

Exhibit A – Owner Participation Agreement

**CITY OF FRESNO
PLANNING AND DEVELOPMENT DEPARTMENT
HOME BUYER ASSISTANCE PROGRAM**

OWNER PARTICIPATION AGREEMENT

This Agreement entered into on this 12/28/07, by and between the City of Fresno, Planning and Development Department, hereinafter referred to as "Department" and Heriberto Perez hereinafter referred to as "Buyer" for the purchase of the Residence located at 4019 E. Garland, Fresno, California, hereinafter referred to as "Residence".

This Agreement is entered into pursuant to a program administered by the City of Fresno. The City receives Home Investment Partnerships (HOME) Program funds from the U.S. Department of Housing and Urban Development to assist low-income households in the purchase of their first home.

The purpose of this Agreement is to provide financial assistance for low-income households to purchase a home to be used as Buyer's principal residence. Low-income is defined by the U.S. Department of Housing and Urban Development as less than 80% of median income for the Fresno Metropolitan Statistical Area. The Department will provide a loan up to \$75,000 to Buyer for closing costs and/or mortgage assistance. The deferred/partially forgivable loan shall be in the form of a second trust deed secured by a Note and Deed of Trust, bear a zero percent (0%) interest rate, have no monthly payments, and will be due upon sale, transfer of title or when the home is no longer the Buyer's principal residence. If Buyer is still occupying the home as their principal residence at the end of fifteen years (15 years) from the date of the loan signing and there has been no transfer of title, \$4,000 of the loan will be forgiven.

THEREFORE, THE DEPARTMENT AND THE BUYER AGREE AS FOLLOWS:

1. The Residence shall be selected by Buyer and have a maximum sales price and/or value that cannot exceed the FHA single family mortgage limits under Section 203(b) as published by the U.S. Department of Housing and Urban Development (HUD), or 95% of the median area purchase price for single family housing that has been determined through a local market survey and approved by HUD. The Residence shall be located within Fresno City limits and not a County island and shall have a property inspection performed by City staff before a release of funds. The purchase shall be subject to Buyer qualifying for a first trust deed through conventional Fannie Mae, FHA or CalHFA underwriting criteria. It shall be Buyer's responsibility to ensure that all appropriate documentation is received by Department to process the loan, including title insurance, a title report (as necessary), credit report, appraisal, income and employment verifications, etc. Buyer will select and cooperate with a real estate agent, title /escrow company and/or lender. The Residence shall be decent, safe and sanitary housing in adherence to all applicable building codes, City Ordinances, and Department Housing Quality Standards, and Buyer agrees to have a building inspection to verify that these conditions exist. Buyer agrees to maintain Residence to the standards noted above.
2. All Buyers agree to attend a city-approved Home Buyers education class and provide a certificate of attendance.
3. Buyer hereby certifies that he/she in all respects qualifies under the City of Fresno's Home Buyer Assistance Program as a low-income household and is not purchasing the property for other than a principal place of residency.

4. Payment for Department's loan will be made into escrow at the time of the first trust deed loan funds. Buyer agrees to cooperate in completing the loan process for the first trust deed and Department's second trust deed. Buyer agrees to deposit into escrow an amount equal to three percent (3%) of the sales price of the Residence (this may take the form of a gift from a relative) plus any amounts not covered under the program. Buyer hereby certifies that he/she is not qualifying as a non-occupying co-borrower or co-owner.

5. Buyer and Department agree to have in writing all revisions to the purchase price, location, change in lender or title company, etc. during the course of loan approval. The loan shall become due and payable at the time of the sale or transfer of Residence, or when the acceleration clause is triggered. It is expressly understood between Buyer and Department that misrepresentation of the qualifications and eligibility of Buyer, or renting of the Residence will cause the loan to be accelerated, and become immediately due and payable to the Department. The Department loan is not assumable and refinancing the Residence will not accelerate the loan as long as the refinance does not include any "cash out" or costs of the refinance transaction. The City Manager will serve as the appeal board for disputes arising out of this Agreement. The Department shall reserve the right to forgive any or all of the principal due on the second in the event of hardship at the time of sale, including insufficient equity in the Residence to cover the City's second trust deed. Department shall review all such requests for waiver of any said amounts.

6. Buyer agrees to maintain the Residence in accordance with Housing Quality Standards and the Uniform Housing Code, and agrees not to accumulate debris, inoperable or abandoned vehicles on site, or have any other unsightly or dangerous conditions on site. Furthermore, Buyer will not allow overcrowded conditions as defined by the Fresno Housing Authority to exist at the Residence.

7. Buyer agrees to abide by the terms and conditions of the City of Fresno's Home Buyer Assistance Program in order to participate in the program, including maintaining the Residence as the principal place of residence.

<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
(Owner)	(Date)	(Owner)	(Date)

(Owner)	(Date)	(Owner)	(Date)

(Owner)	(Date)	(Owner)	(Date)

<i>[Signature]</i>	<i>[Signature]</i>
Planning and Development Department	Date

EQUAL HOUSING OPPORTUNITY