

INCENTIVE AGREEMENT

This Incentive Agreement (hereinafter called the "AGREEMENT") is made effective [Click or tap to enter a date.](#) by and between:

"COUNTY"

Name: Washington County, Wisconsin
 Address: 432 East Washington Street, West Bend, WI 53095
 Agent: EDWC Phone: (262) 335-5769
 Agent Representative: Choose an item. Email: Choose an item.
 and

"RECIPIENT"

Recipient Name: [Click or tap here to enter text.](#)
 Co-Recipient Name: [Click or tap here to enter text.](#)
 Current Address: [Click or tap here to enter text.](#) Primary Email: [Click or tap here to enter text.](#)
 Primary Phone: [Click or tap here to enter text.](#)

Summary Information

Approved Pre-Paid Incentive Amount: [Click or tap to enter in \\$'s here.](#) Closing / Settlement Date: [Click or tap to enter a date.](#)
 Type of Home: Choose an item. Name of Seller / Contractor: [Click or tap here to enter text.](#)
 Home Address: Number & Street, City, Zip Home Parcel Number: [Click or tap here to enter Tax ID Number.](#)
 Municipality: Choose an item. Lender: [Click or tap here to enter text.](#)
 Home Purchase Price: [Click or tap here to enter in \\$'s.](#) First Mortgage Amount: [Click or tap here to enter in \\$'s.](#)
 Other RECIPIENT Equity Contribution: [Click or tap here to enter in \\$'s.](#) Second Mortgage Amount (if applicable): [Click or tap here to enter in \\$'s.](#)
 Home Appraised Value (as built): [Click or tap here to enter in \\$'s.](#) Home Assessed Value (if existing): [Click or tap here to enter in \\$'s.](#)

Recitals

- A. The RECIPIENT intends to purchase and / or construct an owner-occupied dwelling unit on real property in Washington County, WI, as their primary residence that is priced less than \$420,000 (dwelling unit and land collectively); and
- B. The COUNTY is pursuing a "Next Generation Housing" initiative, which aims to help current and prospective residents successfully navigate the Washington County residential real estate market, provide for attainable choices within available housing stock, grow the market of available middle-market homes, and achieve affordable home ownership; and
- C. In achieving its aims, the "Next Generation Housing" initiative simultaneously addresses several of the COUNTY's strategic priorities, strengthens social capital within the COUNTY's communities, expands the workforce available to growing businesses and more generally advances economic prosperity countywide, all of which collectively constitute a vital public purpose and benefit to taxpayers; and
- D. The COUNTY has established the Heart and Homestead Earned Down Payment Incentive ("Incentive") to overcome barriers to entry and ongoing ownership of owner-occupied dwellings in the "missing middle" of Washington County's residential market while building social capital and civic engagement within the broader Washington County community and, in so doing, supports the public purpose objectives of the Incentive initiative; and
- E. The COUNTY has contracted with the Washington County Economic Development Corporation ("EDWC") to administer the Incentive and act on its behalf as its Agent in connection with the transactions contemplated by this AGREEMENT and related matters; and
- F. The RECIPIENT has applied for the Incentive and received approval for a Pre-Paid Incentive amount as specified in the Summary Information Section herein; and

- G. The RECIPIENT has fully disclosed to EDWC each person and trust expected to appear on the mortgage, deed, title commitment, title policy, closing statement, or other title or ownership documents for the Home, and EDWC has relied on such disclosures in approving the Pre-Paid Incentive; and
- H. The COUNTY and RECIPIENT intend to set forth the terms of RECIPIENT's entitlement to the Pre-Paid Incentive and corresponding obligation to reimburse COUNTY for any Unearned Incentive Balance in this AGREEMENT.

Definitions

For the purposes of this AGREEMENT the following terms shall have the following meanings:

