**AGREEMENT TO PAY OVER PROCEEDS OF MORTGAGE AND NOTE**

**WHEREAS**, Arkansas Development Finance Authority, (“ADFA”), a body corporate and politic of the State of Arkansas, and **HABITAT FOR HUMANITY OF WASHINGTON COUNTY**, an Arkansas not-for-profit corporation (“Habitat”), heretofore entered an Agreement (the “HOME Agreement”) relating to Habitat’s construction of decent, safe, affordable housing for low-income households, utilizing assistance provided by ADFA pursuant to its HOME Investment Partnerships Program; and

**WHEREAS**, to secure the repayment of assistance provided by ADFA, ADFA holds a promissory note and mortgage on the homes constructed by Habitat; and

**WHEREAS**, Habitat wishes to sell one such home, free and clear of the note and construction mortgage payable to ADFA, and to hold a promissory note and mortgage from the homebuyer to secure the HOME investment being provided to the homebuyer in the form of down payment, closing cost, and/or purchase money financing; and

**WHEREAS**, to accommodate the anticipated transaction, ADFA has agreed to release the lien of the construction mortgage with respect to the home located at STREET ADDRESS, more particularly described in Attachment “A” (hereinafter the “Property”), upon Habitat’s assignment to ADFA of the proceeds of the homebuyer’s HOME-funded mortgage and promissory note;

**NOW, THEREFORE**, in consideration of the promises, Habitat assigns to ADFA the proceeds of that certain promissory note and mortgage in the amount of $MORTGAGE AMOUNT, each executed by HOMEBUYER NAME/S, as maker and mortgagor, dated DATE OF MORTGAGE, and to be recorded in the records of COUNTY NAME, retaining, however, all rights and obligations of the mortgagee thereunder, and agrees as follows:

1. Habitat will deposit each installment of principal and interest (if any) promptly upon receipt into a segregated account insured to the applicable FDIC or NCUA limit and held at a bank or credit union licensed to do business in the state of Arkansas and will pay over the same to ADFA not less than quarterly.
2. Habitat will immediately advise ADFA should any check remitted for the installment paid by the mortgagor be returned due to insufficient funds. Habitat will use its best efforts to collect such installment in cash or certified funds.
3. Habitat will advise ADFA of any installment of principal not made within fifteen (15) days of the due date. Habitat will use its best efforts to collect such installment.
4. With each quarterly remittance, Habitat will provide ADFA an accounting of all installment payments, including the amount and date thereof, received during the preceding three (3) months, and will make its books and records pertaining to the payment of the promissory note and mortgage available to ADFA, during business hours, upon request. Further, ADFA may update these reporting requirements, including but not limited to requiring reports on a different schedule or requiring reporting on additional information, upon notice to Habitat.
5. Habitat will institute foreclosure proceedings in the event six or more installments of principal (whether or not consecutive) become delinquent. The proceeds of any foreclosure sale, or sale of the property following foreclosure, shall be distributed to ADFA.
6. Habitat agrees that ADFA approval will be required prior to accepting any final payoff of the mortgage and promissory note for less than the outstanding principal balance, including accepting the “net proceeds of sale” (as described in the note).
7. Habitat shall not assign the mortgage, or the related promissory note, absent the prior written consent of ADFA.
8. Upon demand and notice by ADFA, Habitat shall assign the promissory note and mortgage to ADFA. Such assignment shall be made within 30 days of the issuance of such notice by ADFA, and Habitat will also provide a report of all payments received and other such records in its possession ADFA may require pertaining to the loan covered by the note and mortgage.
9. Habitat agrees to pay all attorney’s fees incurred by ADFA in the enforcement of this agreement.

**IN WITNESS WHEREOF**, the parties have executed this instrument on the date or dates set opposite their signatures, respectively.

*{Signature Pages Follow}*

**Habitat**

NAME OF SPECIFIC HABITAT

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

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

STATE OF ARKANSAS

COUNTY OF COUNTY

BEFORE ME, the undersigned Notary Public, on this day personally appeared NAME, TITLE of HABITAT AFFILIATE NAME known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same of the purposes and consideration expressed therein.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_, 2020.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

NOTARY PUBLIC, State of Arkansas

My Commission Expires: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**ADFA**

Arkansas Development Finance Authority

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

Name: Bryan Scoggins\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: President\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

STATE OF ARKANSAS

COUNTY OF PULASKI

BEFORE ME, the undersigned Notary Public, on this day personally appeared Bryan Scoggins, President of the Arkansas Development Finance Authority known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same of the purposes and consideration expressed therein.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_, 2020.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Notary Public, State of Arkansas

My Commission Expires: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Exhibit A**

**Legal Description**

COMPLETE AND ACCURATE LEGAL DESCRIPTION OF PROPERTY