

**NEW MEXICO MORTGAGE FINANCE AUTHORITY
HOME REHABILITATION PROGRAM
TRIBAL LAND AWARD AGREEMENT**

Project No. _____

Contract No. _____

THIS AWARD AGREEMENT ("Agreement") is made and entered into this _____ day of _____, 20.

1. Award of Funds and Restrictions on Property.

(Owner: _____) residing at (current address: _____) in consideration of Owner's receipt of funds in the amount of _____ from the **New Mexico Mortgage Finance Authority**, a governmental instrumentality organized and existing under the laws of the State of New Mexico, whose address is 344 Fourth Street, SW, Albuquerque, New Mexico 87102 ("MFA"), does hereby agree to the restrictions outlined herein with respect to the following described residence located on the trust or restricted lands of the _____ Pueblo, in _____ County, New Mexico, which has an address _____ (the "Property Address"), and which is more particularly described as follows:

Home located _____ County, New Mexico.

Owner covenants that Owner is the possessor of the leasehold interest in the Property, as approved by the Bureau of Indian Affairs pursuant to 25 CFR Part 162, located on trust or restricted lands of the _____ Pueblo and has the right to accept the Award and enter into this Agreement and to abide by the restrictions and requirements of this Agreement.

Owner acknowledges that MFA has determined that Owner is eligible for and has agreed to make the Award pursuant to MFA's HOME Rehabilitation Program, the HOME Investment Partnership Act, 42 USC 12701 et seq., and the federal regulations at 24 CFR Part 92 "HOME Investments Partnership Program," as amended, and the information submitted in Owner's application for the Award.

This Agreement restricts the transfer of the Property and is in consideration of the Award from MFA to Owner as evidenced by this Agreement. The Award has been made to Owner on the condition that Owner promises to abide by the restrictions and requirements set forth in this Agreement.

2. Restrictions on Transfer. MFA and Owner agree as follows:

A. Affordability/Owner Occupied Requirement. Owner shall maintain the Property as an owner-occupied single family residential property, until the expiration of the Affordability Period. If the total of the principal amount of the Award is \$40,000 or less, the Affordability Period is ten (10) years. If the total of the principal amount of the Award is greater than \$40,000, the Affordability Period is fifteen (15) years. The Affordability Period will begin on the date of receipt by the MFA of the Completion Report on the rehabilitation work that is the subject of this Agreement.

B. Owner Occupied. . If at any time during the Affordability Period the Property ceases to be the principal residence of Owner, Owner must inform _____ (the "Tribal Authority") promptly **in writing** at _____ To answer questions or for additional information, the Tribal Authority may be contacted by telephone at _____

C. No Transfer. Owner promises that the Property will not be sold, transferred, or otherwise conveyed during the Affordability Period, except in accordance with Section 2D of this Agreement, and following written notice to the Tribal Authority of the proposed transfer, and receipt of written approval from the Tribal Authority for the proposed transfer. If at any time during the Affordability Period the Property is transferred in violation of this Agreement, the Tribal Authority shall assume physical control of the Property and the leasehold rights/title to the Property.

D. Exception to Transfer Restriction. The Property may be transferred if the transfer is to a person or family ("the Transferee") or Heir (as defined below) who covenants and promises in writing to maintain the Property as the Transferee's or Heir's principal residence for the remainder of the Affordability Period and otherwise to comply with and assume all the terms and conditions of this Agreement; and,

- (i) the transfer is to a Transferee who is a Low Income or Very Low-Income Person or Family as defined in 24 CFR 92.2, who the MFA or the Tribal Authority has determined qualifies for assistance under section 24 CFR 92.203; or
- (ii) the transfer is the result of the death of the Owner and the transfer is by devise or operation of law to a member of the Owner's immediate family ("Heir"). Immediate family, for the purposes of this Agreement, is defined as a spouse, children (including stepchildren), mother, father, brother, sister, grandparent, mother-in-law, father-in-law, brother-in-law, sister-in-law, aunt, or uncle. Such a transfer upon the death of the Owner will cause an immediate termination of the Affordability Period.

MFA or the Tribal Authority reserves the right to deny approval of a request to assume or transfer this Agreement and the Award of funds hereunder.

E. Termination of Affordability Period. Owner understands that the Affordability Period will not terminate prior to the termination date indicated by this Agreement, except under the circumstances indicated in Section 2D(ii). The Affordability Period will continue through any change in ownership, and a Transferee deemed eligible by the Tribal Authority to hold the leasehold rights/title to the Property (pursuant to Section 2D of this Agreement and with written approval of the Tribal Authority) shall be required to enter into a new lease agreement, or similar contract to assume title to the Property, with the Tribal Authority. An eligible Transferee must also agree in writing to assume the balance of the prior Owner's obligation under this Agreement. If the Transferee is deemed ineligible by the Tribal Authority, the Tribal Authority shall exercise its right to take physical and legal control of the Property, nullifying the transfer of ownership to the ineligible Transferee, and assure that leasehold rights/title to the Property are transferred to an eligible individual or individuals, unless the Owner elects to repay the Award amount in accordance with Section 6 of this Agreement.