1. **"Earnings Period"** is the five (5) year period beginning on the Settlement Date of the Home purchase (as documented on the fully executed Settlement Statement for the Home's purchase) during which RECIPIENTS can accrue Incentive Earnings.
2. **"Participating Agency"** is a community-based public or private nonprofit charitable organization approved from time to time by the COUNTY for purposes of the Incentive, a list of which shall be made available to RECIPIENTS on the COUNTY website. The Participating Agency must be representative of a community or significant segments of a community and provide basic services aimed at making improvements to a community's social health, well-being, and overall functioning. For the purposes of the Incentive, the Participating Agency must also originate in and / or directly serve residents of Washington County, must be willing to track and approve RECIPIENT volunteer hours and financial contributions via an online portal; and must enter into a Memorandum of Agreement with Washington County spelling out additional obligations for program participation.
3. **"Family"** is a person who is a spouse, child, stepchild, grandchild, parent, stepparent, grandparent, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother, sister, brother-in-law, or sister-in-law, including adoptive relationships, of the RECIPIENT, any person sharing the RECIPIENT's household, any trust in which any one or more of these persons have more than fifty percent of the beneficial interest, and any other entity in which one or more of these persons (or the RECIPIENT) own more than fifty percent of the voting interests.
4. **"Home"** is a habitable owner-occupied residential dwelling unit existing or to be constructed on real property located in Washington County, WI – as more particularly described in the Summary Information Section above and in Exhibit A Junior Mortgage – that the RECIPIENT is purchasing to use and maintain as the RECIPIENT household's legal primary residence and not for use as a vacation home, rental property (accessory dwelling units are permitted under this provision) or for any investment, trade or business purposes other than remote work conducted as part of flexible work arrangements with RECIPIENT's employer(s). Temporary physical absence from the Home, including for military deployment, employment, education, medical, family or similar temporary reasons, shall not, by itself, mean that the Home is no longer the RECIPIENT's primary residence if the Home remains the RECIPIENT household's legal primary residence and has not been converted to a vacation home, rental property, investment property, trade or business property, or other use inconsistent with this AGREEMENT.
5. **"Occupant-Owner"** means any natural person who will occupy, use, or maintain the Home as their legal primary residence and who is or will be listed on the deed, mortgage, title commitment, title policy, or other title or ownership document for the Home. Each Occupant-Owner must be named as a RECIPIENT under this AGREEMENT and must complete all application, eligibility, background check, certification and documentation requirements required by EDWC.
6. **"Non-Recipient Titleholder"** means any person or trust that will appear on the mortgage, deed, title commitment, title policy, closing statement, or other title or ownership document for the Home but is not a RECIPIENT. A Non-Recipient Titleholder may be approved by EDWC only when the person or trust is included to support financing or closing of the RECIPIENT household's purchase, or to serve as an estate-planning title structure for the RECIPIENT household, and only if the arrangement does not create a vacation, rental, investment, trade, business, profit-sharing, resale, beneficial ownership, silent partner, future occupancy, or other interest inconsistent with this AGREEMENT.
7. **"Incentive Earnings"** is the amount earned as a result of volunteer time or financial contributions of the RECIPIENT and / or Family living in the Home to one or more Participating Agencies during the Earnings Period as calculated pursuant to the Incentive Section below, which shall reduce the Unearned Incentive Balance pursuant to the terms hereof.
8. **"Lender"** is the financial institution providing RECIPIENT first mortgage financing in connection with the purchase of the Home, which financial institution must be licensed by the Nationwide Mortgage Licensing System and Registry (NMLS) and must accept the Pre-Paid Incentive as part of RECIPIENT's down payment of the purchase price of the Home or other eligible costs as determined by COUNTY or COUNTY's Agent such as closing costs, escrow reserves, and Home renovation expenses (**"Eligible Costs"**). Lender must consider the Pre-Paid Incentive to be equity the RECIPIENT is bringing to the Home's purchase.
9. **"Pre-Paid Incentive"** is an amount equal to 10% of the Home purchase price or Twenty Thousand Dollars (\$20,000), whichever is less, paid at the time of close on the Home purchase and applied by Lender as part of the RECIPIENT's down payment on the first mortgage for the Home or toward other Eligible Costs. RECIPIENT must have submitted to COUNTY or COUNTY's Agent a complete Incentive application and received a corresponding Letter of Approval from COUNTY or COUNTY's Agent prior to disbursement of the Pre-Paid Incentive.
10. **"Unearned Incentive Balance"** shall be equal to the Pre-Paid Incentive Amount disbursed on the Settlement Date of the Home's purchase less cumulative Incentive Earnings properly reported by RECIPIENT pursuant to the terms of this Agreement through the date of calculation of the Unearned Incentive Balance. The Unearned Incentive Balance remaining at the end of the Earnings Period, if any, shall become permanently unearned and thus remain as Unearned Incentive Balance until reimbursed in full, which shall be an obligation of RECIPIENT as specifically provided herein.

