

**COUNTY OF HIDALGO
URBAN COUNTY PROGRAM
OWNER-OCCUPIED REHABILITATION LOAN PROGRAM CONTRACT
(MANUFACTURED HOUSING RECONSTRUCTION)**

This Owner-Occupied Rehabilitation Loan Program Contract (this "Rehabilitation Contract") is entered into **19th October 2021** by and between the County of Hidalgo, a political subdivision of the State of Texas ("County") and **Gilberto & Ernestina Garza** ("Owner").

WHEREAS, Owner has requested financial assistance from the County to provide reconstruction of the Owner's residence in accordance with the requirements of the County's Owner-Occupied Rehabilitation Loan Program (the "Rehabilitation Program"); and

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

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Owner agree as follows:

1. Owner represents and warrants that all information furnished to County in or as a part of Owner's application for financial assistance in the Rehabilitation Program is true and correct, that Owner is eligible to participate in the Rehabilitation Program and that Owner's participation in the Rehabilitation Program shall be in accordance with the terms of such Rehabilitation Program.
2. Owner agrees that the reconstruction of a manufactured housing unit will be made to Owner's principal residence located at **8015 Buckles Blvd., Edinburg Texas 78542** (the "Property"), as more fully described on Exhibit "A" attached hereto and made a part hereof for all purposes.
3. Owner represents to County that Owner has good and indefeasible title to the Property. Owner further represents that there are no liens against the Property other than those disclosed on Exhibit "A," and that all ad valorem taxes on the Property have been paid.
4. Owner agrees that the any reconstruction located on the Property will be made in accordance with the plans and specifications described on Exhibit "B" attached hereto and made a part hereof for all purposes (the "Approved Reconstruction").
5. Owner agrees that the Approved Reconstruction will comply with: (i) all applicable Housing Quality Standards contained in 24 Code of Federal Regulations, as amended, if the Property where reconstruction shall occur is located outside the jurisdiction of a municipality; or (ii) all applicable local building codes and ordinances of the municipality if the Property is located within the jurisdiction of a municipality, unless the municipality has no local building codes and ordinances, in which event Owner shall comply with all applicable Housing Quality Standards contained in 24 Code of Federal Regulations, as amended.

6. Owner agrees that the Approved Construction will also comply with all applicable requirements of the U. S. Housing and Urban Development affordable housing home ownership statutes and regulations, including 24 CFR § 92.2, §92.205 (4), as amended.

7. Owner agrees that the contractor selected to carry out the Approved Reconstruction will be obtained using the County's procurement procedures.

8. Owner agrees to execute all documents requested by County in order for County to obtain, if applicable, a valid mechanic's and materialman's lien and deed of trust lien on the Property.

9. Owner agrees that all consents and/or approvals required by County with respect to the Approved Reconstruction are solely for County's benefit, and that County is not responsible for any aspect of the Approved Reconstruction, including, but not limited to, any claim for defective work, incomplete work or warranty of the work.

10. County agrees to expend up to **\$84,675.84** (the "Reconstruction Cost Costs") for the benefit of Owner for the Approved Reconstruction. The actual amount needed for Approved Reconstruction will be determined based on the lowest and best bid and/or proposals received from eligible contractors through the County's procurement process, as determined by County in its sole discretion. Once such amount is determined it shall become the approved Reconstruction Costs for purposes of this Rehabilitation Contract. In no event shall County be obligated to expend in excess of **\$84,675.84** for the Approved Reconstruction.

11. Owner agrees that Owner will continuously use the residence (manufactured housing unit) located on the Property as Owner's principal residence for a period of five (5) years following the date of the Loan Documents (hereinafter defined). 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 11. Such certifications shall include (i) proof, acceptable to County, of a valid homeowners' insurance policy on the residence naming Owner as insured; (ii) copies of current property tax statements on the Property and residence in Owner's name; and (iii) copy of a current utility bill in Owner's name on the residence and Property. If Owner or a co-Owner dies, the surviving Owner or the deceased Owner's representative will notify County of the death within the time required by applicable law, or if no such time period is required by applicable law, the surviving Owner or the deceased Owner's representative will notify County no later than sixty (60) days from the date of death.

12. Owner agrees to execute all necessary or desirable documents (collectively, the "Loan Documents"), including a promissory note (the "Note"), which obligate Owner to repay the Reconstruction Costs (manufactured housing unit) to County and which contain other provisions with which Owner must comply until the Reconstruction Costs are repaid. As provided in the Note, Owner is entitled to a Compliance Credit (as defined on the Note) on each Compliance Credit Date (as defined on the Note). Owner's failure to repay the Reconstruction Costs in accordance with this Rehabilitation Contract and/or the Loan Documents, to the extent Owner is not entitled to receive any Compliance Credit, and Owner's failure to comply with the others terms and provisions of this

Rehabilitation Contract and/or the Loan Documents, may result in the foreclosure of the County's lien against the Property.

13. Owner understands and agrees that County may, at County's option, accelerate payment of the Note, and declare all unpaid principal and other amounts due on the Note immediately due and payable if: (i) Owner defaults in the performance of Owner's obligations under this Rehabilitation Contract or the Loan Documents; or (ii) at any time during five (5) years following the date of the Loan Documents, Owner, without the County's prior written consent, which consent may be granted or withheld at the County's sole discretion, transfers an interest in the residence, including, but not limited to, a leasehold interest or a transfer of any ownership interest in the residence, whether voluntarily, involuntarily, or by operation of law, or Owner fails to occupy continuously the residence located on the Property as Owner's principal residence (each a "Transfer Event").

