

**UTAH HOUSING CORPORATION**  
*Home Run Program*

**GRANT FUNDING AGREEMENT**

THIS GRANT FUNDING AGREEMENT is made and entered into as of March \_\_\_\_, 2009, between UTAH HOUSING CORPORATION, a public corporation of the State of Utah (“UHC”), and \_\_\_\_\_, a \_\_\_\_\_ (“Lender”).

RECITALS

A. UHC and the State of Utah, through the Utah State Treasurer’s Office (the “State”), have created a program to provide a cash incentive to homebuyers to purchase newly-constructed homes (the “Home Run Program”).

B. Under the Home Run Program, approved homebuyers whose income does not exceed the Home Run Program’s limits and who purchase a newly-constructed home in compliance with the specified requirements are entitled to receive a \$6,000 grant (a “Home Run Grant”).

C. Certain of Lender’s customers will desire to receive Home Run Grants, and to facilitate such customers receiving Home Run Grants, Lender has agreed to participate in the Home Run Program by agreeing to process applications for Home Run Grants and to confirm the compliance with all requirements of the Home Run Program.

D. UHC, the State and Wells Fargo Bank, National Association (the “Escrow Agent”) have entered into that certain Escrow Agreement to hold \$10,000,000 that has been made available by the State for the Home Run Program (the “Escrow Agreement”).

NOW, THEREFORE, the parties hereby agree as follows:

**SECTION 1 – AGREEMENT TO FUND GRANTS.** UHC agrees to make and fund Home Run Grants as follows:

1.1 Applications for Home Run Grants. From time to time during the Term, in the event that a prospective Buyer that is purchasing an Eligible Home with financing from Lender desires to obtain a Home Run Grant, Lender may request a Home Run Grant on behalf of such prospective Buyer by faxing to UHC at (801) 902-8327 the following documents (collectively, an “Application”):

- (a) Home Run Grant Request, signed by Lender’s underwriter;
- (b) Home Run Grant Buyer/Seller Certification, signed by Buyer and Seller;
- (c) Loan Application, signed by Buyer and the loan officer of Lender;
- (d) Copy of the Final Certificate of Occupancy or Final Inspection;

- (e) The pages of the Appraisal that:
  - (i) show the address of the Eligible Home,
  - (ii) confirm that the Eligible Home has been newly-constructed and is not occupied, and
  - (iii) show the signature page; and
- (f) Final Lender underwriting approval.

1.2 Response to Application. UHC undertakes to respond to each Application within three (3) business days after UHC's receipt of all applicable documents. UHC shall respond by either issuing a Home Run Grant Commitment or informing Lender of the reason why a Home Run Grant Commitment cannot be issued. In either case, Lender shall promptly inform the prospective Buyer of such action by UHC.

1.3 Closing Deadline. After a Home Run Grant Commitment is issued, the purchase of the Eligible Home must close within 30 days, or the Home Run Grant Commitment will expire.

1.4 Title Company Instruction Letter. After a Home Run Grant Commitment is issued and in connection with the Closing, Lender shall cause the Title Company to fax to UHC at (801) 902-8327 an escrow and closing instruction letter in the form of Exhibit A attached hereto ("Title Company Instruction Letter"), together with copies of the following (the "Final Closing Documents"):

- (a) a HUD-1 Settlement Statement that shows the Home Run Grant, signed by Buyer, Seller and the applicable escrow officer of the Title Company, and
- (b) the special or general warranty deed conveying the Eligible Home from Seller to Buyer.

1.5 Funding. Within one (1) business day after its receipt of the Title Company Instruction Letter and the Final Closing Documents with respect to a Home Run Grant, UHC shall cause the State, pursuant to the Escrow Agreement, to wire transfer \$6,000 to the Title Company.

1.6 Changes to Requirements. UHC may change the requirements for a Home Run Grant or an Application at any time by prior written notice to Lender.

**SECTION 2 – REQUIREMENTS.** UHC's obligation to make and to fund a Home Run Grant shall be conditioned upon the following:

2.1 Representations and Warranties. All representations and warranties of Lender set forth herein shall be true and correct in all respects at the time of the proposed funding of the Home Run Grant.