INCENTIVE AGREEMENT

NOW THEREFORE, in consideration of the mutual promises hereinafter contained, it is hereby agreed as follows:

A. Incentive

1. **PRE-PAYMENT:** The COUNTY or its Agent shall pay the Pre-Paid Incentive Amount on the Settlement Date as specifically detailed in the above Summary Information Section via wire or check to the title company or other licensed authority settling the purchase of the Home at close on behalf of the RECIPIENT, which amount shall be applied to the purchase price of the Home or other Eligible Costs. This Pre-Paid Incentive Amount, upon disbursal, constitutes the RECIPIENT's initial Unearned Incentive Balance.
2. **CHARACTER:** The Pre-Paid Incentive shall be deemed a pre-paid grant to RECIPIENT to be earned by RECIPIENT through qualifying community service and / or financial contributions to one or more Participating Agencies and shall not be considered a loan nor an extension of credit to RECIPIENT. The Pre-Paid Incentive may be retained by RECIPIENT without obligation to repay except as specifically provided herein.
3. **EARNING THE PRE-PAID INCENTIVE:** RECIPIENT shall, during the Earnings Period, perform community service for and/or make financial contributions to one or more Participating Agencies and thereby accrue Incentive Earnings to be applied against the RECIPIENT's Unearned Incentive Balance. For purposes hereof, community service performed for and /or financial contributions made to Participating Agencies by Family then living in the Home shall be included in the calculation of Incentive Earnings for the benefit of RECIPIENT.

Incentive Earnings shall accrue as follows:

- a. Community service or other time volunteered in direct support of a Participating Agency shall accrue Incentive Earnings at a rate of \$25 for every 1 hour of time volunteered and properly reported pursuant to the terms of this Agreement; and / or
 - b. Financial contributions to a Participating Agency shall accrue Incentive Earnings at a rate of \$0.70 for every \$1.00 so contributed and properly reported pursuant to the terms of this Agreement.
4. **UNEARNED INCENTIVE BALANCE:** All Incentive Earnings accrued during the Earnings Period and properly reported pursuant to this Agreement shall reduce the Unearned Incentive Balance. The Pre-Paid Incentive may be fully earned at any time prior to termination of the Earnings Period as there is no limitation on the amount of Incentive Earnings that can be accrued in any year during the Earnings Period. The Unearned Incentive Balance remaining as of the expiration of the Earnings Period, if any, shall be fixed in amount as of the date thereof. RECIPIENT shall be obligated to reimburse the COUNTY for the full amount of the Unearned Incentive Balance in accordance with the terms of this Agreement, which obligation shall be secured by a mortgage on the Home.
5. **SECURITY:** To secure RECIPIENT's obligation to reimburse the COUNTY for the Unearned Incentive Balance, RECIPIENT shall grant COUNTY a Junior Mortgage (subordinate only to the senior mortgage of Lender and, if approved at the time of application, a government supported homebuyer assistance second mortgage incurred by RECIPIENT upon acquisition of the Home) on the Home. Any Non-Recipient Titleholder, trustee, spouse or other person or entity with a title, ownership, marital property, homestead, beneficial or other interest in the Home shall execute the Junior Mortgage and/or any consent, acknowledgment, subordination, title, closing or security document that EDWC, the COUNTY, the title company or counsel determines is necessary or advisable to preserve the COUNTY's lien, repayment rights and enforcement remedies in the Home and all title interests therein. The Junior Mortgage shall be due and payable ONLY upon the occurrence of one of the events set forth in Section D below or the following:
 - a. RECIPIENT accrues Incentive Earnings equal to the Pre-Paid Incentive (i.e., the Unearned Incentive Balance is reduced to Zero) prior to expiration of the Earnings Period.
 - b. RECIPIENT pays EDWC the full amount of the Unearned Incentive Balance at the RECIPIENT'S option at any time during or after the Earnings Period.
 - c. RECIPIENT pays EDWC the full amount of the Unearned Incentive Balance at the time of the sale or transfer of all or any portion of the Home, subject to the provisions set forth in the Reimbursement of Unearned Incentive Section below.
6. **REPORTING:** During the Earnings Period, RECIPIENT shall report at least quarterly to COUNTY the number of hours of volunteer time contributed and / or dollars donated to Participating Agencies by RECIPIENT and any person then living at the Home during the most recently completed calendar quarter using an online portal or other means as the COUNTY may require from time to time. RECIPIENT may report to COUNTY more frequently at RECIPIENT's option and convenience. COUNTY shall email RECIPIENT a notice to report eligible volunteer time and / or funds within 1 business day following the last day of each calendar quarter. RECIPIENT must report all hours of volunteer time and / or dollars contributed to Participating Agencies during each calendar quarter within 10 days of receiving said notice from COUNTY ("Reporting Period"). Incentive Earnings shall not include any hours of volunteer time and / or donations to Participating Agencies for any calendar quarter unless they are reported by RECIPIENT prior to the end of the Reporting Period. In concert with RECIPIENT'S reporting requirements, COUNTY or its Agent shall certify and report semi-annually the aggregate Incentive Earnings credited against the RECIPIENT's Unearned Incentive Balance and the RECIPIENT's Unearned Incentive Balance remaining.
7. **INITIAL MEETING:** Within 60 calendar days following the Home's closing on a date and time as mutually agreed, RECIPIENT shall meet either in person or virtually with a representative from the COUNTY to discuss the organizations to which the RECIPIENT wishes to contribute time and / or funds, either validate the desired organizations already are or determine a path

