

PROPERTY PURCHASE AND SHORT-TERM OCCUPANCY AGREEMENT

TEXAS EARNED EQUITY PROGRAM

This Agreement to Purchase and grant short-term occupancy of the Property (this "Agreement") is entered into as of «Closing_Date» (the "Effective Date"), by and among:

HOMEBUYER(s):

«Homebuyer_1»«And_2»«Homebuyer_2»«And_3»«Homebuyer_3»«And_4»«Homebuyer_4»

AGENCY:

Tule River Homebuyer Earned Equity Agency
10885 S State St, Sandy, UT 84070

HOMEBUYER-SELECTED PROPERTY (the "Property"):

«Street»
«City», «State», «Zip»

Legal Description: «Legal_Description»

RECITALS

A. Homebuyer has applied to participate in Agency's Earned Equity Program (the "Program") with respect to the Property identified above by the Homebuyer.

B. As part of the Program, Homebuyer is unable to purchase the Property or obtain Homebuyer's own mortgage financing for the Property at terms acceptable to the Homebuyer through traditional financing. Considering this, Agency agrees to acquire fee simple title to the Property with financing secured by a HUD/FHA-insured mortgage loan and Agency and Homebuyer will thereafter execute a Homeownership Agreement (the "Homeownership Agreement").

C. In consideration for Agency assuming the risk associated with acquiring the Property and the associated FHA-insured home loan, Homebuyer agrees to pay to Agency a fee equal to the total funds required to secure the purchase of the Property using the FHA insured loan (the "Payment"). The Payment becomes non-refundable upon Agency's securing fee simple title to the Property. Any portion of the Payment used to cover loan prepaid closing costs or non-refundable earnest money is considered earned by Agency and is non-refundable.

D. Any amount of Homebuyer's Payment that has not been paid in advance for prepaid closing costs on the FHA loan or Earnest Money on the purchase and sales agreement will be wired to Agency at least three days prior to the contract closing date and held by Agency until the entire

Payment is fully earned by Agency upon closing on the HUD/FHA-insured mortgage loan and acquiring fee simple title to the Property.

E. Homebuyer understands that the Homeownership Agreement cannot be executed until Agency acquires fee simple title to the Property, therefore this Agreement is a standalone agreement that is separate from and executed prior to and apart from the Homeownership Agreement. If fee simple ownership to the Property is not acquired by the Agency, no Homeownership Agreement is possible.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1. PAYMENT

1.1 Payment Amount. Homebuyer shall pay to Agency the sum of «**Payment**» («**Pmt_Amt_Words**») (the remaining "Payment") representing the Cash to Close for the transaction.

1.2 Payment Timing. The payment shall be made no later than «**Pmt_Date**» (the "Payment Deadline"). This Payment Deadline is **at least 24 (twenty-four) hours before** the Agency closes on the FHA insured loan and acquires fee simple title to the Property.

1.3 Form of Payment. The Payment shall be made by wire transfer to the Agency.

ARTICLE 2. PURPOSE OF PAYMENT

2.1 Purpose. The Payment compensates the Agency for acquiring fee simple ownership of the Property selected by the Homebuyer. It grants temporary occupancy to the Property until such time as the Homeownership Agreement can be properly disclosed and executed under Texas statute. It also compensates Agency for assuming the burden associated with Agency's acquisition of the FHA insured loan and provides Homebuyer with a first right of refusal on a Homeownership Agreement after Agency acquires fee simple title to the Property. It is acknowledged by both parties that should Homebuyer decide not to execute the Homeownership Agreement or to rescind the Homeownership Agreement after executing it, Agency will likely liquidate the property, most likely at a substantial loss to the Agency. Agency will use the Payment for the:

- (a) Down payment on the HUD/FHA-insured mortgage loan;
- (b) Closing costs, including but not limited to lender charges, title insurance, recording fees, and prepaid items;
- (c) FHA insurance and loan origination fees.

2.2 Pre-Contract Payment. Homebuyer acknowledges and agrees that the Payment is being made **before** a Homeownership Agreement may be executed. This Agreement is a separate, standalone agreement and is not part of the Homeownership Agreement.

ARTICLE 3. CONDITIONS FOR FULL RELEASE OF PAYMENT

3.1 Release to Agency. Payment shall be fully released to Agency upon Agency's closing on the HUD/FHA-insured mortgage loan and settlement on the Property. Partial release of the Payment shall be made to cover prepaid loan expenses such as the appraisal, lender required application fees (if any), and non-refundable Earnest Money paid to secure the contract to purchase the Property selected by Homebuyer. Both parties acknowledge that both the lender financing the Property and the Property were selected by Homebuyer.

3.2 Return to Homebuyer Upon Cancellation. Agency shall return any remaining portion of the Payment to Homebuyer if Agency does not close on the HUD/FHA-insured mortgage loan and acquire fee simple title to the Property within 60 days after the Effective Date of this Agreement (the "Outside Date"), or if Agency fails to close on the HUD/FHA-insured mortgage loan for any reason (including but not limited to failure to obtain HUD/FHA financing or failure of title), Agency shall return the unused portion of the Payment to Homebuyer with written notice from Agency confirming that the transaction will not close, or upon written request by Homebuyer after the Outside Date has passed.

ARTICLE 4. TEMPORARY OCCUPANCY BY THE HOMEBUYER

4.1 Temporary Occupancy. Agency permits Homebuyer temporary occupancy of the Property as of the date Agency receives access to the Property from the current seller. This temporary occupancy is intended only while the Homeownership Agreement is disclosed and fully executed (usually a period no longer than five business days), or for a period of no longer than two (2) weeks, whichever is shorter. If Homebuyer decides not to execute the Homeownership Agreement with Agency, Homebuyer agrees to immediately vacate the property.

