

COUNTY OF HIDALGO  
STATE OF TEXAS  
URBAN COUNTY PROGRAM  
HOMEBUYER ASSISTANCE PROGRAM CONTRACT

This Homebuyer Assistance Program Contract ("Homeowner Contract") is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2012, between the County of Hidalgo, State of Texas ("County") and Alfonso & Citlali Cienfuegos ("Owner").

Owner has requested financial assistance from the County to assist Owner with the down payment and/or closing costs to purchase a home in accordance with the requirements of the County's Homebuyer Assistance Program ("Homeowner Program"); and

Owner, based on the information furnished to County, qualifies for financial assistance under the Homeowner Program.

NOW THEREFORE, the County and Owner agree as follows:

1. Owner represents and warrants that all information furnished to the County in or as a part of Owner's application for financial assistance in the Homeowner Program is true and correct.

2. Owner agrees that the financial assistance provided to Owner by County will be used to pay Owner's closing costs and/or a portion of Owner's down payment in order for Owner to acquire Owner's principal residence located at:

Lot 120 Rio Largo Estates Subdivision Phase III, Hidalgo, HIDALGO COUNTY TEXAS  
more fully described on Exhibit "A" attached hereto ("Property").

3. Owner represents to County that the contract attached hereto as Exhibit "B" is a true and correct copy of the contract under which Owner will acquire the Property. The debt and lien described in Exhibit "B" will be the only debt and lien against the Property other than the lien granted pursuant to this Homeowner Contract.

4. Owner agrees to comply with all applicable requirements of the U. S. Housing and Urban Development affordable housing home ownership statutes and regulations, including 24 CFR § 92.254(a) Qualification as Affordable Housing: Homeownership, as amended.

5. Owner agrees to provide, within ten (10) business days of the final loan closing, the Urban County Program with copies of the Lender's Note, Settlement Statement, Truth-in-Lending Disclosure, Property Deed and Property Insurance.

6. Owner agrees to execute all documents requested by County in order for County to obtain a valid second deed of trust lien on the Property.

7. OWNER UNDERSTAND AND AGREES THAT COUNTY IS NOT RESPONSIBLE TO OWNER FOR: (i) ANY ASPECT OF THE CONSTRUCTION OF THE RESIDENCE ON THE PROPERTY BEING PURCHASED BY OWNER, INCLUDING ANY CLAIM FOR DEFECTIVE WORK, INCOMPLETE WORK OR WARRANTY WORK; AND/OR (ii) ANY DEFECTS IN OWNER'S TITLE TO THE PROPERTY.

8. County agrees to expend \$\_\_\_\_\_ ("Homeowner Advance") for the benefit of Owner in connection with Owner's purchase of the Property. The Homeowner Advance will be applied first to Owner's closing costs and any excess funds will be applied to Owner's down payment and to the principal if funds are available.

9. OWNER AGREES THAT OWNER WILL, FOR A MINIMUM OF FIVE (5) CONSECUTIVE YEARS FOLLOWING OWNER'S PURCHASE OF THE PROPERTY, CONTINUOUSLY USE THE RESIDENCE LOCATED ON THE PROPERTY AS OWNER'S PRINCIPAL RESIDENCE. OWNER AGREES THAT OWNER WILL, ON AN ANNUAL BASIS, EXECUTE SUCH CERTIFICATIONS AS COUNTY MAY REQUIRE TO CONFIRM OWNER'S COMPLIANCE WITH THE REQUIREMENT OF THIS PARAGRAPH 9.

10. Provided Owner has continuously used the residence located on the Property as Owner's principal residence for five (5) consecutive years after the beginning date

used in the Loan Documents, County will forgive Owner's outstanding HOMEBUYER ASSISTANCE Funds on the Repayment Date in an amount equal to the HOMEBUYER ASSISTANCE Funds.