2.2 Compliance with Terms and Conditions. UHC shall have confirmed that the terms and conditions of this Agreement have been satisfied with respect to the Home Run Grant.

2.3 No Casualty. The Eligible Home shall not have been materially damaged by fire or other casualty and not repaired.

2.4 Closing. Buyer shall have purchased the Eligible Home and Lender shall have made a First Mortgage Loan to Buyer in connection therewith.

**SECTION 3 – REPRESENTATIONS, WARRANTIES AND COVENANTS.** Lender represents and warrants to, and covenants with, UHC as follows:

3.1 Execution of Documents. Lender has all requisite power and authority to enter into, and to carry out the terms, covenants and conditions of, this Agreement.

3.2 Status. Lender is either (a) a financial institution regulated by and in good standing with the Utah Department of Financial Institutions, (b) a residential first mortgage lender regulated by and in good standing with the Utah Division of Real Estate, (c) a national bank regulated by and in good standing with the Office of the Currency or (d) a federal credit union regulated by and in good standing with the National Credit Union Administration.

3.3 Commission. No brokerage or other fee, commission or compensation is to be paid by UHC, and Lender hereby indemnifies UHC against any and all claims for brokerage fees or commissions which may be asserted against UHC from any Person claiming through Lender, and hereby agrees to pay all expenses incurred by UHC in connection with the defense of any action or proceeding brought to collect any such brokerage fees or commissions, including but not limited to costs and attorney fees.

3.4 First Mortgage Loan. Lender agrees that the loan it makes to each Buyer in connection with the disbursement of a Home Run Grant shall be a First Mortgage Loan made by Lender in accordance with Lender's standard operating procedures.

3.5 Buyer Income. Buyer Income shall not exceed the Income Limits established herein, assuming the financial information supplied by the Buyer is true, accurate and complete.

3.6 Home Run Grant Request. The information supplied in each Home Run Grant Request shall, to the best of Lender's knowledge, be true, accurate and complete.

3.7 Disbursement of Home Run Grant. Lender will cause the Title Company to disburse each Home Run Grant as shown on the HUD-1 Settlement Statement delivered to UHC for such Home Run Grant.

3.8 Limitation on Assurances. Lender agrees that it cannot promise or assure any Buyer that Buyer will be able to obtain a Home Run Grant until Lender receives a Home Run Grant Commitment from UHC. At the time that Lender receives a request for a Home Run Grant from a Buyer, during the application, processing and underwriting process and unless and until Lender receives a Home Run Grant Commitment from UHC, Lender may only inform Buyer that Lender will seek approval of a Home Run Grant, that the number of Home Run Grants that are being made available is limited, and that a Home Run Grant will not be definitely made to Buyer unless and until such approval is given. Lender shall also inform Buyer that a Home Run Grant Commitment expires 30 days after it issues, and that if the Closing does not occur within 30 days after the issuance of the

Home Run Grant Commitment, it may not be possible for Buyer to obtain another Home Run Grant Commitment.

**SECTION 4 – DEFINITIONS.** When used in this Agreement, the following terms shall have the meanings hereinafter indicated:

4.1 “Appraisal” shall mean, with respect to each Eligible Home, the appraisal of the Eligible Home that has been approved by Lender in connection with the making of the First Mortgage Loan.

4.2 “Buyer” shall mean the individual or individuals purchasing an Eligible Home.

4.3 “Buyer Income” shall mean, with respect to each Buyer, the total amount of Buyer’s annual gross income as determined by reference to Uniform Underwriting and Transmittal Summary (Fannie Mae Form 1008), FHA Loan Underwriting and Transmittal Summary (Form HUD-92900-ZLT), VA Loan Summary Sheet (VA Form 2609286) and then multiplied by 12, together with income of any other person taking title to the Eligible Home as evidenced by annualizing the income information from the most current paystub as of date of application.

4.4 “Closing” shall mean, with respect to an Eligible Home, the purchase of the Eligible Home by a Buyer financed with a First Mortgage Loan.

4.5 “Credit Report” shall mean, with respect to each Buyer, the complete credit report from a credit reporting agency that has been approved by Lender in connection with the making of the First Mortgage Loan.