INCENTIVE AGREEMENT

for them to become a Participating Agency, review the process for accruing Incentive Earnings (including any limitations on activities associated therewith), learn how to use the COUNTY's online portal (or other COUNTY supplied means), provide the COUNTY with a W-9 for RECIPIENT, and otherwise address RECIPIENT questions and / or concerns.

B. Conditions Precedent

As a condition precedent to the COUNTY's obligation to fund the Pre-Paid Incentive, RECIPIENT shall satisfy each of the following conditions, it being understood that if any of the following conditions are not timely satisfied, the COUNTY shall have no obligation to fund the Pre-Paid Incentive:

1. **INCENTIVE DOCUMENTS:** RECIPIENT shall have executed and delivered this AGREEMENT and all other documents and materials required by the COUNTY or its Agent, including but not necessarily limited to:
 - a. A Junior Mortgage in a form acceptable to the COUNTY, which shall be incorporated into this AGREEMENT by reference as "Attachment A;" and
 - b. Certification Statement, which is included in the Incentive Application and shall be incorporated into this AGREEMENT by reference as "Attachment B."
 - c. Disclosure acceptable to EDWC of all persons and trusts expected to appear on the mortgage, deed, title commitment, title policy, closing statement, or other title or ownership documents for the Home;
 - d. If applicable, a Non-Recipient Titleholder Certification and any related acknowledgement, consent, trust, trustee authority, title, closing or security documentation required by EDWC, the COUNTY, the title company or counsel;
2. **BACKGROUND CHECK.:** RECIPIENT shall have taken all actions necessary to allow EDWC to perform such background checks on RECIPIENT as EDWC determines appropriate, the results of any background check performed with respect to RECIPIENT shall be satisfactory to EDWC and RECIPIENT shall have paid all fees incurred in connection therewith and provided evidence of said payment and / or shall have reimbursed EDWC in full for any fees incurred by EDWC in connection therewith.
3. **PAYMENT OF ALL AMOUNTS DUE AND OWING:** RECIPIENT shall have paid in full or provided documentation of settlement agreements for all income, withholding, real estate and personal property taxes, fees, special assessments, public utility bills, penalties, late fees, interest and all other amounts owed by RECIPIENT to any and all governmental units, including, without limitation, all amounts due the Internal Revenue Service, the United States Treasury Department, the Wisconsin Department of Revenue, and the COUNTY. RECIPIENT shall have provided such evidence of the same as may be requested by the COUNTY or its Agent.
4. **INSURANCE:** EDWC shall have been provided with evidence of insurance coverage (an insurance policy binder) that the COUNTY and its successors and assigns have been named as a Junior Mortgagee, in a second or third position as applicable, with respect to casualty insurance under the insurance policy required to be carried under this AGREEMENT and/or the Junior Mortgage.
5. **MISCELLANEOUS:** The COUNTY and its Agent shall have completed their respective due diligence investigation of RECIPIENT, the results of which shall be satisfactory to the COUNTY and its Agent in their sole discretion, and shall have received such documents and materials as they may have requested, including but not limited to:
 - a. Copy of the fully executed Home's Offer to Purchase;
 - b. Copy of the fully executed Home's Construction Contract (if constructing a new home);
 - c. Copy of the Pre-Approval Letter from the Lender with respect to a first mortgage loan;
 - d. W-9 for RECIPIENT;
 - e. Copy of the Commitment for Title Insurance as ordered by the Lender;
 - f. Confirmation acceptable to EDWC that all Occupant-Owners have been named as RECIPIENTS and that each Non-Recipient Titleholder, if any, has been disclosed and approved by EDWC before closing;
 - g. If title will be held in whole or in part by a trust, documentation reasonably requested by EDWC, the title company or counsel confirming trustee authority and that the trust arrangement is for estate-planning purposes for the RECIPIENT household and does not impair the Junior Mortgage or repayment rights;
 - h. Copy of the Home's Appraisal (as built if new construction) as ordered by the Lender;
 - i. Copy of the Home's most recent tax bill;
 - j. Copy of the insurance binder naming COUNTY for the homeowner policy covering the Home;
 - k. Wire or check instructions on appropriate letterhead; and
 - l. Copy of Loan Estimate and Closing Disclosure provided by Lender.