**FAILURE TO REPAY THE HOMEBUYER ASSISTANCE FUNDS IN ACCORDANCE WITH THIS CONTRACT AND/OR THE LOAN DOCUMENTS AND/OR TO COMPLY WITH THE OTHER PROVISIONS OF THE LOAN DOCUMENTS, MAY RESULT IN THE FORECLOSURE OF THE COUNTY'S LIENS AGAINST THE PROPERTY AND THE LOSS OF YOUR RESIDENCE AND THE PROPERTY.**

11. Owner understands and agrees that if Owner sells the Property, within the period of affordability (five (5) years the beginning date used in the Loan Documents), through a voluntary or involuntary transfer, the County will recapture all or a portion of the direct subsidy provided to the homebuyer as provided in this paragraph.

The loan will be forgiven pro rata over the period of affordability under the following terms, as long as the home remains the principal residence of the home buyer:

- (i) Upon completion of the 1<sup>st</sup> year of the Loan Documents -20% of the original principal amount will be forgiven;
- (ii) Upon completion of the 2<sup>nd</sup> year of the Loan Documents -40% of the original principal amount will be forgiven;
- (iii) Upon completion of the 3<sup>rd</sup> year of the Loan Documents - 60% of the original principal amount will be forgiven;
- (iv) Upon completion of the 4<sup>th</sup> year of the Loan Documents - 80% of the original principal amount will be forgiven; and
- (v) Upon completion of the 5<sup>th</sup> year of the Loan Documents -100% of the original principal amount will be forgiven

If the net proceeds from a voluntary or involuntary sale are insufficient to repay the prorated amount of the HOME subsidy, the County shall recapture the entire amount of net proceeds from the sale. If there are no net proceeds from the sale, no repayment is

required. Net proceeds are defined as the sales price minus superior loan repayment and any closing costs incurred by the homebuyer.

12. Owner understands and agrees that: (i) Owner agrees to continuously use the residence located on the property as Owner's principal residence for five (5) consecutive years following the beginning date used in the Loan Documents; and (ii) Owner agrees to honor any of its other obligations to County under the Homebuyer Contract or the Loan Documents; collectively. In the event that the County determines that the assisted homebuyer(s) is non-compliant with the residency requirements and the other requirements stated in the Homebuyer Assistance Program Contract then the entire face value of the funds are immediately due and payable to the County. Homebuyer will be given 30 days to return to compliance. If homebuyer(s) does not return to compliance the entire face value of the funds will be due and payable and will incur a four percent (4%) interest per annum.

**13. THIS HOMEBUYER CONTRACT CREATES A BINDING AGREEMENT BETWEEN YOU AND THE COUNTY; OWNER REPRESENTS AND WARRANTS TO THE COUNTY THAT OWNER HAS REVIEWED THE CONTRACT, UNDERSTANDS IT, AND IS EXECUTING IT FREELY AND VOLUNTARILY.**

Executed and effective as of the date and year first written above.

COUNTY OF HIDALGO  
URBAN COUNTY PROGRAM

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**DIANA R. SERNA**  
**DIRECTOR**

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**Alfonso Cienfuegos**

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**Citlali Cienfuegos**

**(Jurat/Individual Acknowledgment)**

*Steve Crain approved "as to form" September 2012*

STATE OF TEXAS §  
COUNTY OF HIDALGO §

SWORN, SUBSCRIBED AND ACKNOWLEDGED before me Jose Ramon Molina ON THIS \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §  
COUNTY OF HIDALGO §

SWORN, SUBSCRIBED AND ACKNOWLEDGED before me Lilian I Molina ON THIS \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF TEXAS

**(Jurat/Individual Acknowledgment)**

STATE OF TEXAS §  
COUNTY OF HIDALGO §

SWORN, SUBSCRIBED AND ACKNOWLEDGED before me Diana R. Serna ON THIS \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF TEXAS

**Exhibit "A"**

**To a**

**Homebuyer Assistance Program Contract**

LEGAL DESCRIPTION OF THE PROPERTY:

**Lot 120 Rio Largo Estates Subdivision Phase III, Hidalgo, HIDALGO COUNTY TEXAS**

**Exhibit "B"**  
**To a**  
**Homebuyer Assistance Program Contract**

Contract Agreement

Date 05/08/2012

THIS AGREEMENT entered into this day by and between:

Contractor, and Alonso Cifuentes owners, witness

The said contractor agrees to furnish all labor and material to build and complete certain improvements to the property located at Hidalgo Hidalgo TX  
Address City County State  
Rio Lage Estates Ph. 3  
Lot Block Addition

According to the following specifications:

Will build a brick veneer house living area \_\_\_\_\_ sq.ft. will have kitchen, den, living room, bedroom and \_\_\_\_\_ bathrooms with ceramic tile around and a utility-storage room. Kitchen cabinets made of birch, Ash/Oak formica, and one stainless steel sink, Porch \_\_\_\_\_ sq.ft. All frame construction lumber #2 \_\_\_\_\_ sq.ft. or \_\_\_\_\_ garage \_\_\_\_\_ sq.ft. All stud 16" or 24" o.c. center ceiling 24" center ceiling joints 24" center roof 4x8 and 1/2 plywood comp. shingles wt 240, aluminum windows, entrance door solid 3"0x 6"8. Interior wood will be taped floated and one hand painted, walls, ceiling with 1/2 sheetrock, complete electrical wiring, plumbing, 30 gallon water heater, vinyl tile \$18.00 allowance or less, brick \$240 per 1000 allowance or less.  
Ceramic tile Studio Finish Est.

The company guarantees its materials and workmanship and will replace faulty materials and Workmanship free of charge for a period of 1 year from date.

Said materials and labor to cost 115,000.00 cost prices, payable as follows: upon 2100 sq.ft total Area  
(Cash if any) \$ \_\_\_\_\_, balance of \$ \_\_\_\_\_ payable in \_\_\_\_\_ equal  
Monthly installments of \$ \_\_\_\_\_ which includes interest and is included in monthly payments.  
First payments \_\_\_\_\_ days after completion of work.

All work will be done according to contract, nothing more, and nothing less.  
It is specifically understood and agreed that title to the material furnish under this contract shall remain the property of the Contractor and its assigns until all payments required to be made hereunder shall have been paid in full.

Upon completion of above works all undersign agree in execute and deliver to contractor, Their joint not in accordance with his (their) above obligation and a completion certificate as required by the contractor. Upon refusal to do so Contractor may at this option declare the entire contract price or so much as then remains unpaid immediately due and payable. It is agreed that if permitted by law contractor shall be paid by the owner(s) all reasonable costs, attorney fees, and expenses in addition to the amount due and unpaid, that shall be incurred in enforcing the terms and conditions of this contract and/or any lien in connection therewith.

It is furthered agreed that this contract may be assigned by contractor; and also that the obligation hereof shall bring and apply to the heirs, successors or states of the parties.

The undersign warrant(s) that he is (they are) the owner(s) of the above mentioned premise and that legal title thereto stands of record in his: (their) name(s).

PROVISO: This contract shall be void and of no effect if credit approval of owner(s) is refused.

Owner agrees that in the event of cancellation of this contract before work is started owner shall pay to contractor on demand twenty-five (25%) percent of the contract price as its stipulated damages for the breach and may fill in and date owners not for liquidated damages.

The owner hereby certifies that he has read this agreement, that the terms and conditions and the meaning thereon have been explained to him and that he fully understands them; that there is no understanding between the parties verbal or otherwise that contained in this agree and that the owner shall maintain no action on any new substituted be reduced in writing and signed by the company.

IN WITNESS WHEREOF, The parties hereto signed their names this 8 day of May 20 12

\_\_\_\_\_  
Dealer

[Signature]  
Owner

By [Signature]

Alonso Cifuentes  
Owner 5/8/2012