



**Regional Housing Authority of Sutter and Nevada Counties**

1455 Butte House Road, Yuba City, CA 95993

Phone: (530) 671-0220, Toll Free: (888) 671-0220

TTY: (866) 735-2929 Fax: (530) 673-0775

Website: [www.rhasnc.org](http://www.rhasnc.org)

November 30, 2016

TO: Chairperson Martha Griese  
Commissioner Diane Hodges  
Commissioner Brian Foss  
Commissioner Preet Didbal  
Commissioner Charles Epp  
Commissioner Dan Miller  
Commissioner Suzanne Gallaty  
Commissioner Luis Uribe  
Commissioner Ron Sullenger  
Commissioner Mark Marshall  
Commissioner John Loudon  
Commissioner Roger Abe  
Commissioner John Nicoletti  
Commissioner Toni Benson

Sutter County Board of Supervisors  
Nevada County Board of Supervisors  
Yuba County Board of Supervisors  
Colusa County Board of Supervisors  
City Council, Live Oak  
City Council, Yuba City  
City Council, Colusa  
Appeal-Democrat  
Duane Oliveira, Legal Counsel  
SCEA  
Terrel Locke, City of Yuba City  
Darin Gale, City of Yuba City  
The Union  
Rob Choate, County of Nevada  
Kara Gash, Sutter County Health Division

**NOTICE OF REGULAR MEETING**

**December 7, 2016**

You are hereby notified that the Commissioners of the Regional Housing Authority of Sutter and Nevada Counties are called to meet in Regular Session at **12:15 PM on Wednesday, December 7, 2016 at Richland Neighborhood Center, 420 Miles Avenue, Yuba City, CA 95991.**

  
\_\_\_\_\_  
Gustavo Becerra  
Executive Director

s: No12072016



*The Housing Authority is an equal opportunity employer and housing provider.*



AGENDA  
REGULAR MEETING  
OF THE BOARD OF COMMISSIONERS OF  
REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES  
**Richland Neighborhood Center, 420 Miles Avenue, Yuba City, CA 95991**  
**December 7, 2016, 12:15 PM**

- A. CALL TO ORDER: ROLL CALL
- B. PLEDGE OF ALLEGIANCE
- C. PUBLIC PARTICIPATION: Members of the public shall be provided with an opportunity to address the Board on items of interest that are within the subject matter jurisdiction of the Board. Any member of the audience who may wish to bring something before the Board that is not on the agenda may do so at this time; however, State law provides that no action may be taken on any item not appearing on the posted Agenda.
- D. AWARDS AND PRESENTATIONS: NONE
- E. CONSENT CALENDAR: All matters listed under Consent Calendar are considered to be routine and can be enacted in one motion. There will be no separate discussion of these items prior to the time that the Board votes on the motion, unless members of the Board request specific items to be discussed or removed from the Consent Calendar for individual action.
  - 1. Approval of Minutes – November 16, 2016 pg. 1
- F. OLD BUSINESS: Discussion/Possible Action:
  - 2. Resolution 16-1471 – Authorization to Refinance the Existing Debt at the Devonshire Apartment Complex pg. 8
- G. NEW BUSINESS: Discussion/Possible Action:
  - 3. Approval of Agreement with Pacific West Communities, Inc. pg. 16
  - 4. Resolution 16-1476 – Authorization to Acquire Land for the Purpose of Developing Housing for Low-Income Persons pg. 22
  - 5. Resolution 16-1477, Rural Development Collection Loss Write-Off pg. 45
  - 6. Resolution 16-1478 – Kingwood Commons Collection Loss pg. 47

Write- Off

H. ADMINISTRATIVE REPORT:

7. Administrative Update

I. HOUSING COMMISSIONERS' COMMENTS:

J. EXECUTIVE SESSION: May be held under California Government Code regarding pending and/or anticipated litigation, property acquisition, and/or personnel issues.

K. NEXT MEETING:

L. ADJOURNMENT

Ag120716

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES  
Minutes  
Regular Board Meeting  
November 16, 2016

ITEM NO. A - CALL TO ORDER:

Chairperson Martha Griese called the meeting to order at the Richland Neighborhood Center, 420 Miles Avenue, Yuba City, CA 95991.