C. Representations and Agreements

RECIPIENT, in order to induce the COUNTY to provide the Pre-Paid Incentive, covenants, represents and agrees:

INCENTIVE AGREEMENT

- A. That, to the best of the RECIPIENT'S knowledge, the information, attestations and warrants the RECIPIENT provided and / or made in the Incentive Application, the Certification Statement, application supporting documents and Incentive Documents were true, correct and complete when made and remain true, correct, and complete as of the date hereof as if made again as of the date hereof.
- B. That each Occupant-Owner has been named as a RECIPIENT under this AGREEMENT and has completed all application, eligibility, background check, certification and documentation requirements required by EDWC;
- C. That RECIPIENT has disclosed to EDWC each person and trust expected to appear on the mortgage, deed, title commitment, title policy, closing statement, or other title or ownership documents for the Home, and that no person or trust other than the RECIPIENT and any EDWC-approved Non-Recipient Titleholder will hold a title, ownership, beneficial, investment, future occupancy or other interest in the Home;
- D. That any Non-Recipient Titleholder is included solely for EDWC-approved financing, closing or estate-planning purposes, is not an Occupant-Owner, is not receiving the Pre-Paid Incentive as a RECIPIENT, and has no vacation, rental, investment, trade, business, profit-sharing, resale, silent partner or other interest inconsistent with this AGREEMENT;
- E. That the Home is and shall remain the RECIPIENT household's legal primary residence. Temporary physical absence from the Home does not, by itself, violate this requirement if the Home remains the RECIPIENT household's legal primary residence and has not been converted to a vacation home, rental property, investment property, trade or business property, or other use inconsistent with this AGREEMENT;
- F. That there is no litigation or administrative proceeding pending or, to the knowledge of RECIPIENT, threatened against RECIPIENT which may result in a material adverse change in the RECIPIENT's ability to meet RECIPIENT's obligations to the COUNTY contained herein or affect a material adverse change or delay in the purchase of the Home.
- G. That RECIPIENT is not an employee of EDWC, Washington County's Community Development Department or Washington County's Office of the County Executive and / or not Family currently residing with an employee of EDWC, Washington County's Community Development Department or Washington County's Office of the County Executive.
- H. That RECIPIENT is paying less than \$420,000 for the Home and land and shall expend the proceeds of the Pre-Paid Incentive only for the following purposes:
 - a. Down payment for the costs of:
 - i. Constructing a new home on land located in Washington County, WI;
 - ii. Purchasing a newly constructed home; or
 - iii. Purchasing an existing home.
 - b. Closing costs (including, with limitation, points used primarily for the purposes of a permanent rate buydown) associated with the purchase of the Home;
 - c. Renovation costs associated with the Home such as remodeling of / upgrades; and / or
 - d. Escrow reserves associated with the purchase of the Home.
- I. That so long as there remains an Unearned Incentive Balance, RECIPIENT must notify EDWC, as COUNTY'S Agent, of any intended sale, transfer or refinancing of any debt secured by a mortgage on the Home at least thirty (30) business days prior to the scheduled closing date on the Home. The RECIPIENT must also provide EDWC with at least thirty (30) days' notice in the event the Home will no longer serve as the RECIPIENT'S primary residence.
- J. That so long as there remains an Unearned Incentive Balance, RECIPIENT must notify EDWC, as COUNTY'S Agent, before adding, removing or changing any person or trust on the mortgage, deed, title, title commitment, title policy or other document evidencing a title, ownership, beneficial or security interest in the Home, and must obtain EDWC's prior written approval for any such change.
- K. To furnish to the COUNTY or its Agent such information regarding the condition of the Home and any mortgage on the home or any debt secured thereby as the COUNTY or its Agent may reasonably request from time to time, and without request, furnish to EDWC, as the COUNTY's Agent:
 - a. As soon as available, and in any event within ten (10) business days of the Home's Settlement Date, a copy of the fully executed Closing Disclosure Statement.
 - b. As soon as available, and in any event within ten (10) business days of the Home's Settlement Date, a copy of the fully executed Closing Settlement Statement.
- L. To not violate any of the terms of any third-party debt, including, without limitation, any debt secured by a mortgage on the Home.
- M. To comply with all applicable laws, regulations, codes, standards and ordinances in force during the term of this AGREEMENT.
- N. To pay upon request all fees and expenses (including attorney's fees) incurred by EDWC, the COUNTY and their Agents in seeking advice under this AGREEMENT with respect to protection or enforcement of any of the COUNTY's rights and remedies under this AGREEMENT, the Junior Mortgage, and any amendments thereof and any supplements thereto and with obligations

