

FULLERTON ECONOMIC DEVELOPMENT CORPORATION

FREE LOT PROGRAM

Terms/Conditions for Free Lots Only:

I am making application for the purchase of the above-described residential lot for the Fullerton Economic Development Corporation (here after referred to as FEDC) for \$10,000 and my agreement to abide by the conditions set forth herein. I have submitted this application subject to the following terms and conditions:

1. This contract shall become effective on the date of signature by the Parties. The FEDC will authorize the delivery of a deed to the property to me at such time as construction is commenced or a letter is provided from my financial lending institution, to the FEDC, indicating that financing is in place and that construction financing will be available upon execution and transfer of the deed.
2. I agree to execute a promissory note and deed of trust in favor of FEDC on the property in the amount of \$10,000. FEDC agrees to subordinate said deed of trust to my residential financing through a bank or credit union.
3. I agree to commence construction of a single family or duplex residential housing unit on said lot within 60 days of the date of this agreement. Commence shall mean a basement or foundation shall be completed and substantial framing activities shall have started.
4. The house, or each unit, shall have at least 1,200 square feet of above-ground living space and each contracted lot shall have an appraised value of at least \$75,000 upon completion. No single-wide manufactured homes will be allowable. Home must have a permanent foundation. Final approval of specifications shall be presented to FEDC at least 30 days prior to construction for approval. Sidewalks shall be installed if adjacent sidewalks are complete.
5. I agree to have the house substantially completed and enclosed within 12 months of the date of this agreement, and will be completely finished within 18 months of this agreement.
6. FEDC agrees to forgive the above named indebtedness upon completion of the construction subject to the following exceptions
 - a. \$1,000 may not be forgiven if construction has not commenced by the 61st day after execution of this contract. Thereafter, each 30 day period without construction will be an additional \$1,000.
 - b. \$250 may not be forgiven for each month after the initial 12 month period that the house is not substantially completed.
 - c. \$250 may not be forgiven for each month after the initial 18 month period that the house is not completely finished.
7. I agree to assume all costs associated with the transfer of the property, including \$100 payable upon the execution of this agreement, for the preparation and filing of the note, deed of trust, deed, and transfer statement. I agree to pay all other filing fees, documentary tax, flood plain determinations, surveys, or any other costs associated with the transfer of the property. I further agree to pay any regular utility connection fees for water, sewer, gas or electric service.

Dated this _____ day of _____, _____

Representative / Fullerton Economic Development Corporation

Purchaser