ITEM NO. A - ROLL CALL:

Chairperson Martha Griese, Commissioners Ron Sullenger Charles Epp, Brian Foss, Dan Miller, Diane Hodges, Suzanne Gallaty, John Loudon and Luis Uribe were present. Commissioner Preet Dibal arrived later in the meeting. Commissioners Toni Benson, Roger Abe, Mark Marshall and John Nicoletti were absent. Legal Counsel Duane Oliveira was also present.

ITEM NO. B. – PLEDGE OF ALLEGIANCE:

Maintenance Manager Tom Goodwin led the Pledge of Allegiance.

ITEM NO. C. – PUBLIC PARTICIPATION: NONE

ITEM NO. D. FAMILY SELF-SUFFICIENCY GRADUATE KATHY BEVERLY:

Family Self-Sufficiency (FSS) Coordinator Josie Alcaraz introduced FSS Graduate Kathy Beverly. Ms. Beverly started receiving housing assistance in July 2014 and enrolled in the FSS program in August 2014. She began working for the Yuba County Employment Services department and has already been promoted. Mrs. Alcaraz stated Ms. Beverly graduated from the program October 1, 2016 and will be receiving an escrow check in the amount of \$12,244.82.

Ms. Beverly was a single mom of four (4), but recently got married and is now a mom to seven (7). She is also working on purchasing a house. Ms. Beverly thanked Mrs. Alcaraz for her help and is grateful for the assistance when it was needed.

ITEM NO. E. - CONSENT CALENDAR:

Commissioner Miler made a motion to approve the Consent Calendar as submitted. Commissioner Hodges made the second. All were in favor by voice vote.

ITEM NO. F. – OLD BUSINESS: NONE

ITEM NO. G. 3. – RESOLUTION 16-1468, AUTHORIZATION TO SUBMIT AN APPLICATION FOR COMMUNITY SERVICES BLOCK GRANT FUNDS IN THE AMOUNT NOT TO EXCEED \$10,000 TO THE YUBA COUNTY COMMUNITY SERVICES COMMISSION:

Mrs. Alcaraz explained the Housing Authority has applied for a grant to assist families and individuals in our communities to become self-sufficient. These funds are used to purchase items such as bus passes, books for school, tuition and clothes for interviews.

Occupancy Manager Pattra Runge stated, if the Housing Authority is awarded the funds, this will be the third year for Sutter County and the first year for Yuba County. She said this money is available for anyone in the County not just those receiving assistance through the Housing Authority.

Commissioner Didbal made a motion to approve Resolution 16-1468, Authorization to submit an application for Community Services Block Grant Funds in the amount not to exceed \$10,000 to the Yuba County Community Services Commission. Commissioner Gallaty made the second. The following roll call vote was taken:

Vote: Ayes: Chairperson Martha Griese, Commissioners Luis Uribe,  
Ron Sullenger, John Loudon, Preet Didbal, Charles Epp,  
Susanne Gallaty, Diane Hodges, Brian Foss and Dan Miller  
Nays: None  
Abstain: None  
Absent: Commissioners Toni Benson, Roger Abe, John Nicoletti  
and Mark Marshall

ITEM NO. G. 4. – RESOLUTION 16-1469, AUTHORIZATION TO SUBMIT AN APPLICATION FOR COMMUNITY SERVICES BLOCK GRANT FUNDS IN THE AMOUNT NOT TO EXCEED \$10,000 TO THE SUTTER COUNTY COMMUNITY SERVICES COMMISSION:

Commissioner Didbal made a motion to approve Resolution 16-1469, Authorization to submit an application for Community Services Block Grant Funds in the amount not to exceed \$10,000 to the Sutter County Community Services Commission. Commissioner Gallaty made the second. The following roll call vote was taken:

Vote: Ayes: Chairperson Martha Griese, Commissioners Luis Uribe,  
Ron Sullenger, John Loudon, Preet Didbal, Charles Epp,  
Susanne Gallaty, Diane Hodges, Brian Foss and Dan Miller  
Nays: None  
Abstain: None  
Absent: Commissioners Toni Benson, Roger Abe, John Nicoletti  
and Mark Marshall

ITEM NO. G. 5. – RESOLUTION 16-1470, FAMILY SELF-SUFFICIENCY GRADUATE KATHY BEVERLY:

Commissioner Didbal made a motion to approve Resolution 16-1470, Family Self-Sufficiency Graduate Kathy Beverly. Commissioner Gallaty made the second. The following roll call vote was taken:

