

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

This Homebuyer Assistance Program Contract ("Homeowner Contract") is entered into this 30<sup>th</sup> day of July 2013, between the County of Hidalgo, State of Texas ("County") and TONATIUH VARGAS & RAQUEL VASQUEZ ("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 412 VALLE ALTO NORTH SUBDIVISION UNIT VIII, HIDALGO, HIDALGO COUNTY TX

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

Approved as to form Steve Crain, Atlas Hall  
& Rodriguez: September 2012

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 \$ 7,500 ("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

---

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

---

**Tonatiuh Vargas**

---

**Raquel Vasquez**

(Jurat/Individual Acknowledgment)

STATE OF TEXAS §

COUNTY OF HIDALGO §

SWORN, SUBSCRIBED AND ACKNOWLEDGED before me TONATIUH VARGAS ON THIS \_\_\_\_\_ day of \_\_\_\_\_, 2013.

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

(Jurat/Individual Acknowledgment)

STATE OF TEXAS §

COUNTY OF HIDALGO §

SWORN, SUBSCRIBED AND ACKNOWLEDGED before me RAQUEL VASQUEZ ON THIS \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
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 \_\_\_\_\_, 2013.

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

Exhibit "A"

To a

Homebuyer Assistance Program Contract

LEGAL DESCRIPTION OF THE PROPERTY:

Lot 412 VALLE ALTO NORTH SUBDIVISION UNIT VIII, HIDALGO TX HIDALGO COUNTY  
TEXAS

**Exhibit "B"**

**To a**

**Homebuyer Assistance Program Contract**

Copy of CONTRACT

# CONSTRUCTION CONTRACT

## (Bid Proposal)

DATE: 08/30/2012

### PARTIES:

**BUYER:** Tonatiuh Vargas & Raquel Vasquez  
1317 2<sup>nd</sup> Lane  
Mission, TX 78572

**BUILDER:** Galleria Home Builder  
9950 E Hwy 107  
Edinburg, TX 78541

**PROPERTY:** Lot 412 Valle Alto North Phase VIII aka 2905 Olivo Ave, Hidalgo, TX 78557, Hidalgo County.

### AGREEMENT:

The builder, *Galleria Home Builder*, agrees to build the home referred to as *Project Name: Vargas Residence* for the buyer, *Tonatiuh Vargas & Raquel Vasquez*, on the above-mentioned property.

The sales price below includes 1493 ft<sup>2</sup> of total area of which 1205 ft<sup>2</sup> are living area as specified in the attached blueprints and the specifications described in the Description of Materials dated 07/25/2012.

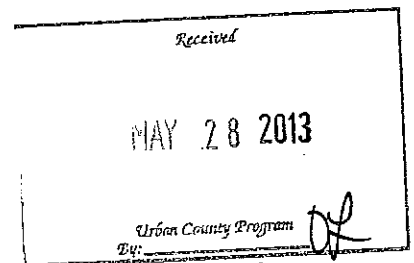
### SALES PRICE:

Sales Price for Construction

**\$78,623.00**

The following items are included in the sales price:

Plans & Permits	(included)
Excavation Fill	(included up to 4 loads of dirt)
Formed & Steel	(included)
Plumbing Rough In	(included)
Plumbing Top Out	(included)
Water Proofing Down	(included)
Pour Concrete	(included)
Wall Framing	(included)
Ceiling Joists	(included)
Roof Framing	(included)
Decked	(included)
Roof Complete	(included)
Soffits	(included)
Facia	(included)



Sheathing	(included)
Windows	(included)
Doors	(included)
Electric Rough In	(included)
Tub /Shower Pan Set	(included)
A/C Ducts and Piping	(included)
Air Condition Coil	(included)
Masonry	(Brick material up to an allowance of \$260/1000)
Wall Insulation	(included Rolled R-13)
Attic Insulation	(included Blown R-30)
Sheetrock	(included)
Tape Float Sand	(included)
Texture	(included)
Interior Paint	(included)
Cabinets Set	(included)
Interior Door Jams	(included)
Exterior Painting	(included)
Tile Work	(Tile material up to an allowance of \$1.00 per ft2)
Trim Complete	(included)
Drive & Walks	(included)
Door Hardware	(included)
Finish Counter Tops	(included)
Finish Floors	(included)
A/C Grills/ Therm.	(included)
A/C Compressor	(included)
Elec. Fixtures	(Electrical Fixtures up to an allowance of \$475.00)
Appliances	(Stove and Vent Hood up to an allowance of \$428.00.)
Landscaping	3 grass pallets installed

**CLOSING COSTS:**

Closing costs will be paid by buyer from buyer's own funds or with Hidalgo County Down Payment Assistance.

**FINANCING:**

The construction will be financed as follows:  
 USDA Direct Loan as per the payment schedule determined by the agency at interim closing

**COMPLETION:**

Construction shall begin no later than 30 days after interim closing. Construction shall be completed no later than 180 days after the interim closing.

Agreed By:

Tonatiuh Vargas  
Buyer- Tonatiuh Vargas

8/30/12  
Date

Raquel Vasquez  
Buyer- Raquel Vasquez

8/30/12  
Date

Rebecca Hernandez  
Builder- Galleria Home Builder  
By: Rebecca Hernandez

8/30/12  
Date