

EXHIBIT (B) TO THE OFFER TO PURCHASE

SAMPLE AGREEMENT OF OWNER OCCUPANCY AND RESALE RESTRICTIONS

This Agreement of Owner Occupancy and Resale Restrictions (“**Agreement**”) is dated as of _____, 20____, by and among _____ (“**Buyer**”) and ACTS HOME OWNERSHIP ACQUISITION FUND, INC. (“**AHOAF**”).

RECITALS

A. AHOAF owns that certain parcel of real estate located at _____, [Milwaukee County], Wisconsin, legally described on **Exhibit A** attached hereto and incorporated herein by reference (“**Property**”).

B. AHOAF is committed to preserving and improving neighborhoods through homeownership and has a vested interest in selling homes to owner occupants and ensuring that such homes remain owner-occupied upon future transfers of ownership transfers.

C. Buyer’s agreement to bind Buyer and any future owners of the Property to the covenants set forth in this Agreement is a material inducement to AHOAF to sell the Property to Buyer

NOW, THEREFORE, AHOAF and Buyer hereby agree as follows:

1. Definitions. The following terms shall have the meaning set forth below:

- (a) “Non-Qualified Transferee” means an individual(s) or entity(ies) who are not Qualified Buyers.
- (b) “Owner” means the person(s), who acquires an ownership interest in the Property, it being understood that such person(s) shall be deemed an “Owner” hereunder during the period of his, her, or their ownership interest in the Property and shall be obligated hereunder for the full and complete performance and observance of all covenants, conditions and restrictions contained herein during such period.

- (c) “Primary Residence” means a person’s principal place of abode that is the address at which the person will reside the majority of the calendar year, which shall not be less than nine (9) consecutive months of each calendar year.
- (d) “Purchase Price” means the lesser of (1) original price for which the then current Owner purchased the Property plus an increase in price of three percent (3%) of such original purchase price per year (pro-prorated for partial years) from the date of purchase to the date of AHOFA’s Option Notice; or (2) the appraised value of the Property as determined by a Wisconsin licensed appraiser to be engaged by AHOAF at AHOAF’s discretion.
- (e) “Qualified Buyer” means a natural person has represented and agreed pursuant to this Agreement to occupy the Property as their sole and Primary Residence, and not use, sell, or otherwise transfer the Property to a Non-Qualified Transferee.

2. Use and Occupancy. The use and occupancy of the Property shall henceforth be limited exclusively to Qualified Buyer(s). An Owner must: (a) occupy the Property as his, her, or their sole and Primary Residence during the time that he, she or they are in title to the Property; and (b) sell, convey, or otherwise transfer the Property only in accordance with this Agreement.

3. Voluntary Sale of the Property. Any sale or transfer of all or any portion of the Property to a Non-Qualified Transferee is hereby prohibited. The Owner may only sell the Property if all the following conditions are met:

- (a) The Owner has delivered written notice of its intent to sell the Property (“**Notice of Intent**”) to AHOAF. The Notice of Intent must certify in writing that the prospective buyer is a Qualified Buyer.
- (b) Prior to the delivery of a deed conveying the Property to a prospective buyer, the prospective buyer executes and delivers to AHOAF a written certificate signed evidencing the prospective buyer’s acknowledgment and agreement to the terms, conditions, limitations, restrictions, and uses contained in this Agreement and confirming that the prospective buyer is a Qualified Buyer (a “**Memorandum of Acceptance**”).
- (c) The Owner sells the Property directly to the Qualified Buyer.

4. Additional Permitted Transfers. Notwithstanding anything to the contrary herein, the following are permitted sales/transfers under this Agreement: (i) transfer of title by gift, devise, or inheritance to the Owner’s spouse or natural or adopted children; (ii) transfer of title due to the Owner’s death to a surviving joint tenant, tenant by entireties, or a surviving spouse of community property; (iii) transfer to a spouse as part of divorce or dissolution proceedings; or (iv) transfer of title or an interest in the Property to the spouse in conjunction with marriage; provided, however, that in all cases (i) through (iv) above, at the time of the sale/transfer, (a) the Property was the transferee’s Primary Residence, as defined above, and will continue to be the transferee’s Primary Residence, or transferee meets the definition of an Qualified Buyer and will make the Property his/her Primary Residence; (b) the transferee executes a Memorandum of Acceptance and delivers the same to AHOAF within thirty (30) days of the transfer.