Vote: Ayes: Chairperson Martha Griese, Commissioners Luis Uribe, Ron Sullenger, John Loudon, Preet Didbal, Charles Epp, Susanne Gallaty, Diane Hodges, Brian Foss and Dan Miller  
Nays: None  
Abstain: None  
Absent: Commissioners Toni Benson, Roger Abe, John Nicoletti and Mark Marshall

ITEM NO. G. 6. –RESOLUTION 16-1471, AUTHORIZATION TO REFINANCE THE EXISTING DEBT AT THE DEVONSHIRE APARTMENT COMPLEX:

Mr. Becerra mentioned staff is working with River Valley Community Bank in refinancing the existing debt for the Devonshire Apartments. He shared the process is going much quicker due to the relationship built from the refinance of Kingwood Commons. Mr. Becerra stated the appraiser has been out to the property and staff is answering questions regarding the pending rehabilitation of the property.

Mr. Becerra said the interest would be at 4.66% to start and the term of the loan would be for 10 years with a 25 year amortization. He stated the refinance would actually have a savings of \$300 to \$400 per month with the payments going to both principle and interest.

Commissioner Sullenger asked about the interest rate and would like to see if the Housing Authority can ask the bank if this is the best rate available and possibly get a lower rate.

This item was tabled to the next meeting.

ITEM NO. G. 7. – APPROVAL OF THE CONTRACT FOR AUDITING SERVICES:

Chief Financial Officer Gail Allen explained HUD requires the Request for Proposal (RFP) process be completed every five years. She said a RFP for Auditing Services was recently put out and four responses were received. Ms. Allen mentioned she used a matrix to score the proposals received.

Ms. Allen is recommending the selection of Smith and Newell, who the Housing Authority has used in the past. She mentioned there are many different components of the audit due to the various programs administered by the Housing Authority.

Commissioner Miller made a motion to approve the selection of Smith & Newell as the Housing Authority auditor for the next three years, with potentially two one-year extensions. Commissioner Epp made the second. The following roll call vote was taken:

Vote: Ayes: Chairperson Martha Griese, Commissioners Luis Uribe, Ron Sullenger, John Loudon, Preet Didbal, Charles Epp, Susanne Gallaty, Diane Hodges, Brian Foss and Dan Miller  
Nays: None  
Abstain: None  
Absent: Commissioners Toni Benson, Roger Abe, John Nicoletti and Mark Marshall

ITEM NO. G. 8. – RESOLUTION 16-1472, PUBLIC HOUSING COLLECTION LOSS WRITE-OFF IN THE AMOUNT OF \$101.47:

Commissioner Epp made a motion to approve Resolution 16-1472, Public Housing Collection Loss Write-Off in the amount of \$101.47. Commissioner Hodges made the second. The following roll call vote was taken:

Vote: Ayes: Chairperson Martha Griese, Commissioners Luis Uribe, Ron Sullenger, John Loudon, Preet Didbal, Charles Epp, Susanne Gallaty, Diane Hodges, Brian Foss and Dan Miller  
Nays: None  
Abstain: None  
Absent: Commissioners Toni Benson, Roger Abe, John Nicoletti and Mark Marshall

ITEM NO. G. 9. – RESOLUTION 16-1473, RURAL DEVELOPMENT COLLECTION LOSS WRITE-OFF IN THE AMOUNT OF \$864.77:

Commissioner Epp made a motion to approve Resolution 16-1473, Rural Development Collection Loss Write-Off in the amount of \$864.77. Commissioner Hodges made the second. The following roll call vote was taken:

Vote: Ayes: Chairperson Martha Griese, Commissioners Luis Uribe, Ron Sullenger, John Loudon, Preet Didbal, Charles Epp, Susanne Gallaty, Diane Hodges, Brian Foss and Dan Miller  
Nays: None  
Abstain: None  
Absent: Commissioners Toni Benson, Roger Abe, John Nicoletti and Mark Marshall

ITEM NO. G. 10. – RESOLUTION 16-1474, NEIGHBORHOOD STABILIZATION PROGRAM (NSP) COLLECTION LOSS WRITE-OFF IN THE AMOUNT OF \$2,458.57:

Mrs. Runge stated the reason the write-off is such a large amount is due to the family being evicted.

