

SELF-HELP AGREEMENT

| | |
|---------------------|--------------|
| BORROWER(S) NAME(S) | |
| PROPERTY ADDRESS | |
| TELEPHONE NUMBER | FHA CASE NO. |
| WORK _____ | HOME _____ |

I hereby certify that I have the time, the skills, the tools, and the resolve to complete all items identified on the work writeup to be completed by me in a professional and timely manner. The quality of the workmanship and materials will be at or above those specified in the work writeup. Should the quality of the work and/or the materials be unacceptable to the HUD approved fee inspector (or the inspector for the City/State/County), I agree that the work will be redone and/or the materials replaced at my own cost.

I further certify that I have, on my own, reviewed the work writeup document and the cost estimate and that I have made contact with various contractors and/or subcontractors for those portions of the rehabilitation job that are necessary to let out for contract. I have personally made an investigation of my selected contractor's workmanship, capacity to complete my job in a timely manner, and have on my own, selected this contractor who will complete the rehabilitation of this project. I understand that if my contractor's price is increased over and above this initially approved amount, and such increases will not be covered by executed and approved change orders with funding from my contingency amount, I have the funds necessary to pay the contractor and complete the job.

I further agree that I will furnish such excess funds directly to the lender to be placed in the contingency reserve account for my use. I agree that these funds will remain irrevocably committed to this project and may not be withdrawn for any other purposes. Upon the completion of this project, any funds remaining in this contingency reserve account will be returned to me if I placed the funds into the account, otherwise, the money will be paid down on the mortgage principal or used to make additional improvements to the property.

I further certify that I will complete this job within the contract period as set forth in the Rehabilitation Loan Agreement. I understand that for all payments a 10 percent holdback (retainage) will be withheld and will be returned after final completion after the Lender determines that no liens will be placed on the property.

I further certify that I will provide paid receipts and lien waivers for specific identifiable items when requested by the Lender. I understand that I can only request a draw inspection for the actual cost of construction and that any savings can be used to make further improvements to the property.

I further certify that NO ESCROWED FUNDS WILL BE USED TO PAY FOR MATERIALS STORED ON SITE OR IN ANY OTHER LOCATION, except for purchase orders for kitchen/bath cabinetry and finish flooring. I agree that disbursement of any monies may be made only AFTER the work has been installed, completed, inspected, and approved by the HUD approved fee inspector.

I agree that if I make any changes to the work write-up document as approved and made a part of the Rehabilitation Loan Agreement, I will secure a written and approved change order **PRIOR TO THE CHANGE**, using form HUD 92577. I understand that any work completed prior to the acceptance of the change order will be at my own risk and that I may have to pay for the work out of my own funds.

I will secure all required (City/State/County) permits prior to starting construction and to hold HUD and the Lender harmless for all actions of myself and my contractor, subcontractors and/or suppliers on this job. I also understand that all payment(s) are subject to inspection and approval by the HUD approved fee inspector.

I agree to obtain a Hazard Insurance Policy to insure against fire, windstorm, hail and other extended coverage (also known as Builders Risk Policy, HO, Rental Dwelling Insurance Policy) in the amount equal to or greater than the total of all financing sources and have provided or will provide a copy of the insurance policy and paid receipt to the Lender. I also agree to obtain a Liability Policy if the above listed policies do not provide such coverage for injury, death, etc. to other (non worker) persons who may enter onto the job site.

I also agree to obtain a Certificate of Insurance of any subcontractor(s) for workman's compensation, which at a minimum will provide liability coverage for any persons working at this project.

I now wish to proceed with this Rehabilitation job on my own as above described and in compliance with the accepted architectural exhibits. I agree to secure proper insurance verification from all contractors and/or subcontractors and I further certify that all contracts are strictly between myself and my contractors, subcontractors, and/or suppliers, and I hereby hold HUD and the Lender harmless from any problems whatsoever that might develop between myself and my contractors, subcontractors, and/or suppliers. If I wish further assurances and/or warranties from the workmen or the suppliers, I will secure them prior to payout.

Executed as of the Date Shown Below:

Borrower: _____

Borrower: _____

Borrower: _____

Borrower: _____

Borrower: _____

Borrower: _____

Witness: _____

Date: _____