

## BSP H.O.M.E. PROGRAM MEMBERSHIP AGREEMENT

THIS AGREEMENT ("Agreement") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2009 ("Effective Date") between \_\_\_\_\_ ("HMA"), and BROOKE SLOANE PROPERTIES, INC., a Florida corporation ("BSP").

### RECITALS

- A. HMA wishes to become a homeowner by purchasing a [single family residence, condominium, or multi-unit residential property], and acknowledge(s) that (he/she/they) require(s) assistance in locating an appropriate property and obtaining financing for such a purchase;
- B. BSP has access to a wide assortment of REO and lease/option properties due to its business of providing services to property owners ("Owner/Clients") to place their properties in circulation for lease, lease with option to purchase, or purchase by means of its "BSP H.O.M.E. Program" through an established network of real estate professionals and service providers;
- C. BSP is also in the business of providing services to aid individuals in the purchase of [single family residences, condominiums, or multi-unit residential properties] by placing such individuals in Land Trust Agreement together with a lease or lease with option to purchase, and qualifying such individuals for a permanent financing by means of the "BSP H.O.M.E. Program" through an established network of real estate professionals and service providers, as more particularly described on Exhibit A attached hereto (Services");
- D. BSP H.O.M.E. Member has completed a BSP H.O.M.E. Membership Application and the information contained therein is true and accurate. Further, BSP H.O.M.E. Member acknowledges that (he/she/they) (does/do) not presently qualify for a traditional mortgage under current lending guidelines for Fannie Mae, Freddie Mac or any other government or traditional loan program.
- E. BSP H.O.M.E. Member wishes to enroll in the BSP H.O.M.E. Program and to engage BSP to provide the Services on the terms and conditions set forth herein; and

NOW, THEREFORE, for good and valuable consideration, and the exchange of the covenants and conditions of this Agreement, the receipt and sufficiency of which are hereby acknowledged by the parties, HMA and BSP agree as follows:

1. Recitals. The above recitals are true and correct and are agreed to by the parties as if such recitals were fully set forth herein.
2. Engagement. HMA hereby engages BSP to assist (him/her/they) to purchase a [single family residence, condominium, or multi-unit residential property], through membership in the BSP H.O.M.E. Program for a period of ten (10) months commencing on the Effective Date and renewing for additional ten (10) month periods unless terminated by either party upon sixty (60) day written notice. BSP shall commence performance of the Services upon the execution hereof, and continue performance in a professional manner as outlined on Exhibit A hereto. BSP will keep HMA reasonably informed as the Services are rendered, and HMA agrees to provide information to BSP upon request and execute such other and further documents as are necessary to BSP's rendering of the Services.
3. BSP H.O.M.E. Membership Acceptance and Placement. In addition to the membership application submitted by HMA to BSP, HMA agrees to provide such additional information concerning (his/her/their) employment, finances and credit as BSP may reasonably request, in order that BSP may determine the most appropriate financing program for that Member. The HMA's financial information has been, and will be, processed based on current lending guidelines for Fannie Mae, Freddie Mac, and all Government or traditional loan programs, and if HMA qualifies under the BSP H.O.M.E. Program guidelines, then (he/she/they) shall be placed into BSP's Mortgage Approval ("MA") Services. MA Services will be mandatory for all HMAs who do not qualify for a traditional mortgage at the time of application. BSP's MA Services are designed to teach and assist HMAs in managing and increasing their credit, budgeting, debt management, and awareness of the mortgage qualification process.
  - a. If BSP projects that the BSP H.O.M.E. Member will qualify for a mortgage within the next ten (10) months, the HMA is eligible for immediate placement in a property under the BSP H.O.M.E. Program that (he/she/they) (has/have) selected. If a property acceptable to HMA is not available, then the HMA is placed in the BSP H.O.M.E. Membership Club ("HMA Club") and MA Services are offered to speed up the process. BSP will attempt to locate a suitable property for the HMA in their market. Once a property has been selected, BSP and HMA shall proceed as follows:
    - (i) Properties. The condition of all of the properties under the BSP H.O.M.E. Program are fully assessed to ensure there are no noticeable defects within the property that would require major renovation, unless otherwise specified and agreed upon by the parties, and the properties must be approved for a Certificate of Occupancy before such properties become available to HMAs, unless otherwise specified and agreed upon by the parties. BSP will place an American Home Shield Warranty on all properties under the BSP H.O.M.E. Program.
    - (ii) Determination of Purchase Price. BSP utilizes market surveys, the current market value (CMV), the Multiple Listing Service (MLS) and Automated Valuation Models (AVM) to establish the current market value of the property. The purchase price for the property will be set at the then current market value minus an estimate for any repairs (if needed) approved by BSP. This shall afford the HMA to earn a predetermined amount of "Property Improvement Credit" ("PIC") in the property (not to exceed five percent (5%) of the current market value of the property), and therefore increase the value of the property, and allow for more equity to be accrued in the property over time.
    - (iii) Preliminary Closing. The property selected by the HMA will be placed in a Land Trust by a deed from the owner of the property (or the owner's agent, trust or representative) to BSP as the Trustee of the Land Trust, with the owner retaining a beneficial interest in the property under the Land Trust. At the preliminary closing, the HMA will execute the following documents: (a) a Land Trust Agreement which, together with the provisions and conditions herein, will provide the terms for HMA's acquisition of the property and grant the HMA an initial one percent (1%) co-beneficial interest under the trust, (b) a purchase agreement for the purchase of the property, (c) two promissory notes and a mortgage in an aggregate amount equal to the purchase price due and payable in full in ten (10) months. HMA's payments (where applicable) will approximately be in an amount equal to principle, interest, taxes, insurance, and HOA/CDD (where applicable) and based at the determined market value of the property. The initial mortgage will be written at eight percent (8%) (these documents will be recorded and filed with the necessary county and/or state offices [where applicable]), and (d) a quitclaim deed from HMA to BSP as Trustee of the Land Trust and an assignment of the HMA's beneficial interest under the Trust to the Trustee, both of which are to be held by the Trustee and not to become operative unless there be a default by HMA under the promissory notes, mortgages or the Land Trust Agreement.
    - (iv) Possession. HMA will be able to take possession of the property immediately following the preliminary closing. The property will either have an American Home Shield warranty, or BSP shall place such a warranty on the property at the preliminary closing. HMA will be responsible for all maintenance and warranty deductibles and therefore be responsible for general maintenance costs and any warranty work done to the property. It will be the HMA's responsibility to place warranty calls and maintain the property.

(v) Insurance. HMA shall purchase at its sole cost and expense, property and casualty insurance either in the name of the BSP, as Trustee or showing BSP, as Trustee, as an additional insured thereunder, with such insurance to protect the Trustee against public liability in the amount of \$1,000,000 per occurrence/ \$2,000,000 general aggregate and to protect BSP, as Trustee, against such other hazards or liabilities, and in such amounts, as BSP may reasonably require. All such insurance shall be procured through BSP Insurance Agency or such other insurance companies as are acceptable to BSP.

(v) Permanent Financing. While HMA is living in the property, BSP will continue with MA Services until the HMA becomes qualified for permanent financing. HMA shall apply for permanent financing with BSP Mortgage. HMA will make payments per the Land Trust Agreement and the promissory notes and mortgage until permanent financing is in place. HMA may receive up to a ten percent (10%) beneficial interest in the property for timely monthly payments made during the BSP H.O.M.E. Program period and by obtaining permanent financing approval before the vesting period expires. This beneficial interest may be redeemed at time of permanent financing to assist in down payment and/or closing costs. Once permanent financing is in place, the HMA will receive a warranty deed for the property and become the full owner of the property.