Commissioner Epp made a motion to approve Resolution 16-1474, Neighborhood Stabilization Program (NSP) Collection Loss Write-Off in the amount of \$2,458.57. Commissioner Hodges

made the second. The following roll call vote was taken:

Vote: Ayes: Chairperson Martha Griese, Commissioners Luis Uribe, Ron Sullenger, John Loudon, Preet Didbal, Charles Epp, Susanne Gallaty, Diane Hodges, Brian Foss and Dan Miller  
Nays: None  
Abstain: None  
Absent: Commissioners Toni Benson, Roger Abe, John Nicoletti and Mark Marshall

ITEM NO. G. 11. – RESOLUTION 16-1475, KINGWOOD COMMONS COLLECTION LOSS WRITE-OFF IN THE AMOUNT OF \$4,447.83:

Mrs. Runge mentioned these write-offs are also due to families being evicted and legal expenses.

Commissioner Epp made a motion to approve Resolution 16-1475, Kingwood Commons Collection Loss Write-Off in the amount of \$4,447.83. Commissioner Hodges made the second. The following roll call vote was taken:

Vote: Ayes: Chairperson Martha Griese, Commissioners Luis Uribe, Ron Sullenger, John Loudon, Preet Didbal, Charles Epp, Susanne Gallaty, Diane Hodges, Brian Foss and Dan Miller  
Nays: None  
Abstain: None  
Absent: Commissioners Toni Benson, Roger Abe, John Nicoletti and Mark Marshall

ITEM NO. G. 12. – APPROVAL OF APPENDIX A-3 OF RESOLUTION 16-1450:

Mr. Becerra shared this item is for another TRIO property in Yuba City. The term would be for 36 months.

He shared the property in Plumas Lake fell through but the family in the other Yuba City property moved in last month.

Commissioner Uribe made a motion to approve Appendix A-3 of Resolution 16-1450. Commissioner Miller made the second. The following roll call vote was taken:

Vote: Ayes: Chairperson Martha Griese, Commissioners Luis Uribe, Ron Sullenger, John Loudon, Preet Didbal, Charles Epp, Susanne Gallaty, Diane Hodges, Brian Foss and Dan Miller  
Nays: None  
Abstain: None  
Absent: Commissioners Toni Benson, Roger Abe, John Nicoletti and Mark Marshall



ITEM NO. G. 13. – APPOINT AD HOC COMMITTEE TO REVIEW LEGAL SERVICES PROPOSALS:

Mr. Becerra explained a Request for Proposal (RFP) for Legal Services is out with a due date of November 30, 2016. He stated since legal counsel not only assists staff with a variety of issues, they are also there to serve the Board, he would like an Ad Hoc Committee be appointed to assist staff in making a recommendation to the Board when those RFPs are received. Commissioners Dan Miller, Luis Uribe and Charles Epp volunteered to be on the Ad Hoc Committee.

ITEM NO. H.14. –ADMINISTRATIVE UPDATE:

Mr. Becerra mentioned there is a 5:00 PM meeting tonight with the residents and Yuba City Police Department to discuss some of the crimes that have taken place in the community. He shared the City of Yuba City has installed a camera at the intersection of Garden Highway and Miles Avenue. Mr. Becerra said the Housing Authority will be purchasing cameras to be installed throughout the Richland Housing Center.

Mr. Becerra shared today staff is working on the closing documents for the Stony Creek Apartment Complex in Williams, CA. He stated construction should start around the first of the year.

Mr. Becerra explained the Housing Choice Voucher, Section 8, waiting list was recently opened. Occupancy Manager Alisha Parker stated the list opened on October 19<sup>th</sup> and closed on November 2<sup>nd</sup>. She said there were approximately 3000 applications received.

ITEM NO. I. HOUSING COMMISSIONERS' COMMENTS:

Commissioner Hodges expressed her appreciation to staff for having a meeting with the tenants of Date Street Senior Village and inviting the police department to discuss some of their concerns. She also mentioned Dutch Bros. coffee is being built in Live Oak and invited everyone to Live Oak's Small Town Celebration on December 6, 2016. Commissioner Hodges wished everyone a Happy Thanksgiving.

Commissioner Gallaty also wished everyone a Happy Thanksgiving.

Commissioner Loudon shared the City of Colusa will be having their annual Christmas celebration on December 2, 2016.

Commissioner Didbal stated the annual Christmas tree lighting for the City of Yuba City will take place on December 10, 2016. She also wanted to express she has taken the recent shooting events very seriously and she is being proactive to ensure our community continues to be a safe place. Commissioner Didbal mentioned the new Council members will be sworn in on December 6, 2016 along with the seating of the Mayor and Vice-Mayor.

Commissioner Miller congratulated both Commissioner Loudon and Commissioner Sullenger on

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their reelections. He said Grass Valley holds a Cornish Christmas every Friday beginning after Thanksgiving.

