

INVESTMENT AGREEMENT

This Investment Agreement (the "Agreement") is entered into as of January 1, 2009, by and between [FULL NAME OF ORGANIZATION], a [STATE] state non-profit corporation (hereafter referred to as "[HOUSING LOAN FUND]") and [FULL NAME OF INVESTOR] ("Investor Bank").

RECITALS

WHEREAS, [HOUSING LOAN FUND] is a [STATE] non-profit community development financial institution established to promote community and economic development by increasing access to capital for small businesses and community development organizations engaged in economic and community development and affordable housing throughout [STATE] (the "Program").

WHEREAS, [HOUSING LOAN FUND] is not able to issue stock to raise capital to fund the Program.

WHEREAS, Investor Bank wishes to make investments which promote the public welfare in [STATE] and is willing to assist [HOUSING LOAN FUND] in the funding of the Program.

WHEREAS, in order to invest in [HOUSING LOAN FUND], Investor Bank is prepared to make an equity-equivalent investment in [HOUSING LOAN FUND], structured as an investment on the terms and conditions specified in this Agreement.

NOW THEREFORE, the parties hereto agree as follows:

1. The Investment Terms. Investor Bank agrees to invest the principal sum of fifty thousand and 00/100 (\$50,000) at a fixed interest rate of 3% per annum (the Investment). Interest shall be calculated on a 360-day year consisting of twelve 30-day months and shall be payable quarterly commencing on the last day of the next calendar quarter following the initial disbursement. The principal balance of the Investment shall be due and payable ten years from the date of the initial disbursement. At the end of the ten years, the Investor Bank is obligated to extend the Investment's maturity annually for successive periods of one year not to exceed five years. Annually thereafter, Investor Bank has the option of extending the Investment's maturity for an additional year, but is not obligated to do so. [HOUSING LOAN FUND] may pre-pay the Investment, in whole or in part, at any time without penalty.

2. Repayment Terms. Notwithstanding Section 1 above with respect to [HOUSING LOAN FUND]'s obligation to make quarterly interest payments, [HOUSING LOAN FUND] shall not be required to make any payment of interest with respect to this Investment when such payment is due if: (a) as a result of such payment, [HOUSING LOAN FUND] would be unable to make full payment of the interest which is then due with respect to any outstanding obligations that are senior debt of [HOUSING LOAN FUND]; (b) as a result of such payment, [HOUSING LOAN FUND] would be unable to

satisfy its operating expenses due at the time payment is due (or within ten business days of such due date); or (c) payment of this Investment's interest cannot be made from [HOUSING LOAN FUND]'s available cash at the time payment is due. [HOUSING LOAN FUND]'s obligation to make payments of interest to Investor Bank shall not be excused as a result of the occurrence of any of the above circumstances, but shall be required to be made on the first business day following the payment due date on which it has the available resources to make the interest payment in whole or in part.

3. Purpose and Use of Proceeds. [HOUSING LOAN FUND] shall use the proceeds of the Investment to provide access to capital by homebuyers, small businesses and community development organizations engaged in economic and community development and affordable housing, halt community deterioration and create jobs. The proceeds of this investment will be restricted to use specifically in the assessment area of Investor Bank to meet community development investment goals and objectives in that area. So long as any part of the Investment remains outstanding, [HOUSING LOAN FUND] shall furnish Investor Bank with a quarterly report of investment activity, in such detail as Investor Bank may from time to time reasonably request.

4. Conditions. Investor Bank's obligation to make the Investment shall be subject to the following conditions:

- a) [HOUSING LOAN FUND] shall deliver to Investor Bank a certified copy of its Articles of Incorporation and a copy of a letter from the Internal Revenue Service confirming that [HOUSING LOAN FUND] is in good standing as a 501(c)(3) organization.
- b) [HOUSING LOAN FUND] shall execute and deliver this Agreement and shall provide Investor Bank with satisfactory evidence that the investment and this Agreement have been properly authorized by its board of directors.
- c) [HOUSING LOAN FUND] shall maintain its status as a community development financial institution in accordance with the provisions of 12 C.F.R. Sections 1805.200 and .701, as may be amended from time to time, throughout the term of this Agreement.
- d) [HOUSING LOAN FUND] certifies that at least one community representative with expertise in long term, high risk financing to small businesses will at all times during the term of this Agreement be a member of its Board of Directors.

5. Acceleration of Maturity. Notwithstanding any other provision of this Agreement, Investor Bank may accelerate the maturity of the Investment, and the entire balance of principal and interest shall become immediately due and payable only if [HOUSING LOAN FUND] ceases its normal business operations. For the purposes of this Agreement, [HOUSING LOAN FUND] ceases its normal business operations if it changes its lines of business, uses the proceeds of the Investment for a purpose other than that specified in Section 3 of this Agreement and the other purpose does not serve the public welfare as defined in OCC Regulation 12 CFR part 24 (which describes the CRA

definition of public welfare investments), files a bankruptcy petition or takes similar action, is liquidated or dissolved or makes an assignment for the benefit of creditors, or fails to maintain its status as a community development financial institution in accordance with the provisions of 12 C.F.R. Sections 1805.200 and .701, as may be amended from time to time.

6. Financial Reporting. In addition to the quarterly report on investment activity required in Section 3 of this Agreement, [HOUSING LOAN FUND] shall undertake the following obligations in connection with this Agreement:

a. Permit Investor Bank and any reasonable number of its officers or employees, or any outside representatives designated by Investor Bank and reasonably satisfactory to [HOUSING LOAN FUND], to attend meetings of [HOUSING LOAN FUND]'s board of directors as an observer, and to visit and inspect, at the expense of Investor Bank, any of the properties of [HOUSING LOAN FUND], including their books and records, and to discuss their affairs, finances and accounts with their officers, except with respect to trade secrets and similar confidential information, to such reasonable extent and at such reasonable times and intervals as Investor Bank may reasonably request without disruption of [HOUSING LOAN FUND]'s operations.

b. Deliver to Investor Bank (i) as soon as practicable after the end of each fiscal quarter and in any event within forty-five (45) days thereafter, unaudited financial statements, including a balance sheet, income statement and statement of changes in cash flow; (ii) as soon as practicable after the end of each fiscal year and in any event within one hundred and twenty (120) days thereafter, complete audited financial statements, including a balance sheet, income statement and statement of changes in cash flows, prepared in accordance with generally accepted accounting principles and setting forth in each case in comparative form the figures for the previous fiscal year; (iii) as soon as practicable and in any event within thirty (30) days after filing thereof, the annual tax return of [HOUSING LOAN FUND]; and (iv) any additional documents, including the budget of [HOUSING LOAN FUND], reports of independent accountants and notices of an event material to the business of [HOUSING LOAN FUND] that are sent to the directors of [HOUSING LOAN FUND].

7. General. The relationship of Investor Bank and [HOUSING LOAN FUND] is that of debtor and creditor and does not constitute a partnership, joint venture, or any other type of business organization. Neither party shall have any authority to act on behalf of or obligate the other party and Investor Bank assumes no liability whatsoever for any decision, action or omission taken by [HOUSING LOAN FUND] at any time prior to, during or after the term of the investment described in this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date specified above.

[INVESTOR NAME]

[ORGANIZATION NAME]

By _____

Its President

By _____

Its Executive Director