4.6 “Eligible Home” shall mean a single family residence within the State of Utah that has never been occupied. Such single family residence must be permanently affixed to the real property being purchased and must have achieved the status of an improvement to real property.

4.7 “Final Certificate of Occupancy” shall mean, with respect to each Eligible Home, a final certificate of occupancy issued by the local government in which the Eligible Home is located.

4.8 “Final Closing Documents” shall have the meaning set forth in Section 1.4.

4.9 “Final Lender Approval” shall mean, with respect to each First Mortgage Loan, one of the following underwriting documents, signed and dated by underwriter, confirming approval of both 1st mortgage and subordinate mortgage(s):

- Uniform Underwriting and Transmittal Summary (Fannie Mae Form 1008)
- FHA Loan Underwriting and Transmittal Summary (Form HUD-92900-LT)
- VA Loan Summary Sheet (VA Form 26-0286)

4.10 “First Mortgage Loan” shall mean, with respect to each Eligible Home, a loan to Buyer to finance the purchase the Eligible Home that bears interest at a fixed rate and is repayable in fixed monthly installments over a period of 30 years, which is secured by a first priority lien on the Eligible Home.

4.11 “Income Limits” shall mean \$75,000 for a single person or \$150,000 for a married couple. If more than one unmarried person is taking title to the Eligible Home, each such single person is subject to such \$75,000 limit.

4.12 “Home Run Grant” shall mean a \$6,000 grant made to a Buyer in accordance with the provisions of this Agreement. Only one Home Run Grant may be made with respect to each Eligible Home.

4.13 “Home Run Grant Commitment” shall mean the form on the UHC Website called “Home Run Grant Commitment.”

4.14 “Home Run Grant Request” shall mean the form on the UHC Website called “Home Run Grant Request.”

4.15 “Home Run Grant Buyer/Seller Certification” shall mean the form on the UHC Website called “Home Run Grant Buyer/Seller Certification.”

4.16 “Loan Application” shall mean a Buyer’s complete application to Lender for a First Mortgage Loan.

4.17 “Person” shall mean any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, estate, unincorporated organization or government.

4.18 “Seller” shall mean, with respect to an Eligible Home, the Person selling the Eligible Home to Buyer.

4.19 “Term” shall mean the period commencing on the date hereof and ending on the first to occur of the following:

(a) the date on which UHC notifies Lender that the Home Run Program has been terminated, or

(b) the date that is six months after the date hereof.

4.20 “Title Company” shall mean, with respect to a Closing, the title and escrow company given responsibility for the Closing by Lender.

4.21 “UHC Website” shall mean [www.utahhousingcorp.org](http://www.utahhousingcorp.org).

**SECTION 5 – OTHER AGREEMENTS.** The parties further agree as follows:

5.1 Termination. Either party may terminate this Agreement at any time upon thirty (30) days prior written notice, in which neither party shall have any liabilities or obligations hereunder except (a) liabilities that are accrued as of such termination date, and (b) the obligations of UHC to reimburse Lender with respect to any Home Run Grant for which a Home Run Grant Commitment had previously been issued.

5.2 Confidential Information. UHC agrees to use nonpublic personal information about a Buyer received in connection with this Agreement only to fulfill its obligations specified in this Agreement and not to disclose any such information to any other party without the Buyer's or Lender's authorization or as may be required by law.

5.3 Time of Essence. Time is of the essence of this Agreement and of each and every provision hereof.

5.4 Remedies, No Waiver and Survival. All rights, powers, and remedies herein given to UHC are cumulative and not alternative, and are in addition to all other statutes or rules of law; any forbearance or delay by UHC in exercising the same, shall not be deemed to be a waiver thereof and the exercise of any right or partial exercise thereof shall not preclude the further exercise thereof and the same shall continue in full force and effect until specifically waived by an instrument in writing executed by UHC. All representations, warranties and covenants by Lender shall survive the reimbursement of Home Run Grants and the provisions hereof shall be binding upon Lender, Lender's successors and assigns and inure to the benefit of UHC, UHC's successors and assigns.

5.5 No Assignment. Lender shall not assign this Agreement, or any interest of Lender in or to this Agreement.

5.6 Publicity. Lender shall not issue any press release or publish any statement concerning the Home Run Program or this Agreement without the prior written consent of UHC.