ITEM NO. J. – EXECUTIVE SESSION: MAY BE HELD UNDER CALIFORNIA GOVERNMENT CODE REGARDING PENDING AND/OR ANTICIPATED LITIGATION, PROPERTY ACQUISITION, AND/OR PERSONNEL ISSUES: NONE

ITEM NO. K – NEXT MEETING: December 7, 2016

ITEM NO. L - ADJOURNMENT: The meeting was adjourned at 1:27 PM.



**Regional Housing Authority of Sutter and Nevada Counties**

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Phone: (530) 671-0220, Toll Free: (888) 671-0220

TTY: (866) 735-2929, Fax: (530) 673-0775

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**RESOLUTION NO. 16-1471**

A RESOLUTION OF THE REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES  
AUTHORIZING THE REFINANCING OF EXISTING DEBT AT THE DEVONSHIRE APARTMENT COMPLEX

WHEREAS, the Regional Housing Authority of Sutter and Nevada Counties (the "Authority") owns the development located at 1431, 1433, 1435 Wescott Road, Colusa, CA 95932, otherwise known as the Devonshire Apartments (the "Development"); and

WHEREAS the Authority pursuant to Articles 1 through 5 of Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California (the "Act"), is authorized to borrow moneys to finance and refinance the acquisition, rehabilitation and development of housing developments to be occupied, in part, by persons and families of low and very low income residing within the jurisdiction of the Authority; and

WHEREAS, the Authority desires to refinance the existing debt comprised of Affordable Housing Agency Multi-family Housing Pool Revenue Bonds Series 2014A in order to amortize the current mortgage balance and lower the monthly debt service payments; and

WHEREAS, River Valley Community Bank has expressed its interest in underwriting and obtaining credit approval for the refinancing transaction according to the terms and conditions outlined in its Discussion Term Sheet dated September 6, 2016; and

WHEREAS, the Authority hereby finds and declares that it is necessary, essential and a public purpose for the Authority to refinance the existing debt at the Development; and

WHEREAS, the Authority hereby finds and declares that this resolution is being adopted pursuant to the powers granted by the Act; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in connection with the Authority's borrowing of the moneys contemplated by this resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

NOW, THEREFORE, BE IT RESOLVED by the Regional Housing Authority of Sutter and Nevada Counties, as follows:

**Section 1.** The Authority hereby finds and declares that the above recitals are true and correct.

**Section 2.** The Authority hereby accepts the terms stipulated in the Letter dated November 22, 2016.

***The Housing Authority is an equal opportunity employer and housing provider.***

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**Section 3.** All actions heretofore taken by the officers and agents of the Authority with respect to the financing contemplated by this Resolution, and the borrowing of moneys for the Development are hereby approved, confirmed and ratified, and the Executive Director of the Authority is hereby authorized, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements, assignments, notes and other documents which are necessary or advisable in order to carry out the purposes of the proposed refinancing, including but not limited to those certificates, agreements, assignments, notes and other documents as may be necessary to further the purposes hereof.

**Section 4.** This resolution shall take effect from and after its adoption.

DULY AND REGULARLY ADOPTED by the Board of Commissioners of the Regional Housing Authority of Sutter and Nevada Counties this 7th day of December, 2016.

- AYES:
- NAYS:
- ABSENT:
- ABSTAIN:

Attest: \_\_\_\_\_  
Martha Griese, Chairperson



# RIVER VALLEY COMMUNITY BANK

November 22, 2016

Gus Becerra / CEO  
Regional Housing Authority of Sutter and Nevada Counties  
1455 Butte House Rd  
Yuba City, Ca. 95993

## DISCUSSION TERM SHEET

Dear Gus

River Valley Community Bank ("RVCB") is pleased to extend this proposal, and for discussion purposes only. It is a general, non-binding expression of interest on the part of River Valley Community Bank. Rates and Terms can change without notice.

This Proposal is subject to fulfillment of additional conditions including, but not limited to, our normal credit approval process, an in-depth evaluation of the credit and financial status of borrower(s) and guarantors, and an acceptable review of proposed collateral, the results of which are deemed satisfactory by River Valley Community Bank, at its sole discretion.