(vi) Default. Should HMA fail to obtain permanent financing as required by the Land Trust Agreement, the purchase agreement and mortgage, HMA will be in default, and subject to any further agreements between BSP, HMA and the owner/co-beneficiary, HMA will lose its rights to purchase the property and its rights to possession of the property. Upon default, this Agreement may be terminated by BSP.

b. If, based on the review of the application and other financial information, BSP projects that the BSP H.O.M.E. Member will not qualify for a mortgage within the next twelve (12) months, (i.e. recent foreclosure or bankruptcy), then BSP will attempt to locate an Owner/Client in the BSP H.O.M.E. Program who is willing to hold their property in a Land Trust for an extended period and accepts the BSP H.O.M.E. Member. If BSP identifies such an Owner/Client then the procedures set forth in section 3. A. above will be implemented based on agreements and corresponding documentation that set forth a longer mortgage qualifying period.

c. If the applicant should not qualify for a mortgage, the BSP H.O.M.E. Program, nor be authorized for occupancy, the application is denied. The applicant is placed into our database and MA Services for that applicant are continued for future purchase opportunities.

#### 4. Fees.

a. Application Fee. Upon the execution of this Agreement, HMA has paid an application fee of fifty dollars (\$50.00) per person (per couple, where applicable) which fee covers the verification and analysis of HMA's personal information necessary to qualify an applicant for the BSP H.O.M.E. Program.

b. Membership Fee. Once a property has been selected and a purchase agreement has been executed and accepted, HMA will pay a "Membership Fee" of one and one half percent (1.5%) of the purchase price of the property plus the first month's note payment prior to occupancy of the property. All mortgage note payments are due on the 1st of the month and are considered late if not paid by the 5<sup>th</sup> of the month and subject to termination of the contracts. The Membership Fee covers the following: (i) Mortgage Approval Services; (ii) Document preparation; (iii) Note and mortgage preparation; (iv) the preliminary closing; and (v) Recording of all notes and documents.

c. HMA Club Dues. All applicants, HMA's that have not qualified for permanent financing and HMA's waiting for a property of their choice will be placed in the HMA Club. BSP will offer MA Services to these individuals for \$39 per month. The HMA Club Members will be the first to receive notices of new properties coming available in their market. HMA Club Members will also receive updates on their approval status, any changes to the Real Estate industry that affects them, financial tips, and a hot-line for questions. The \$39 monthly fee will be credited towards the move in cost for any qualified home in the BSP H.O.M.E. Program

5. Effect of Delivery. This Agreement shall not be effective, and shall not be relied upon by either party, until such time as it has been executed by HMA and BSP, and all fees to be paid hereunder have been received by BSP.

#### 6. Confidentiality.

a. It is understood that in conducting business with one another pursuant to this Agreement, HMA will be providing BSP with certain confidential information, whether oral or written, concerning his/her/their credit and financial information, including, but not limited to, employment status and history, social security numbers, bank accounts, transaction codes, loans, mortgages, credit cards, etc. (collectively, the "Confidential Information and Confidential Sources").

b. In exchange for obtaining access to the Confidential Information, BSP agrees to keep all such information in confidence, except to the extent required by law, and not to use such information for its own benefit, directly or indirectly. The Confidential Information may be disclosed to officers, employees, associates, attorneys, accountants or agents of BSP (collectively, the "Representatives") on a need-to-know basis (it being understood that such Representatives shall be informed of the confidential nature of such information in accordance with this letter and shall agree to treat such information confidentially).

c. BSP will not attempt, directly or indirectly, to contact HMA's Confidential Sources, or make use of HMA's Confidential Information, other than as set forth in this Agreement, except through the HMA or with the express written consent of the HMA.

d. BSP agrees to take all reasonable precautions to prevent the disclosure of the Confidential Information to anyone other than its Representatives, and to maintain a standard of care with respect to such Confidential Information that is no less than the standard it exercises to prevent the disclosure of its own confidential and proprietary information. In furtherance of such efforts, BSP agrees to refrain from duplicating the Confidential Information without the prior authorization of the HMA.