14. If a Transfer Event occurs and the transferee meets all of County's eligibility criteria and is approved by County to participate in County's Owner-Occupied Rehabilitation Loan Program (Reconstruction Manufactured Housing), the County may, in its sole discretion, consent to such transfer and to the assumption by such transferee of Owner's obligations under this Rehabilitation Contract and under the Loan Documents. No consent granted by County shall apply to any subsequent occurrence, which would otherwise require County's consent.

15. Owner acknowledges and agrees that the County has the right to enforce the terms of this Rehabilitation Contract against Grantor to the maximum extent allowed by law.

16. This Rehabilitation Contract creates a binding agreement between Owner and County; however, the County's obligations are subject to the approval of the Hidalgo County Commissioners Court. If such approval is not obtained within sixty (60) days of the date of this Rehabilitation Contract, Owner and County are relieved of any further obligations to the other under this Rehabilitation Contract. Owner represents and warrants to County that Owner has reviewed this Rehabilitation Contract, understands it, and is executing it freely and voluntarily.

17. Any notice from one party to the other must be in writing and shall be sufficiently given or made if hand delivered against a written receipt, forwarded by a reputable overnight courier or mailed by United States mail, postage prepaid, by certified mail, return receipt requested, and addressed:

If to County: **County of Hidalgo, Urban County Program
Owner-Occupied Rehabilitation Loan Program
1916 Tesoro St.,
Pharr, Texas 78577**

If to Owner: **Gilberto & Ernestina Garza
8015 Buckles Blvd.
Edinburg, Texas 78542**

Any notice hand delivered shall be deemed received when actually delivered. Any notice forwarded

by an overnight courier shall be deemed to have been given on the next business day following the day on which it was forwarded. Any notice mailed shall be deemed to have been given on the third business day following the day on which it was mailed. Either of the parties hereto may at any time give notice in writing to the other of any change of address and thereafter all notices shall be mailed to the new address.

18. This Rehabilitation Contract:

- a. and the agreements and documents referred to herein (including the exhibits hereto) contain the entire agreement and understating of the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings, whether written or oral, relating to the subject matter hereof. There are no other agreements between or among the parties other than those set forth in this Rehabilitation Contract and the agreements and documents referred to herein.
- b. may not be assigned by Owner without the prior written consent of County;
- c. may not be amended or modified, in whole or in part, unless such amendment or modification is executed in writing by both parties;
- d. binds and inures to the benefit of the parties and their respective heirs, successors and permitted assigns; and
- e. is for the sole benefit of the parties hereto and their respective heirs, successors and permitted assigns. Nothing herein shall give, or be construed to give, any legal or equitable rights hereunder to any other person or entity other than the parties hereto and their respective heirs, successors and permitted assigns.

19. No waiver of any term or provision of this Rehabilitation Contract shall be binding unless executed in writing by the party entitled to the benefit thereof. It is not a waiver of or consent to default if County fails to declare immediately a default or delays in taking any action. Pursuit by County of any remedies set forth in this Rehabilitation Contract does not preclude pursuit by County of other remedies in this Rehabilitation Contract or provided by law.

20. If one or more provisions of this Rehabilitation Contract are held to be unenforceable under applicable law, such provisions shall be excluded from this Rehabilitation Contract and the balance of this Rehabilitation Contract shall be interpreted as if such provisions were so excluded and shall be enforceable in accordance with its terms.

21. No provision of this Rehabilitation Contract will be interpreted in favor of, or against, any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

22. The parties agree that any suit, action or proceeding brought by a party against the other in connection with or arising from this Rehabilitation Contract ("Judicial Action") shall be brought only in any United States Federal or Texas state court located in Hidalgo County, Texas and the parties hereby consent to the exclusive jurisdiction of such courts (and the appropriate appellate courts) in any such Judicial Action and waives any objection to venue laid therein. If either party is a prevailing party in a Judicial Action, such party is entitled to recover from the non-prevailing party all costs of such proceeding and reasonable attorney's fees.

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

COUNTY:

COUNTY OF HIDALGO, a political
subdivision of the State of Texas

By: **Patricio R. Avila**
Its: **Director of Urban County Program**

OWNER:

Gilberto Garza

Ernestina Garza

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

This instrument was acknowledged before me on this _____ day of _____ **2021**, by **Patricio R. Avila**, Director of Urban County Program of the County of Hidalgo, a political subdivision of the State of Texas, on behalf of said political subdivision.

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

This instrument was acknowledged before me on this _____ day of _____ **2021**, by **Gilberto Garza**.

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

This instrument was acknowledged before me on this _____ day of _____ **2021**, by **Ernestina Garza**.

NOTARY PUBLIC, STATE OF TEXAS

Exhibit "A"
to
Owner-Occupied Rehabilitation Loan Program Contract
Legal Description of the Reconstruction Manufactured Housing Unit and Liens against the
Unit

LEGAL DESCRIPTION OF THE PROPERTY:

All of Lot 157 Muniz Subdivision, Hidalgo County Texas.

LIENS AGAINST THE PROPERTY: **None**

Exhibit "B"
to
Owner-Occupied Rehabilitation Loan Program Contract
Plans and Specifications