### Commercial Real Estate Loan Proposal

Borrower:	Regional Housing Authority
Guarantors:	N/A
Loan Amount:	\$1,135,000 (approx.) and includes \$10,000 loan fees, not to exceed 75% loan to appraised value. Borrower will contribute \$500,000 cash to reduce current loan Principal balance of \$1,625,000.
Loan Purpose:	Refinance 30-unit apartment complex, Devonshire Apartments, Colusa, Ca.
Interest rate:	4.31% fixed for 3-years. At the end of years 3, 6, and 9 the rate can Adjust to the then current 3-yr CMT +3.0% and remain fixed for 3 additional Years. <i>The final start rate will be determined on the date of loan approval</i>
Payments	Principal and interest monthly - \$6,181.92
Terms	10-year term / 25-year amortization
Loan Fee:	\$5,635 origination fee (can be financed) Appraisal fee (paid in cash) Title & escrow fees at cost (financed)

Prepayment Provision: 5.0%, 4.0%, 3.0%, 2.0%, and 1.0% prepayment premium less 20% of principal yearly.

Collateral: A perfected first trust deed, assignment of rents, property and improvements, Known as Devonshire Apts. Colusa, Ca. 30-unit apt. complex consisting of 3 free standing buildings

Appraisal: RVCB shall require that collateral be appraised prior to funding on this facility. Appraiser shall be selected by RVCB. Borrower shall pay the cost.

Loan to Value: Based on the above referenced appraisal, RVCB loan to value shall not exceed 75% LTV.

Environmental Reports: Borrower shall provide an acceptable Environmental Site Assessment for the Collateral, acceptable to RVCB. Borrower shall provide any additional environmental reports, questionnaires, certificates or audits as RVCB may request.

Title Insurance: Borrower provides extended mortgagee's title policy issued by a title insurance company satisfactory to RVCB insuring RVCB's lien position with respect to the Collateral, with no other liens or encumbrances except those accepted in writing by RVCB.

Documentation: Borrower, Guarantors and the other persons or entities granting a security interest in collateral for this loan must execute the various loan documents provided by RVCB in a form and with content satisfactory to RVCB by the Closing Deadline. Borrower understands that the loan documents may contain additional covenants and conditions that are not referenced in this commitment letter.

**Conditions:**

1. Copies of construction costs for all scheduled remodeling of subject facility (approx. \$700,000.)
2. At any time requested by RVCB, Borrower shall furnish all information regarding Borrower's financial condition and business operations.
3. Material deposit relationship established with RVCB.

**Financial Covenants:**

Debt Service Coverage Ratio (DSCR):

Borrower shall maintain a Debt Service Coverage Ratio based on EBITDA of not less than 1.25 to 1.00 as of the end of each year

Borrower to submit annual CPA audited FYE financial statement each year 30-days after completion.

**Other Requirements:**

All other requirements as determined at the sole discretion of RVCB

RVCB's approval is subject to the fulfillment of a number of usual and customary conditions including, but not limited to the execution and delivery of loan documents in a form satisfactory to RVCB and the absence of a material adverse change in the business, financial condition or prospect of Borrower or any Guarantor. The undersigned certifies that any financial information presented to RVCB in connection with this proposed obligation is and will be correct and complete. RVCB is authorized to investigate the credit and employment status of Borrower and the Guarantors, either directly or through any agent.

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**BORROWER ACKNOWLEDGES THAT ORAL AGREEMENT OR ORAL COMMITMENT TO LOAN MONEY OR EXTEND CREDIT IN AN AMOUNT GREATER THAN \$100,000 ARE NOT ENFORCEABLE UNDER CALIFORNIA LAW. BORROWER ACKNOWLEDGES THAT THIS TRANSACTION IS NOT PRIMARILY FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.**

Sincerely,

Greg Heckman  
Senior Vice President  
1629 Colusa Ave  
Yuba City, Ca. 95993



# RIVER VALLEY COMMUNITY BANK

September 6, 2016

Gus Becerra / CEO  
Regional Housing Authority of Sutter and Nevada Counties  
1455 Butte House Rd  
Yuba City, Ca. 95993

## DISCUSSION TERM SHEET

Dear Gus

River Valley Community Bank ("RVCB") is pleased to extend this proposal, and for discussion purposes only. It is a general, non-binding expression of interest on the part of River Valley Community Bank. Rates and Terms can change without notice.

This Proposal is subject to fulfillment of additional conditions including, but not limited to, our normal credit approval process, an in-depth evaluation of the credit and financial status of borrower(s) and guarantors, and an acceptable review of proposed collateral, the results of which are deemed satisfactory by River Valley Community Bank, at its sole discretion.