4.2 Property Status. Homebuyer accepts the Property in its current condition. Homebuyer shall return the Property in substantially the same condition, reasonable wear and tear excepted.

4.3 Utilities. Utilities will be the responsibility of the Homebuyer.

4.4 Maintenance and Repairs. Homebuyer will not make any alterations without Agency's written consent.

4.5 Keys and Access. Agency will provide access to keys to the Property. Agency or Agency's agents may enter for inspections or repairs.

4.6 Insurance and Liability. Homebuyer is responsible for personal property insurance and is liable for damage caused by Homebuyer or guests. Homebuyer shall indemnify and hold Agency harmless from claims arising from Homebuyer's use.

4.7 Rules and Neighborhood Conduct. Homebuyer shall comply with homeowners' association rules (if any), city ordinances, and refrain from nuisance or excessive noise.

4.8 Defaults and Remedies. Material breach by Homebuyer (including overstaying beyond the agreed checkout date) permits Agency to terminate occupancy, recover damages, and seek legal remedies. Homebuyer shall vacate immediately upon termination demand.

4.9 Security; Return of Possession. Homebuyer must remove personal property at checkout. Agency may charge for removal and storage of abandoned items and for lock changes if keys are not returned.

ARTICLE 5. HOMEBUYER'S CANCELLATION RIGHT

5.1 Cancellation Right. Homebuyer may cancel this Agreement and request return of the unused portion of the Payment only if Agency has not yet closed on the HUD/FHA-insured mortgage loan and acquired fee simple title to the Property. To exercise this cancellation right, Homebuyer must deliver a signed, written notice of cancellation to Agency by telegram, certified mail (return receipt requested), registered mail (return receipt requested), or in person. Upon receipt of such notice and provided Agency has not yet closed on the HUD/FHA-insured mortgage loan and acquired fee simple title to the Property, Agency shall return the unused portion of the Payment to Homebuyer.

5.2 No Cancellation After Closing. Homebuyer acknowledges and agrees that once Agency has closed on the HUD/FHA-insured mortgage loan and acquired fee simple title to the Property, Homebuyer has no right to cancel this Agreement or receive a return of the Payment under this Agreement. The Payment in its entirety will be forever released to Agency pursuant to Section 3.1, and Homebuyer shall have no further claim to such funds under this Agreement.

5.3 Statutory Rescission Rights. Homebuyer acknowledges that, under Texas Property Code Section 5.074, Homebuyer will have the right to cancel and rescind the Homeownership Agreement for any reason within 14 days after execution of the Homeownership Agreement. Homebuyer further acknowledges that the exercise of such statutory rescission right does not entitle Homebuyer to a return of the Payment under this Agreement. Any refund of amounts paid upon cancellation of the Homeownership Agreement shall be governed by the terms of the Homeownership Agreement and applicable law.

ARTICLE 6. REPRESENTATIONS AND ACKNOWLEDGMENTS

6.1 Homebuyer Representations. Homebuyer represents and acknowledges the following:

- (a) Homebuyer has read and understands this Agreement.
- (b) The Payment is being made **before** a Homeownership Agreement can be executed.
- (c) This Agreement is a separate, standalone agreement and is not part of the Homeownership Agreement.

(d) Homebuyer understands that the Payment will be held by Agency until Agency closes on the HUD/FHA-insured mortgage loan and acquires fee simple title to the Property, at which time the Payment will be fully released to Agency.

(e) Homebuyer understands that any unused portion of the Payment will be returned to Homebuyer only if Agency does not close on the HUD/FHA-insured mortgage loan.

(f) Homebuyer has been advised to seek independent legal and financial advice before signing this Agreement.

6.2 Agency Representations. Agency represents and acknowledges the following:

(a) Agency will only use the Payment on items required to be paid by Agency for acquisition of fee simple title to the Property including the HUD/FHA-insured mortgage loan used to finance the Property.

(b) Agency will notify Homebuyer in writing if Agency does not close on the HUD/FHA-insured mortgage loan and return any unused portion of the Payment to Homebuyer.

ARTICLE 7. NOTICES

7.1 Notices. All notices, instructions, and other communications under this Agreement shall be in writing and shall be deemed delivered:

(a) Upon personal delivery;

(b) Upon transmission by email (with confirmation of receipt);

(c) One (1) business day after deposit with a nationally recognized overnight courier; or

(d) Three (3) business days after deposit in the United States mail, certified or registered, return receipt requested, postage prepaid.

Notices shall be sent to the addresses set forth in the preamble to this Agreement or to such other address as a party may designate by written notice to the other parties.

ARTICLE 8. GENERAL PROVISIONS

8.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflicts of law principles.

8.2 Entire Agreement. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations, warranties, and agreements between the parties with respect to such subject matter.

8.3 Amendments. This Agreement may not be amended, modified, or supplemented except by a written instrument signed by all parties.

8.4 Severability. If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired.

8.5 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

8.6 Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by the party against whom the waiver is sought to be enforced.

8.7 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, administrators, successors, and assigns.

Sample

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Signature Page

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

«Homebuyer_1»

«Homebuyer_2»

«Homebuyer_3»

«Homebuyer_4»

Date

AGENCY:

Tule River Homebuyer Earned Equity Agency

By: _____

Name: _____

Title: _____

Date: _____