thereunder (including collection thereof) and all costs and expenses which may be incurred by EDWC, the COUNTY and their agents as a consequence of refinancing and all reasonable fees and expenses incurred by EDWC, the COUNTY and their Agents in connection with breaches any of the terms of this AGREEMENT, default on the first mortgage with the Lender or any bankruptcy or other debtor relief proceeding involving RECIPIENT.

- O. That RECIPIENT has been informed that the Incentive, as Incentive Earnings accrue, is a taxable grant to RECIPIENT and, will be required to be reported as income by RECIPIENT for state and federal income tax purposes. In connection therewith, the COUNTY will file a 1099-G form with the Internal Revenue Service, a copy of which will be sent to RECIPIENT. RECIPIENT agrees and acknowledges that RECIPIENT shall be responsible for reporting the amount of the taxable grant set forth on the 1099-G and shall be obligated to pay any taxes, state and federal, attributable to RECIPIENT's receipt of the Incentive. The COUNTY is not responsible for any taxes arising as a result of or in connection with RECIPIENT's receipt of the Incentive. RECIPIENT acknowledges that the COUNTY is not providing any tax advice with respect to RECIPIENT's receipt of the Pre-Paid Incentive or the tax consequences or treatment of any of the Incentive Earnings, including, without limitation, any contribution of cash or services to any Participating Agency. RECIPIENT acknowledges and agrees that the COUNTY has advised that RECIPIENT should consult with a tax professional with respect to the potential tax consequences of the receipt of the Pre-Paid Incentive, the application of Incentive Earnings to the balance thereof, and any reimbursement paid by RECIPIENT pursuant to the terms of this Agreement.

D. Reimbursement of Unearned Incentive Balance

The Unearned Incentive Balance is an obligation of the RECIPIENT secured by a Junior Mortgage. Any Non-Recipient Titleholder, trustee, spouse or other person or entity signing the Junior Mortgage or related documents does so to preserve the COUNTY's lien, repayment rights and enforcement remedies in the Home and all title interests therein, and not as a RECIPIENT unless expressly named as such. In the event any of the following occur, RECIPIENT shall promptly, and in any event within ten (10) days thereof, pay EDWC, as the COUNTY's Agent, an amount equal to the then current Unearned Incentive Balance:

1. The Home is no longer the RECIPIENT's primary residence;
2. The Home or any interest therein is sold or otherwise transferred to any third party (subject to the limitations described below);
3. The debt incurred by RECIPIENT in connection with the acquisition of the Home secured by a first mortgage on the Home is increased or refinanced without the prior written consent of EDWC;
4. The total aggregate debt secured by mortgages on the Home exceed the sum of the initial balance of the first mortgage loan from Lender and, if approved at the time of application, the initial balance of a government supported homebuyer assistance second mortgage incurred by RECIPIENT upon acquisition of the Home;
5. Any of the representations or warranties of the RECIPIENT contained in this AGREEMENT or in any applications or other materials provided to EDWC by or on behalf of RECIPIENT were untrue as of the date hereof; or
6. Any Occupant-Owner was not disclosed to EDWC, was not named as a RECIPIENT, or failed to complete all application, eligibility, background check, certification and documentation requirements required by EDWC;
7. Any person or trust not approved by EDWC appears on, or claims an interest under, the mortgage, deed, title commitment, title policy, closing statement or other title or ownership documents for the Home;
8. Any Non-Recipient Titleholder becomes an Occupant-Owner without prior written approval by EDWC and completion of all requirements applicable to a RECIPIENT;
9. The Home, or any interest therein, is used for or converted to a vacation, rental, investment, trade or business purpose, or becomes subject to any profit-sharing, resale, beneficial ownership, silent partner or other arrangement inconsistent with this AGREEMENT; or
10. Any Non-Recipient Titleholder, trustee, spouse or other person or entity required by EDWC, the COUNTY, the title company or counsel to sign the Junior Mortgage or any related consent, acknowledgment, subordination, title, closing or security document fails or refuses to do so;
11. RECIPIENT breaches any of the terms of this AGREEMENT and fails to cure such breach (if said breach can be cured) within five (5) business days.