5. Prohibited Sale/Transfer. Any sale or transfer of the Property in violation of this Agreement shall be void, shall be a material breach, and shall be subject to exercise by AHOAF of their option to purchase or to have an assignee purchase the Property at the Purchase Price as set forth in Section 9(b) hereof.

6. Agreement to Run with Property. The Property shall be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, improved, altered, and enjoyed subject to the covenants, conditions, restrictions, privileges, rights, and other provisions herein set forth, for the duration hereof, and all of which shall run with the Property and be binding upon all owners, occupants, and other persons, including Non-Qualified Transferees, having or acquiring any right, title, or interest in or to the Property, and their respective heirs, personal representatives, successors, and assigns and shall be binding upon and inure to the benefit of the AHOAF and its respective successors and assigns. By the acceptance of any deed conveying the Property subject hereto, the grantee of such deed accepts all the terms, conditions, limitations, restrictions, and uses contained in this Agreement. Notwithstanding anything to the contrary herein, this Agreement shall terminate if title to the Property is transferred via foreclosure or deed in lieu of foreclosure.

7. Notice of Breach. Upon violation of any of the provisions of this Agreement, AHOAF shall give written notice to the Owner specifying the nature of the violation. If the Owner does not correct the violation to the satisfaction of AHOAF within a reasonable period of time, not to exceed sixty (60) days after the date the notice is mailed, the Owner shall be in default hereunder and AHOAF shall have the remedies set forth in Section 8 hereof.

8. Remedies Upon Default.

(a) Upon a default of Owner under this Agreement, AHOAF may invoke any remedies available to them at law or equity including, but not limited to, seeking a court order for specific performance of the obligations of this Agreement, for an injunction prohibiting a proposed sale/transfer in violation of this Agreement, for a declaration that a sale/transfer in violation of this Agreement is void, or for any other such relief at law or equity as may be appropriate.

(b) In addition to the foregoing, Upon AHOAF's declaration of a default under this Agreement, AHOAF shall have the right and option to purchase the Property for the Purchase Price. Such option may be exercised by delivery to the Owner of a written notice of intent to exercise this purchase option within sixty (60) days of AHOAF's declaration of default ("**Option Notice**"). The Option Notice shall state the Purchase Price (including the appraised value of the Property if the Purchase Price relies on such appraisal, and shall set a closing date which shall not be more than sixty (60) days after the date of the Option Notice. AHOAF may assign the purchase option hereunder to any Qualified Buyer. Upon payment of the Purchase Price, Owner shall convey by warranty deed or other appropriate instrument all of Owner's right, title and interest in and to the Property, free and clear of all liens and encumbrances, excepting only municipal and zoning ordinances, recorded easements, recorded building and use restrictions and covenants, public and private rights, if any, in such portion of the Property as may be used, laid out or dedicated for purposes of a public way, and general property taxes and special assessments payable for the year of closing and any subsequent year.

9. Attorneys Fees. In the event of any action or proceeding brought by AHOAF against an Owner to enforce this Agreement, AHOAF shall be entitled to recover all costs and expenses of AHOAF relating to such enforcement, including reasonable attorneys' fees.

10. Notice. Any notice required or permitted under this Agreement must be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, at the address set forth below, or such other address designated by the written notice. All notices must be effective upon being deposited in the United States Mail or, in the case of personal delivery, upon actual receipt.

If to AHOAF: Acts Home Ownership Acquisition Fund, Inc.
2414 West Vliet Street
Milwaukee, WI 53205

If to Owner:

11. Severability. Whenever possible, each provision of this Agreement and any other related document must be interpreted in such manner as to be valid under applicable law. However, if any provision must be invalid or prohibited under said applicable law, such provisions must be ineffective only to the extent of such invalidity or prohibition without invalidating the remaining provisions of such document.

12. Choice of Law and Venue. This Agreement must be interpreted in accordance with and governed by the laws of the State of Wisconsin. Venue for any legal action arising from this Agreement must be in Milwaukee County, Wisconsin.

13. Waiver. Waiver by AHOAF of any term or condition of this Agreement, or the failure of the AHOAF to take action with respect to any breach of any such term or condition, must not be deemed to be a waiver of such term or condition with regard to any subsequent breach of such term or condition, or of any other term or condition of the Agreement. AHOAF may grant waivers in the terms of this Agreement, but such waivers must be in writing and signed by AHOAF before becoming effective.

14. Amendment. This Agreement may not be amended unless in writing, signed by the parties hereto or their successors in interest, and recorded with the Milwaukee County Clerk and Recorder.

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