If the Owner plans to leave the Property unoccupied for a continuous period of thirty (30) days or more during the Affordability Period, the Owner must inform the Tribal Authority in writing of the absence and provide the Tribal Authority with an address for forwarding mail to the Owner during the absence. If the

Owner leaves the Property unoccupied for a continuous period of thirty (30) days or more during the Affordability Period, without prior written notice to the Tribal Authority, and fails to pay utilities' bills and/or mortgage payments, the Tribal Authority shall mail the Owner a thirty (30) day notice to either restore all utilities and pay all overdue mortgage payments immediately, or to provide such other evidence as is deemed by the Tribal Authority sufficient to prove that the Owner remains in occupation of the Property. The thirty (30) day notice to the Owner will be mailed by certified mail, return receipt requested, to the last mailing address the Owner provided the Tribal Authority. Should the Owner fail, prior to the expiration of the thirty (30) day notice period, to prove to the Tribal Authority's satisfaction that Owner remains in occupation of the Property, the Tribal Authority shall deem the Property abandoned. Upon its determination that the Property has been abandoned, the Tribal Authority shall take physical and legal control of the Property and assure that the leasehold rights/title are transferred to an eligible individual or individuals, unless the Owner elects to repay the Award amount in accordance with Section 6 of this Agreement.

3. Rehabilitation. Owner agrees that the entire amount of the Award will be used to perform the rehabilitation work (the "Work") on the Property. The Work will be performed by licensed contractors approved in advance by MFA. Owner authorizes inspection of the Property and the Work by MFA or its agents prior to and following completion of the Work.

4. Preservation and Maintenance of Property. Owner shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property, as determined by the Tribal Authority on a case-by-case basis and shall comply with the provisions of any lease agreement governing Owner's rights to the Property.

5. Hazard Insurance. Owner shall keep the improvements now existing or hereafter erected on the Property insured for the full replacement value, or as much of the replacement value as is provided through available insurance providers, against loss by fire, structural collapse, earthquake, lightning, explosion, riot or civil commotion, aircraft or vehicles, wind or hail, and sonic boom. If the Property is in a flood plain, Owner promises to obtain flood insurance (if applicable) for the full replacement value of the improvements to the Property. The Tribal Authority may, at its own discretion, elect to pay the costs of Owner's hazard insurance. All insurance policies for the Property, and renewals thereof, shall list the MFA or its designated agent as loss payee on the policies. In the event of loss, Owner shall give prompt notice to the insurance carrier, MFA, and the Tribal Authority. MFA may give proof of loss if not promptly provided by the Owner. For the purpose of this provision, coverage provided by AMERIND Risk Management Corporation, 502 Cedar Drive, Santa Ana Pueblo, New Mexico 87004, is acceptable.

6. Default; Repayment Option. If, at any time during the Affordability Period, the Property is transferred in violation of this Agreement, or Owner is otherwise in default on this Agreement, the Tribal Authority shall take physical and legal control of the Property. The Owner may elect, in lieu of loss of the Property, to repay the Award to the MFA or its designated agent, in accordance with the following requirements:

- A. If default should occur during the first five (5) years of a ten (10) year Affordability Period, Owner will be required to repay one hundred percent (100%) of the Award amount to the Tribal Authority. The repayment amount upon default will decrease at a rate of twenty percent (20%) per year for the following five years, beginning on the fifth (5th) anniversary of the date of the commencement of the Affordability Period.

B. If default should occur during the first ten (10) years of a fifteen (15) year Affordability Period, Owner will be required to repay one hundred percent (100%) of the Award amount to the Tribal Authority. The repayment amount upon default will decrease at a rate of twenty percent (20%) per year, beginning on the tenth (10th) anniversary of the date of the commencement of the Affordability Period.

7. Owner Not Released; Forbearance By MFA Not a Waiver. Any forbearance by MFA in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

8. Successors and Assigns Bound; Joint and Several Liability; Cosigners. The covenants and agreements contained herein shall bind, and the rights hereunder shall inure to, the respective successors and assigns of MFA and Owner, subject to the provisions of Section 2E hereof. Until such time as the Property has been duly transferred to a subsequent Transferee or Heir subject to the consent of the Tribal Authority and pursuant to the provisions contained herein, all owners under this Agreement, whether original cosigners or their successors and assigns, will be jointly and severally liable for all Owner obligations created by this Agreement.

9. Notice. Except for any notice required under applicable law to be given in another manner, any notice to Owner provided for in this Agreement shall be given by hand-delivery to Owner or by mailing such notice by certified mail, return receipt requested, and simultaneously by standard first class U.S. mail, addressed to Owner at the Property Address or at such other address as Owner may designate by notice to MFA as provided herein. In the alternative, notice posted on an exterior door of Owner's dwelling unit at the Property Address or at such other address as Owner may designate and sealed in plastic that is taped on all sides to the door, shall be effective notice under this Agreement. Any notice to MFA shall be given by certified mail to MFA's address stated herein or to such other address as MFA may designate by notice to Owner as provided herein. Any notice provided for in this Agreement shall be deemed to have been given to Owner or MFA when given in the manner designated herein.

10. Governing Law; Severability. The laws applicable to this Agreement shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of federal law to this Agreement. In the event that any provision or clause of this Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Agreement, which can be given effect without the conflicting provision, and to this end the provisions of this Agreement are declared to be severable.

11. Owner's Copy. Owner shall be furnished a conformed copy of this Agreement at the time of execution or filing hereof with the Tribal Authority.

12. Release. Upon termination of the Affordability Period provided for in this Agreement, MFA shall release this Agreement without charge to Owner. Owner shall pay all costs of recordation or filing, if any.

IN WITNESS WHEREOF, Owner has executed this Agreement.

OWNER

OWNER

Acknowledgment

STATE OF NEW MEXICO)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____ 20____ by _____.

My commission expires:_____

NOTARY PUBLIC

STATE OF NEW MEXICO)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____ 20____ by _____.

My commission expires:_____

NOTARY PUBLIC