e. The term "Confidential Information" does not include information which (i) prior to delivery of such information was already in the possession of BSP; (ii) was or becomes generally available to the public other than as the result of disclosure by BSP; or (iii) was independently developed by BSP.

f. Upon termination of this Agreement BSP shall destroy any copies of Confidential Information in its possession. Notwithstanding such termination, BSP shall nevertheless be bound not to disclose any Confidential Information obtained during the term of this Agreement to any third party.

6. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, by facsimile transmission, emailed or mailed by registered or certified mail, to the parties at the addresses noted below with a copy delivered to:

Brooke Sloane Properties, Inc.  
Attn: Val Silins  
10006 Cross Creek Blvd., Ste 437  
Tampa, Florida 33647

HMA  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. Miscellaneous.

a. This Agreement may be terminated by BSP upon thirty (30) days notice due to HMA's failure to abide by the terms of any land trust agreement, purchase agreement, promissory note, or mortgage executed between the parties, or due to HMA's failure to abide by the terms of this Agreement including, but not limited to, failure to cooperate in providing requested information or the failure or inability to become qualified for a residential mortgage loan under current lending guidelines.

b. This Agreement will be interpreted and construed under the laws of the State of Florida regardless of the domicile of any party, and will be deemed for such purposes to have been made, executed and performed in the State of Florida. Venue for any dispute under this Agreement shall lie exclusively in Hillsborough County, Florida.

c. This Agreement represents the entire agreement between the parties and supersedes all existing contracts and agreements previously executed between the parties, and any representations, either written or oral, by one party to another with respect to the subject matter hereof. This Agreement shall be modifiable only in writing, duly executed by all parties.

d. This Agreement shall not be construed to create a general partnership under Florida Law.

e. The provisions of this Agreement are severable, and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions and any partially enforceable provisions, to the extent enforceable, shall nevertheless be binding and enforceable.

f. Each of the parties hereto shall bear its own attorney's fees in connection with the preparation and execution of this Agreement, and this agreement shall not be construed more strictly against one party based upon drafting. In the event of any dispute hereunder, the prevailing party shall be entitled to recover all costs and expenses incurred by it in connection with the enforcement of this Agreement, including all attorney's fees, paralegal fees and legal assistant fees, whether for services incurred in litigation, bankruptcy proceedings, appeals or otherwise, and all other costs in connection therewith.

g. This Agreement may not be assigned by either party without the prior written consent of the other party.

h. THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, PROCEEDING OR COUNTERCLAIM IN ANY WAY ARISING OUT OF THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT.

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

HMA(s)

