necessary or desirable to complete work on the Property, protect the Property or to make repairs to the Property, prohibit distributions to partners, members or shareholders as applicable of Borrower until Borrower has cured the violation(s) and given satisfactory evidence it can comply with the terms of this Agreement, provided, however, that the foregoing shall not be deemed to impose on HTFC the obligation to prosecute to completion any action taken pursuant hereto and HTFC shall have no liability to Borrower arising out of the failure to complete any work commenced pursuant to this Section. All sums expended by HTFC for such purposes shall be deemed to have been paid to Borrower. For this purpose, Borrower hereby constitutes and appoints HTFC its true and lawful attorney-in-fact with full power of substitution to make repairs in the name of Borrower, and hereby empowers said attorney or attorneys as follows: to employ or continue to employ such general contractor, subcontractors, material suppliers, laborers, agents, architects and inspectors as shall be required or may be reasonably desirable for said purposes; to pay, settle or compromise all existing bills and claims which are or may be liens against the Property, or may be necessary or desirable for the completion of any work or the clearance of title; to procure such insurance as may in its judgment be desirable; to execute all applications and certificates in the name of Borrower which may be required by any contract or subcontract; and to do any and every act with respect to work on the Property which Borrower may do in its own behalf. It is understood and agreed that this power of attorney shall be deemed to be a power coupled with a secured interest which cannot be revoked. Said attorney-in-fact shall also have power to prosecute and defend all actions or proceedings in connection with work performed on the Property and to take such action and require such performance as is deemed necessary. Borrower hereby conditionally assigns and quitclaims to HTFC all sums disbursed or to be disbursed hereunder and all retained sums subject to the condition that said sums, if any, be used for work performed on the Property and payment of related expenses as set forth herein.

(d) For the purposes of Section 16(c) above, and in connection with (i) any and all contracts and subcontracts for the provision of labor and the furnishing of materials, fixtures and articles in connection with the rehabilitation, construction, conversion, repairs to or maintenance of the Project which are now in existence or which may exist at any time or times in the future, together with any extensions or renewals thereof (collectively “Contracts”), and (ii) all licenses, approvals, authorizations, consents, certificates and permits in connection with the rehabilitation, construction, conversion, repairs to or maintenance of and operation of the Project which are now in existence or which may exist at any time or times in the future, together with any extensions or renewals thereof (collectively “Licenses”), Borrower hereby assigns the Contracts and Licenses to HTFC, provided, however, Borrower shall enjoy and perform all of its rights and obligations under the Contracts and Licenses until the happening of an Event of Default. In addition, Borrower shall submit to HTFC a letter signed by each subcontractor and contractor under a Contract to the effect that, upon receipt of notice from HTFC of an uncured Event of Default, such subcontractor and contractor will recognize HTFC as Borrower’s duly appointed successor and assign and will perform its obligations under such contract as if HTFC were the party with which it had contracted.

17. Dissolution, Liquidation or Termination

[IF BORROWER IS AN ENTITY]

In the event of dissolution, liquidation, or termination of Borrower (whether voluntary, involuntary or by operation of law), this Agreement may be terminated. Such termination shall not relieve Borrower from liability to HTFC pursuant to this Agreement. Whether voluntary, involuntary or by operation of law, Borrower, or its directors, partners or members as the case may be, shall obtain the prior approval of HTFC of any application in whatever form for dissolution and of any proposal or plan of dissolution and distribution of assets.

18. Exhibits

The following schedule, exhibits, and appendices are hereby incorporated into this Agreement and Borrower, to the extent applicable, shall adhere to the provisions contained therein.

Schedule A	Description of Property
Exhibit A	Insurance Provisions

19. Miscellaneous

(a) All notices or other communications with respect to the subject matter of this Agreement shall be in writing and shall be deemed to have been given when sent by certified mail, return receipt requested, to Borrower and to HTFC at the addresses set out herein. A party may change the address by giving notice as provided herein, which will be effective upon receipt.

If to the Borrower:                    [Borrower name]  
    [Borrower mailing address]

If to HTFC:                                Housing Trust Fund Corporation  
    Hampton Plaza  
    38-40 State Street  
    Albany, New York 12207  
    Attention: Counsel's Office

(b) This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(c) This Agreement may be executed in any number of counterparts or duplicates, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

(d) In the event of any conflict or inconsistency between the terms and provisions of this Agreement and the terms and provisions of any other agreement between the Borrower and any third party, the most restrictive terms shall apply.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties have each duly executed this Agreement as of the day and year first above written.

**HOUSING TRUST FUND CORPORATION**

By: \_\_\_\_\_

Name: [HTFC Signatory]

Title: [HTFC Signatory Title]

STATE OF NEW YORK     )  
  ) ss.:  
COUNTY OF [HTFC notary county])

On [HTFC notary date], before me, the undersigned, personally appeared [HTFC Signatory], personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that they executed the same in [HTFC signatory gender:his/her/their] capacity, and that by [HTFC signatory gender:his/her/their] signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
Notary Public

**BORROWER**

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Name: [Borrower Name]

STATE OF NEW YORK     )  
  ) ss.:  
COUNTY OF [Borrower notary county])

On [Borrower notary date], before me, the undersigned, personally appeared [Borrower signatory], personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that they executed the same in [Borrower signatory gender:his/her/their] capacity, and that by [Borrower signatory gender:his/her/their] signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

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Notary Public

SCHEDULE A  
Description of the Property



EXHIBIT A

**AFFORDABLE HOMEOWNERSHIP OPPORTUNITY PROGRAM**

**PROJECT INSURANCE REQUIREMENTS**

This document is intended to summarize the Affordable Homeownership Opportunity Program insurance requirements.

All Insurance, as required below, must:

- include evidence that the insurer will not modify the policy adversely to the interests of any mortgage on the premises or cancel any policy without the minimum notice requirements set forth in Section 3426 of the NYS Insurance law; and
- name “HTFC and the State of New York, 38-40 State Street, Albany, New York 12207” as additional insured and named mortgagee on all certificates (except Blanket Position Fidelity Bond/Crime Coverage and Workers’ Compensation and Disability Insurance Coverage as identified below).

**Borrower’s Property Insurance**

- Monetary limits commensurate with the project's 100% insurable replacement value.
- Flood insurance is required if the property is located in Flood Zones A or V. The amount of the flood insurance shall be at least the amount available through the National Flood Insurance Program (“NFIP”) or such amounts as HTFC deems appropriate.

The following are required if the Borrower is an entity.

- “Any Auto” automobile coverage in a minimum amount of \$1 million if autos are owned.
- Blanket Position Fidelity Bond/Crime Coverage in a minimum amount of three month’s rent roll plus value of all project reserves (HTFC named as sole or joint loss payee).
- Evidence of Workers’ Compensation and Disability Insurance coverage or has filed Form CE-200 with the Workers’ Compensation Board (HTFC not named).

Proof of Insurance

Borrower shall promptly deliver to HTFC a copy of all renewal and other notices received by Borrower with respect to the policies and all receipts for paid premiums. At least 30 days prior to the expiration date of a policy, Borrower shall deliver to HTFC the original (or a duplicate original) of a renewal policy in form satisfactory to HTFC.