5.7 Notices. All notices shall be in writing and shall be deemed to have been sufficiently given or served when personally delivered or when deposited in the United States mail, by registered or certified mail, addressed as follows:

UHC:                   UTAH HOUSING CORPORATION  
                          2479 South Lake Park Boulevard  
                          West Valley City, Utah 84120-8217  
                          Attn: President

Lender:               \_\_\_\_\_

Attn:                   \_\_\_\_\_

Phone:                \_\_\_\_\_

Such addresses may be changed by notice to the other party given in the same manner as above provided.

5.8 Invalidity. The invalidity of any one or more of the conditions, covenants, articles, sections, phrases or sentences of this Agreement or any part thereof, shall not affect the remaining portions of this Agreement or any part thereof.

5.9 Interpretation. This Agreement and all matters relating thereto shall be governed by, construed and interpreted in accordance with the laws of the State of Utah.

5.10 No Partnership. Nothing contained in this Agreement or in any of the other documents referred to herein shall be construed as creating a joint venture or partnership between Lender and UHC. There shall be no sharing of losses, costs and expenses between Lender and UHC, and UHC shall have no right of control or supervision except as it may exercise its rights and remedies provided herein.

5.11 Attorneys' Fees. If Lender breaches any term, covenant, or condition of this Agreement, UHC may employ an attorney or attorneys to protect UHC's rights hereunder, and Lender shall pay UHC reasonable attorneys' fees and costs actually incurred by UHC, whether or not action is actually commenced against Lender by reason of such breach. Lender shall also pay to UHC any attorneys fees and costs incurred by UHC with respect to any insolvency or bankruptcy proceeding or other action involving Lender.

5.12 Integrated Agreement. This Agreement constitutes the entire agreement between UHC and Lender with respect to the subject matter of this Agreement, and may not be altered or amended except by written agreement signed by UHC and Lender. All prior and contemporaneous agreements, arrangements and understandings between the parties hereto as to the subject matter hereof are, except as otherwise expressly provided herein, rescinded.

IN WITNESS WHEREOF the parties have caused this Reimbursement Agreement to be duly executed as of the day and year first above written.

LENDER

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

UHC

UTAH HOUSING CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Form of Escrow and Closing Instruction Letter from Title Company to UHC

*[Letterhead of Title Company]*

UTAH HOUSING CORPORATION  
2479 South Lake Park Boulevard  
West Valley City, Utah 84120-8217  
Attn: President

Re: Our Order No.: \_\_\_\_\_  
Name of Lender: \_\_\_\_\_ (“Lender”)  
Name of Home Run Grant Recipient: \_\_\_\_\_ (“Borrower”)  
Address of Property: \_\_\_\_\_  
\_\_\_\_\_, UT (“Property”)

Dear Sirs:

The undersigned (the “Title Company”) has been engaged by the Lender to close a first mortgage loan to the Borrower (the “Mortgage Loan”), who has been granted a Home Run Grant pursuant to a Home Run Grant Commitment issued by Utah Housing Corporation (“UHC”) to the Lender. The Title Company represents and warrants to and covenants with UHC as follows:

1. Attached are true and correct copies of (1) a fully executed HUD-1 Settlement Statement and (2) the executed deed conveying the Property to the Borrower, each delivered to the Title Company in connection with the Mortgage Loan.
2. The wire instructions for the Title Company are set forth below.
3. After the Title Company receives the \$6,000 Home Run Grant from UHC, the Title Company will hold such funds until the closing and recording of the Mortgage Loan are completed, and then only disburse the \$6,000 in accordance with the HUD-1 Settlement Statement.
4. In the event that the Mortgage Loan does not close and record within three business days after the Title Company receives the \$6,000, the Title Company will return the \$6,000 to UHC.
5. Our wire instructions are as follows:

Name of Bank \_\_\_\_\_  
Account Number \_\_\_\_\_  
ABA Routing Number \_\_\_\_\_  
Reference: Our Order No. \_\_\_\_\_

Sincerely,

[Name of Title Company]

By: \_\_\_\_\_  
Its: \_\_\_\_\_