In the event of a bona-fide, arm's length sale or other transfer of the Home or any interest therein by RECIPIENT to any third party that is not related to RECIPIENT by virtue of Family or otherwise, RECIPIENT'S obligation to pay EDWC the Unearned Incentive Balance shall be limited to the excess of the purchase price to be paid for the Home (after standard closing adjustments for real estate taxes, utilities and similar items that are ordinarily pro-rated or otherwise divided between buyer and seller upon closing and after the payment of customary closing costs, all as set forth in the Settlement Statement or other closing statement executed at closing) over the then outstanding balance of any Lender debt secured by a first mortgage on the Home (which shall, for purposes hereof, not exceed the initial balance of said debt as of the Settlement Date detailed in the Summary Information Section above) and, if approved at the time of application, the then outstanding balance of a government supported homebuyer assistance second mortgage incurred by RECIPIENT at time of initial close.

In the event the full amount of the Unearned Incentive Balance is not repaid as a result of the above described limit, RECIPIENT, shall, prior to the closing of the sale or other transfer, provide EDWC with a true, correct and complete copy of the Offer to Purchase and any other documents related to the sale or other transfer of the Home as may be required by EDWC, including, without limitation,

the closing/settlement statement with respect to the proposed sale or transfer of the Home and any documents related to the fair market value of the Home.

E. Miscellaneous Provisions

1. **INDEMNIFICATION:** The obligations of the COUNTY are limited to those specifically stated in this AGREEMENT. RECIPIENT acknowledges that they have not relied upon any promises, representations, or claims made by the COUNTY or any of its agents, contractors, or employees that are not specifically set forth in this AGREEMENT. RECIPIENT covenants and agrees to indemnify and save the COUNTY and any of its agencies or instrumentalities including, without limitation, EDWC and its officers, agents and employees (the "Indemnified Parties") harmless from and against any and all claims, damages, demands, expenses, including attorney fees and expenses, liabilities, and taxes (of any character or nature whatsoever, regardless of by whom imposed), and losses of every conceivable kind, character and nature whatsoever (including, without limitation, claims for loss or damage to any property or injury to or of death of any person) asserted by or on behalf of any person, firm, corporation, or governmental authority arising out of, resulting from, or in any way connected with or rising out of this AGREEMENT or any of the Incentive documents or the performance hereof and thereof. RECIPIENT also covenants and agrees, at its expense, to pay, and to indemnify and save the Indemnified Parties harmless from and against all costs, attorneys' fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim or demand. In the event that any action or proceeding is brought against any of the Indemnified Parties by reason of any such claim or demand, RECIPIENT, upon notice from the COUNTY or its agent, covenants to resist and defend such action or proceeding on behalf of the Indemnified Parties.
2. **AMENDMENTS:** This AGREEMENT may be altered, amended or repealed only by a written instrument duly executed by both parties.
3. **FURTHER ASSURANCES:** RECIPIENT agrees to do such further acts and things, and to execute and delivery such additional instruments, as the COUNTY or its agent may at any time request in connection with the administration or enforcement of this AGREEMENT or any of the Incentive Documents or in order better to assure and confirm unto the COUNTY its rights, powers and remedies hereunder.
4. **ENFORCEMENT:** Without limiting the foregoing, RECIPIENT shall cause each Non-Recipient Titleholder, trustee, spouse and any other person or entity with a title, ownership, marital property, homestead, beneficial or other interest in the Home to execute such documents as EDWC, the COUNTY, the title company or counsel may reasonably require to preserve the Junior Mortgage, the COUNTY's repayment rights and EDWC's enforcement remedies.
5. **INTERPRETATION:** The validity, construction and enforcement of this AGREEMENT are, and shall be, governed by the laws of Washington County and the State of Wisconsin. The invalidity of any provision of this AGREEMENT shall not affect the validity of any other provision. In the event of any conflict between the terms of this AGREEMENT and any of the Incentive documents required to be delivered hereunder, the terms of this AGREEMENT shall control.
6. **VENUE:** RECIPIENT HEREBY AGREES TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT IN THE STATE OF WISCONSIN WITH RESPECT TO ANY CLAIM OR CAUSE OF ACTION ARISING UNDER OR RELATING TO THIS AGREEMENT OR ANY OF THE INCENTIVE DOCUMENTS, WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS AND WAIVES ANY OBJECTION TO THE VENUE OF ANY ACTION RELATING TO THIS AGREEMENT OR ANY OF THE INCENTIVE DOCUMENTS.
7. **PERSONS BOUND:** This AGREEMENT shall be binding upon, and shall inure to the benefit of, the parties to this AGREEMENT and their respective successors, representatives and permitted assigns. The provisions of this AGREEMENT and the Incentive documents relating to title, ownership, occupancy, use of the Home, the Junior Mortgage, repayment of the Unearned Incentive Balance, further assurances and enforcement shall also bind, as applicable, any Non-Recipient Titleholder, trustee, successor trustee, heir, personal representative, spouse, beneficiary, successor, transferee and any person or entity claiming by, through or under RECIPIENT or any approved Non-Recipient Titleholder.
8. **ENTIRE AGREEMENT:** This AGREEMENT constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes any previous agreements or understandings.
9. **WORDS:** In this AGREEMENT, words importing the singular number only shall include the plural and vice versa. Words importing the male gender shall also include the female gender and vice versa.
10. **SEVERABILITY:** If any provision of this AGREEMENT shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof, or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provisions in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provisions or provisions herein contained invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections contained in this AGREEMENT shall not affect the remaining portions of the AGREEMENT, or any part thereof..
11. **COUNTERPARTS:** This AGREEMENT may be executed in one or more counterparts. Each counterpart shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution and delivery of this AGREEMENT may be evidenced by emailed PDF scan.
12. **EDWC AS AGENT:** RECIPIENT hereby agrees and acknowledges that EDWC is acting on behalf of COUNTY pursuant to a co-management agreement and is entitled to rely on such relationship with respect to all matters related hereto until such time as the COUNTY gives written notice to RECIPIENT of the termination of said agreement.

