



EARNEST MONEY CONTRACT

Date: _____
_____ Original
_____ Revision #

THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES AND SHOULD BE READ CAREFULLY AND UNDERSTOOD BY YOU PRIOR TO SIGNING. YOU MAY WANT TO CONSULT AN ATTORNEY.

1. Parties/Property Description. As provided by the terms and conditions contained in this Earnest Money Contract and the accompanying addenda (collectively referred to as the "Contract"), the undersigned _____ (referred to as the "Purchaser"), agrees to purchase from **DEVON STREET HOMES, L.P.** (the "Seller"), that certain tract of land, together with all existing improvements and those to be constructed thereon by Seller (the "Home"), located in _____ County, Texas and comprised of Lot____, Block _____, Section _____, out of the _____Subdivision and having the following Street Address: _____ City _____ Zip _____ (the "Property").

The Home has been or will be constructed substantially in accordance with Seller's Plan No._____, Elevation_____, and any accompanying specifications contained in the attached Addendum B (collectively referred to as the "Features"). Construction of the Home is subject to confirmation that the Home can be sited on the Property selected by Purchaser, and subject to any changes in plans, specifications, materials, fixtures or methods required by federal, state or local governmental authority and applicable restrictive covenants or architectural controls.

2. Purchase Price/Closing Costs. An initial deposit of \$ 3000.00 (the "Earnest Money"), as well as twenty five percent (25%) of the cost of any extras, upgrades or special options, and one hundred percent (100%) of any options over \$50,000.00, that are selected by the Purchaser, shall be paid to Seller at the signing of this Contract, and will be credited to the Purchase Price as detailed below. The remainder of the Purchase Price (whether paid from Purchaser's funds and/or loan proceeds) shall be paid after substantial construction of the Home and concurrent with the transfer of title to the Property to Purchaser (that event being referred to as the "Closing"). *The Earnest Money and payments for extras, upgrades, and special options are NOT REFUNDABLE except upon cancellation of this Contract by Seller pursuant to Paragraphs 5, 12 and 15, or pursuant to the provisions of Paragraphs 3 and 4. Purchaser agrees to make selections and pay for any options within fourteen (14) days of the date of this contract.*

Base Price:	\$ _____	Earnest Money Deposit:	\$ _____
Options/Elevation Premium:	\$ _____	Option Deposit:	\$ _____
Home Site Premium:	\$ _____	Total Deposit:	\$ _____
Option Allowance:	\$(_____)		
Cash Paid:	\$(_____)		
Total:	\$ _____		
Closing Cost:	\$ _____		
Purchase Price:	\$ _____		

The sum of \$ _____ is to be derived from a Mortgage Loan (the "Loan") and obtained from a third party lender (the "Lender")(specify if Conventional _____ FHA _____ or VA _____). Purchaser will pay the Lender at Closing all required prepaid items (points, prepaid interest, taxes and insurance) and pay all Closing costs identified in Paragraph 9 below; provided, that if the Purchaser obtains financing through the Federal Housing Administration (the "FHA") or the Veterans Administration (the "VA"), the Purchaser shall pay only those Closing costs that are permitted under FHA/VA regulations, and Seller shall pay the remainder.

3. Title Contingency. Should the Title Report reflect that title to the Property is subject to easements, encroachments or other exceptions not in conformity with the warranties of title as set forth in Paragraph 9 of this Contract, Seller shall have **sixty (60) days** from the receipt of Purchaser's written notification to correct any title matter. Seller shall not, however, be required to incur any expense incident to its curative efforts. If a defect in title cannot be corrected within this time, or Seller chooses not to incur any expense to cure the title matter, the Earnest Money (plus any prepayments for upgrades and options) shall be returned and this Contract canceled, unless Purchaser accepts title to the Property subject to the exceptions identified.

4. Appraisal Contingency. If the Purchase Price is to be paid from the proceeds of a Loan guaranteed by the VA or a loan insured by the Department of Housing and Urban Development ("HUD"), it is expressly agreed that, notwithstanding any other provisions of this Contract, the Purchaser shall not incur any penalty by forfeiture of the Earnest Money or any prepaid items, or otherwise be obligated to complete the purchase of the Property, unless the Seller has delivered to the Purchaser a written statement as may be required by the VA or HUD, as applicable, setting forth the appraised value of the Property and Home (excluding closing costs) of not less than the Purchase Price. The Seller agrees to deliver the appraised value statement to Purchaser promptly after such statement is made available to the Seller. The appraised valuation is arrived at to determine the maximum mortgage that the VA or HUD will insure. The Purchaser shall have the option of proceeding to the Closing of this sale without regard to the appraised value as set forth in the valuation statement. If Purchaser elects to complete the purchase at an amount in excess of the appraised value, Purchaser shall pay such excess amount in cash from a source Purchaser will disclose to the FHA or VA.

5. Loan Application and Approval Contingency. Purchaser agrees to apply for the Loan in the amount specified in Paragraph 2 within **five (5) days** from the Purchaser's execution of this Contract and to diligently seek and to qualify for the Loan within **thirty (30) days** after the date Purchaser has applied for the Loan (the "Loan Approval Contingency Period"). Purchaser hereby authorizes Seller to obtain information from the Lender on the status of Purchaser's Loan application. The failure of Purchaser to apply for and to secure satisfactory evidence of Loan approval within the Loan Approval Contingency Period shall constitute a breach of this Contract, and Seller shall have, at its sole option, the right to retain all sums paid by Purchaser and to cancel this Contract. If the Purchaser cannot qualify for the Loan and Seller receives written notice from the Lender reflecting such fact **within** the Loan Approval Contingency Period, the Earnest Money will be refunded, less a deduction for the cost of Seller's customary contract processing fees (e.g., credit report and loan processing fees). Purchaser's inability to secure financing shall not entitle Purchaser to the return of payments for any extras, upgrades or special options if Seller has already commenced construction of the Home prior to receipt of notice of the