### Commercial Real Estate Loan Proposal

Borrower:	Regional Housing Authority
Guarantors:	N/A
Loan Amount:	\$1,135,000 (approx.) and not to exceed 75% of appraised value. Borrower to contribute \$500,000 cash to reduce current loan principal balance of \$1,625,000
Loan Purpose:	Refinance 30-unit apartment complex, Devonshire Apartments, Colusa, Ca.
Interest rate:	4.66% start rate (approx.) fixed for 5-years. At the end of five years The rate can adjust to the then current 5yr.CMT + 3.50%, and remain fixed to Maturity. <i>The final start rate will be determined on the date of loan approval</i>
Payments	Principal & interest monthly - \$6,438 / month (approx.)
Terms	10-year term / 25-year amortization
Loan Fee:	\$5,635 origination fee (can be financed) Appraisal fee (paid in cash) Title & escrow fees at cost (financed)
Prepayment Provision:	5.0%, 4.0%, 3.0%, 2.0%, and 1.0% prepayment premium less 20% of principal yearly.



**Collateral:** A perfected first trust deed, assignment of rents, property and improvements, Known as Devonshire Apts. Colusa, Ca. 30-unit apt. complex consisting of 3 free standing buildings

**Appraisal:** RVCB shall require that collateral be appraised prior to funding on this facility. Appraiser shall be selected by RVCB. Borrower shall pay the cost.

**Loan to Value:** Based on the above referenced appraisal, RVCB loan to value shall not exceed 75% LTV.

**Environmental Reports:** Borrower shall provide an acceptable Environmental Site Assessment for the Collateral, acceptable to RVCB. Borrower shall provide any additional environmental reports, questionnaires, certificates or audits as RVCB may request.

**Title Insurance:** Borrower provides extended mortgagee's title policy issued by a title insurance company satisfactory to RVCB insuring RVCB's lien position with respect to the Collateral, with no other liens or encumbrances except those accepted in writing by RVCB.

**Documentation:** Borrower, Guarantors and the other persons or entities granting a security interest in collateral for this loan must execute the various loan documents provided by RVCB in a form and with content satisfactory to RVCB by the Closing Deadline. Borrower understands that the loan documents may contain additional covenants and conditions that are not referenced in this commitment letter.

**Conditions:**

1. Copies of construction costs for all scheduled remodeling of subject facility (approx. \$700,000.)
2. At any time requested by RVCB, Borrower shall furnish all information regarding Borrower's financial condition and business operations.
3. Material deposit relationship established with RVCB.

**Financial Covenants:**

Debt Service Coverage Ratio (DSCR):

Borrower shall maintain a Debt Service Coverage Ratio based on EBITDA of not less than 1.25 to 1.00 as of the end of each year

**Other Requirements:**

All other requirements as determined at the sole discretion of RVCB

RVCB's approval is subject to the fulfillment of a number of usual and customary conditions including, but not limited to the execution and delivery of loan documents in a form satisfactory to RVCB and the absence of a material adverse change in the business, financial condition or prospect of Borrower or any Guarantor. The undersigned certifies that any financial information presented to RVCB in connection with this proposed obligation is and will be correct and complete. RVCB is authorized to investigate the credit and employment status of Borrower and the Guarantors, either directly or through any agent.

**BORROWER ACKNOWLEDGES THAT ORAL AGREEMENT OR ORAL COMMITMENT TO LOAN MONEY OR EXTEND CREDIT IN AN AMOUNT GREATER THAN \$100,000 ARE NOT ENFORCEABLE UNDER CALIFORNIA LAW. BORROWER ACKNOWLEDGES THAT THIS TRANSACTION IS NOT PRIMARILY FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.**

Sincerely,

Greg Heckman  
Senior Vice President  
1629 Colusa Ave  
Yuba City, Ca. 95993

**REGIONAL HOUSING AUTHORITY  
OF SUTTER AND NEVADA COUNTIES**

**STAFF REPORT**

**Date:** December 7, 2016  
**To:** Board of Commissioners  
**From:** Beckie Flores, Assistant Manager – Planning & Community Development

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**SUBJECT:** Memorandum of Agreement between Pacific West Communities, Inc. and Regional Housing Authority of Sutter and Nevada Counties (RHASNC) for Development of Affordable Housing in Grass Valley, CA

**RECOMMENDATION:** Approve the Agreement with Pacific West Communities, Inc., and authorize the Executive Director to execute the Agreement and any other documents necessary to carry out the terms of the Agreement.

