

**UNIVERSITY OF SOUTHERN CALIFORNIA
NEIGHBORHOOD HOMEOWNERSHIP PROGRAM
SUBSIDY AGREEMENT**

This Agreement is made this the **[DATE OF AGREEMENT]**, by and between **[NAME OF EMPLOYEE]** (hereinafter referred to as "employee") and the University of Southern California (hereinafter referred to as "USC" or the "University").

WHEREAS:

Employee is either a benefits eligible faculty of USC with an appointment of at least 50 percent time, or is a benefits eligible staff of USC in a position of a least 50 percent; and,

Employee has purchased a single family residence for personal use in the areas designated as the University Park Campus or Health Sciences Campus community; and,

In order to assist employee in the purchase of such as residence, the University has developed the Neighborhood Homeownership Subsidy Program (hereinafter "the program"); and,

Employee desires to participate in the program subject to all of the terms, representations, and conditions contained in this Agreement; and,

USC desires to make the program available to employee; and,

Employee has purchased the property located at, **[ADDRESS OF PROPERTY]** referred to as "the property", or "the subject property"); and,

NOW, THEREFORE, in consideration of the underlying facts and representations made hereinabove, and in further consideration of the mutual covenants and conditions contained in this Agreement, the parties agree as follows:

1. Subsidy

A. Except as otherwise provided for herein, USC hereby agrees to provide employee with a housing subsidy of **[\$50,000 OR 20% OF THE HOME'S PURCHASE PRICE, WHICHEVER IS LESS]**. Payment shall be made by USC to employee as follows:

[PAYMENT AMOUNT]/mo. from [BEGINNING DATE] through [ENDING DATE]

Employee agrees that said subsidy is intended solely for use as partial payment for the subject property and that all such subsidy payments shall be used solely for that aforementioned purpose.

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B. Any and all such payments shall be subject to federal and state income taxation and deductions and employment taxation, and USC will deduct required tax withholdings from any and all such payments. A W-2 will be prepared at the close of each calendar year which will report to you: 1) the amount of all taxable income to you from the university (including your salary, the housing subsidy, and other compensation) and 2) the amount of taxes withheld.

C. The term of this Agreement (the "Term") shall commence on the date hereof and end on the final subsidy payment date unless terminated earlier as provided for in this Agreement. Such payment will be paid along with your regular earnings on payday of each month. Combining the housing subsidy with your regular earnings may have an impact on your total tax withholdings as well as your net take home pay. The University does not provide tax advice. You should consult a tax professional for more information.

2. Sale or Transfer of Property

If the subject property is sold or otherwise transferred during the term hereof, this Agreement and any and all payments made pursuant to the terms hereof shall, at the option of USC, terminate. USC may elect, at its sole option and discretion, to maintain subsidy payments to the employee until the end of the stated term. If USC does so elect, USC may require all reasonable additional documentation regarding employee's transfer, sale, and new real estate purchase.

3. Termination Upon Cessation of Employment

Any and all payments made pursuant to the terms of this Agreement shall cease if the employee for any reason, including but not by way of limitation, death, permanent disability, retirement, termination, and/or resignation, ceases to be a full-time employee (tenured or tenure track faculty or eligible staff as defined herein) in good standing of the University.

4. Requested Documentation

Employee agrees to furnish to USC any and all documentation reasonably required by USC in order to ensure employee's full compliance with the terms herein contained, or to verify loan amounts, title to, and interest in the subject property, the residence address, and such other and further information pertaining to matters relevant to this Agreement.

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5. Failure to Follow Terms of Agreement

Breach of the Agreement, or the failure on the part of employee to maintain eligibility for the program, or to otherwise follow the terms and conditions of this Agreement shall result in the immediate termination of this Agreement and cessation of all payments hereunder.

6. Prior Agreements, Amendments

Except as to the terms of the Neighborhood Homeownership Subsidy Program, which is incorporated herein, this document constitutes the entire agreement of the parties hereto with respect to any subject matter contained herein, and no prior agreement or understanding, whether oral or written, express or implied pertaining to any such matter shall be effective for any purpose whatsoever. The parties acknowledge that all prior agreements, representations, and negotiations concerning the subject matter herein, or collateral hereto, are deemed superseded by the execution of this Agreement to the extent that they are not incorporated herein, and that this Agreement shall be deemed to be integrated. Any modification of this Agreement shall be in advance, in writing signed by both parties.

7. Governing Law

This Agreement shall be construed and enforced in accordance with the laws of the State of California.

8. Legal Expenses

In the event that legal action is taken by either party to enforce this Agreement, all cash and expenses, including reasonable attorneys' fees, incurred by the prevailing party in exercising any of its rights or remedies hereunder or in enforcing any of the terms, conditions, or provisions hereof, shall be paid by the other party.

9. Severability

If any part, term, or provision of this Agreement shall be held illegal, unenforceable or in conflict with any law of a federal, state or local government having jurisdiction over this Agreement, the validity of the remaining portions or provisions shall not be affected thereby.

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10. Waiver

The waiver by USC or employee of any breach of any term, covenant, or condition contained herein shall not be deemed a waiver of any subsequent breach of the same or any other term, covenant or condition, nor shall any custom or practice which may develop between the parties in the administration of the terms hereof be deemed a waiver or modification of, or in any way affect the right of USC or employee to insist upon the performance by the other party in strict accordance with said terms.

11. Foreclosure

In the event the filing of a foreclosure by a third party lender or lenders against the subject property, employee agrees to notify USC of such impending foreclosure within 30 days of the date of receipt of Notice of Foreclosure by employee and to provide to USC all documentation concerning the same which USC may reasonably require.

12. Headings

The paragraph numbers and heading of this Agreement are for convenience only and shall have no effect upon the construction or interpretation of any part of this Agreement.

13. No Assignment

No assignment or other purported transfer of the rights and responsibilities granted to either party hereunder shall be valid.

IN WITNESS WHEREOF, as evidence of their acceptance of all of the terms, conditions and representations contained herein, the parties hereto affix their respective signatures.

Date: _____

Date: _____

University of Southern California
By: Ruth Wernig, Treasurer