INCENTIVE AGREEMENT

IN WITNESS WHEREOF the parties hereto, intending to be legally bound, have made, accepted and executed this AGREEMENT with their signatures below as of the AGREEMENT Date noted above:

If a Non-Recipient Titleholder or trustee is approved by EDWC, such person or trustee shall execute this AGREEMENT, the Junior Mortgage and/or any related acknowledgment, consent, title, closing or security document only in the capacity required to preserve the COUNTY's lien, repayment rights and enforcement remedies, and shall not be considered a RECIPIENT unless expressly named as a RECIPIENT herein.

COUNTY

Agent

Representative: _____

"RECIPIENT"

Recipient: _____

Co-Recipient: _____

SAMPLE

Junior Mortgage

Junior Mortgage issued to COUNTY by RECIPIENT is attached on subsequent pages and is incorporated by reference.

SAMPLE

Incentive Application

Incentive Application completed by RECIPIENT and received by EDWC, including the signed RECIPIENT Certification Statement is attached on subsequent pages and is incorporated by reference.

SAMPLE

**INCENTIVE AGREEMENT
ATTACHMENT "C"**

Non-Recipient Titleholder Certification

If applicable, a Non-Recipient Titleholder Certification completed by each EDWC-approved Non-Recipient Titleholder or trustee, together with any required title, trust, consent, acknowledgment, mortgage or security documentation, is attached on subsequent pages and is incorporated by reference.

NON-RECIPIENT TITLEHOLDER CERTIFICATION

The undersigned certifies that the undersigned is not an Occupant-Owner of the Home, will not use or maintain the Home as a primary residence, is included on the mortgage, deed, title commitment, title policy or other title or ownership documents only for EDWC-approved financing, closing or estate-planning purposes, and is not acquiring or holding any vacation, rental, investment, trade, business, profit-sharing, resale, silent partner, future occupancy or other interest inconsistent with the Heart and Homestead Earned Down Payment Incentive.

The undersigned acknowledges that the Home must remain the RECIPIENT household's legal primary residence, that the undersigned will not impair the Junior Mortgage or the COUNTY's repayment rights, and that the undersigned shall execute any consent, acknowledgment, subordination, title, closing or security document required by EDWC, the COUNTY, the title company or counsel to preserve such rights.

The undersigned further acknowledges that false, incomplete or misleading statements or any arrangement inconsistent with this certification may result in denial, cancellation, default, repayment of the Unearned Incentive Balance, or other remedies available under the AGREEMENT or applicable law.

Name / Trust: _____

Capacity: _____

Signature: _____ Date: _____