

Reservation Agreement

SAMPLE

RESERVATION AGREEMENT FOR COMMUNITY HOUSING

This Reservation Agreement is for the purchase of Community Housing in a development which is currently under construction or is to be built in Blaine County, Idaho. Per the terms of other agreements entered into between the Developer, the municipality in which construction is to occur or is occurring, and/or the Blaine County Housing Authority, the property which is the subject of this Agreement is to be encumbered with a Deed Covenant pursuant to the Guidelines of the Blaine County Housing Authority (BCHA). The BCHA does not act as a broker in the transaction, but does represent its own interests and that of the authorizing municipality in order to regulate and assure the long term affordability of this, and other Community Housing. The Developer and Potential Buyer acknowledge that the subject property will be subject to a Deed Covenant in the form attached hereto as **Exhibit A** and that this Deed Covenant will run with the real property and regulate in perpetuity, among other things, the price and terms under which the property can be re-sold.

In accordance with the selection procedure currently utilized by the BCHA, the “Potential Buyer” identified below has been qualified to purchase the specific Community Home identified herein. The purchase price and terms of purchase for the Community Home has been determined by the BCHA in accordance with the procedures set out in the Housing Authority Guidelines and have been agreed to by the Developer. Idaho Statute dictates that a binding Purchase and Sale Agreement for property cannot be entered into until such time as final plat approval has been granted by the authorizing municipality and the plat is recorded thereby creating a legal property which can be sold. However, in order to facilitate financing approval for the Potential Buyer, and to allow the purchase process to proceed quickly after the final plat is recorded by the Developer, the Developer and Potential Buyer have entered into this non-binding Agreement, which sets out the terms and conditions under which the purchase will proceed when such final plat has been recorded.

This Reservation Agreement is entered into this _____ day of _____, _____, between _____, _____, an Idaho _____ as “Developer” and _____ as “Potential Buyer”. Developer agrees to reserve potential Home No. _____ (the “Home”) of _____, (“Development”), located at _____, Idaho, as depicted on the proposed Preliminary Plat for Development dated _____, _____, **attached hereto as Exhibit B**, for the Buyer, pursuant to the following terms:

1. Potential Buyer shall, within three (3) business days after the execution of this Reservation Agreement, deliver Five Hundred and No One Hundredth Dollars (\$500.00) (the “Reservation Deposit”) to _____ **Title Insurance Company**, to be deposited in its trust account in favor of Potential Buyer. The Reservation Deposit is fully refundable to Potential Buyer upon written request at any time prior to the conversion of this Reservation Agreement to a binding Purchase and Sale Agreement and shall be returned to Potential Buyer, plus accrued interest if any, within fourteen (14) days after receipt by Developer of Potential Buyer’s written notice to terminate this Reservation Agreement. The Blaine County Housing Authority may allow other potential buyers to execute other Reservation Agreements to purchase this Home and may enter into one or more Reservation Agreements subject to the termination of this Reservation Agreement (i.e., back-up reservations).

2. Potential Buyer may elect to convert this Reservation Agreement to a binding Purchase and Sale Agreement, the form of **which is attached hereto as Exhibit C**, by delivering an executed Purchase and Sale Agreement and depositing Five Hundred Dollars (\$500.00), (“Earnest Money”), inclusive of the Reservation

Deposit and accrued interest, into escrow within five (5) business days after receipt of written notification from Developer of the recordation of the final plat of the development. If Potential Buyer does not elect to enter into the Purchase and Sale Agreement within five (5) days after receipt of Developer's written notification, the Reservation Deposit, including accrued interest if any, shall be refunded to Potential Buyer and this Reservation Agreement shall be terminated.

3. The purchase price for the Home shall be \$ _____, and shall be paid in accordance with the terms of the Purchase and Sale Agreement at Close of Escrow.

4. The parties hereto acknowledge that this instrument does not create a contractual obligation to buy or sell on the part of either Developer or Potential Buyer, nor does it constitute an offer to sell the Home until such time as Final Plat of the Development has been recorded with the Blaine County Recorder. Either party may cancel this Reservation Agreement, subject to reimbursement of the Reservation Deposit, without incurring liability to the other.

5. This Reservation Agreement may not be assigned by Potential Buyer to another party. Should this Agreement be terminated by either party for any reason, the BCHA shall determine, by means the procedures set out in the then current version of the Housing Authority Guidelines, who shall have the next opportunity to purchase the subject Home.

Developer		Potential Buyer	
By _____		By _____	
Its _____ Date _____		By _____	
Address: _____		Address: _____	
_____		_____	
_____		_____	
Phone: _____ Fax: _____		Phone: _____ Fax: _____	