\_\_\_\_\_

Date: \_\_\_\_\_

BROOKE SLOANE PROPERTIES, INC.  
a Florida corporation

By: \_\_\_\_\_  
W. Mark Sanders, President

Date: \_\_\_\_\_

## EXHIBIT A

### BSP H.O.M.E.PROGRAM SERVICES

1. Initial Property Inspection . Once A Property has closed and ownership transferred to Owner/Client, BSP inspects the Property, takes pictures, and provides a complete report on the current condition of the Property. Recommendations and full estimates (if any) are provided for any property improvements that may be needed to enhance marketing efforts. These include any deferred maintenance issues, curb appeal, etc.
2. Property Valuation. BSP utilizes current market surveys, MLS, Automated Valuation Models (AVM), and current market values (CMV) to establish the current market value of the Property.
3. Marketing. Marketing starts immediately and BSP utilizes a large variety of mediums including proprietary services. BSP will begin showing the Property to prospective buyers immediately.
5. Applicant/Buyer Qualifying. Applications are taken from prospective buyers and applicants for the BSP H.O.M.E. Program for qualifying purposes. All applicants are processed based on current lending guidelines for Fannie Mae, Freddie Mac, and all Government and traditional loan programs, unless otherwise specified by the Owner/Client for any specific owner finance programs. If an applicant qualifies for a traditional mortgage, and applicant has found a property he/she they wish to purchase, applicant proceeds to an immediate sale and the Closing Process outlined in No. 7. below.
6. BSP H.O.M.E. Program Term. If an applicant fails to qualify for an immediate mortgage financing, but BSP projects that applicant will qualify for a mortgage within the next ten (10) months, the applicant may become an HMA and become eligible for immediate placement in a property under the BSP H.O.M.E. Program that (he/she/they) (has/have) selected (If a property acceptable to HMA is not available, then the HMA is placed in our BSP H.O.M.E. Membership Club ("HMA Club") and MA Services are offered to speed up the process. The HMA Club Member will be first in line for placement into the next available home in their market. Once a Property has been selected, BSP and HMA shall proceed as follows:
  - (i) Determination of Purchase Price. BSP utilizes market surveys, the Multiple Listing Service (MLS), Automated Valuation Models (AVM) and current market Values (CMV) to establish the current market value of the Property.
  - (ii) Preliminary Closing. The Property selected by the HMA will be placed in a Land Trust by a deed from the original owner of the Property to BSP as the Trustee of the Land Trust. At the preliminary closing, the HMA will execute the following documents: (a) a Land Trust Agreement which, together with the provisions and conditions herein, will provide the terms for HMA's acquisition of the Property and grant the HMA an initial one percent (1%) co-beneficial interest under the trust, (b) a purchase agreement at current market value for the Property (c) two promissory notes and two mortgages in an aggregate amount equal to the purchase price. HMA's payments (where applicable) will approximately be in an amount equal to principle, interest, taxes, insurance, and HOA/CDD (where applicable), if any, and based at the determined current market value of the property. The initial mortgage will be written at eight percent (8%) (these documents will be recorded and filed with the necessary county and/or state offices [where applicable]), and (d) a quitclaim deed from HMA to BSP as Trustee of the Land Trust and an assignment of the HMA's beneficial interest under the Trust to the Trustee, both of which are to be held by the Trustee and not to become operative unless there be a default by HMA under the promissory notes, mortgages or the Land Trust Agreement.
  - (iii) Possession. BSP P H.O.M.E. Members will be able to take possession of the Property immediately after the preliminary closing. The condition of all of the properties under the BSP H.O.M.E. Program are fully assessed to ensure there are no defects within the property that would require major renovation, and the properties must be approved for a Certificate of Occupancy before such properties become available to BSP H.O.M.E. Members, unless otherwise specified and agreed upon by the parties. At the preliminary closing, BSP will set up a home warranty for the Property. The HMA will be responsible for all maintenance and warranty deductibles and therefore be responsible for general maintenance costs and any warranty work done to the Property. It will be the HMA's responsibility to place warranty calls and maintain the Property.
  - (iv) Permanent Financing. While the HMA is living in the property, BSP will continue with MA Services until the Member becomes qualified. HMA shall apply for permanent financing, and close when approved, with BSP Mortgage. HMA will make payments per the Land Trust Agreement and the promissory notes and mortgage until permanent financing is in place. HMAs will receive up to a ten percent (10%) beneficial interest in the Property for timely monthly payments made during the BSP H.O.M.E. Program period and by obtaining permanent financing approval before the vesting period expires. This interest may be redeemed at time of permanent financing to assist in down payment and/or closing cost. Once permanent financing is in place, the Member will be the full owner of the Property.
7. Closing Process. The traditional sales and closing process is followed.
  - a. Full mortgage file is submitted to the lender.
  - b. Appraisal is ordered.
  - c. Title work is updated and closing process is initiated.
  - d. Lender issues mortgage approval.
  - e. Insurance is ordered.
  - f. The Property is closed and the Owner (co-beneficiary) is taken out of transaction.