**FISCAL IMPACT:** \$7,500 reimbursement for overhead expenses, portion of potential Developer Fee, 20% of operating cash flow and 50% of annual Asset Management Fee

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**Background**

The attached Memorandum of Agreement between RHASNC and Pacific West Communities, Inc. solidifies the co-developer relationship between the two parties for the development of an affordable housing project to be located on Old Tunnel Road in Grass Valley, CA. The project will consist of the financing, development and construction of a 30-unit low income senior housing project, and will be subject to a 55-year tax credit regulatory agreement that ensures the project remains affordable. The project will be restricted to tenants who have incomes that are 30-60% of the area median income. Rents for the project are adjusted accordingly depending on which income bracket a tenant falls under.

RHASNC has partnered with Pacific West Communities in the development of the Kristen Court Apartments (Live Oak) and the Stony Creek II Senior Apartments (Williams) and will also be working with AMG and Associates for the acquisition of the land for this development.

**Recommendation**


Staff recommends that the Board of Commissioners of the Regional Housing Authority of Sutter and Nevada Counties approve the Memorandum of Agreement with Pacific West Communities, Inc., and authorize the Executive Director to execute the Agreement and any other documents necessary to carry out the terms of the Agreement.

Prepared by:



Beckie Flores  
Assistant Manager  
Planning & Community Development

Submitted by:

  
Gustavo Becerra  
Executive Director

Attachment(s):

- Memorandum of Agreement between Pacific West Communities, Inc. and RHASNC

MEMORANDUM OF AGREEMENT

THIS AGREEMENT is entered into this 8th day of December, 2016 by and between *Pacific West Communities, Inc.*, an Idaho corporation (hereafter "PWC") and *the Regional Housing Authority of Nevada and Sutter Counties, a public body corporate and politic* (hereafter "Housing Authority").

RECITALS

PWC and its affiliates have the experience and expertise necessary to prepare Tax Credit applications, prepare architectural designs and plans, obtain construction and permanent financing, construct the project, and syndicate tax credits. The Housing Authority has similar experience as well as the ability to operate and manage affordable housing.

The Housing Authority currently is in the process of purchasing a 1.66 acre site located at 751 Old Tunnel Road in the City of Grass Valley, Nevada County, California (hereafter "Site"). The parties wish to work together to develop a 30 unit affordable senior housing project (hereafter "Project") on the Site and wish to memorialize the terms and conditions of such joint relationship.

The Authority enters into this Agreement for itself and on behalf of its affiliate Building Better Partnerships, Inc. (hereafter "BBP") with respect to the Project.

IT IS, THEREFORE, AGREED AS FOLLOWS:

1. PWC shall seek financing for the Project suitable to the Housing Authority. PWC shall also use its best possible efforts to obtain a commitment to purchase tax credits at the best possible terms. PWC shall also perform any and all procedures and pay all expenses necessary to syndicate said tax credits. This agreement is conditional upon securing an allocation of low-income housing credits that PWC deems sufficient for financing of the Project.
2. PWC and the Housing Authority shall work jointly to prepare and submit any financing applications required for the development of the Project. RHASNC shall be given an opportunity to review any tax credit or other financing applications submitted for the Project. PWC shall advance any and all predevelopment funds required for the applications and will also pay any other costs incurred prior to the start of construction.
3. Providing the award of financing sufficient for Project development, PWC and the Housing Authority shall work jointly together to obtain all federal, state and local approvals necessary to develop the Project, and shall further execute any and all documents and/or agreements, subject to appropriate review, as may be necessary to move the Project forward.
4. PWC shall work with DG Group Architecture, PLLC dba Pacific West Architecture to provide all the necessary design work and building plans subject to mutual approval by PWC and the Housing Authority. PWC's affiliate, Pacific West Builders, Inc., being a licensed general contractor in the State of California, shall construct the Project.

5. At the initial closing of the construction loan, PWC and the Housing Authority, if any, shall be reimbursed from funding proceeds all project development expenses previously paid relating to the Project. The Housing Authority shall also be entitled to a fee of \$7,500 that will represent payment for overhead expenses incurred. For its services pertaining to the development and design of the Project, the Housing Authority shall be paid a fee equal to 20% of the developer fee for the Project. PWC shall be paid a fee equal to 80% of the developer fee for the Project. If total financing sources are not sufficient to pay all or a portion of the developer fee earned, proceeds from cash flow shall be used until the entire fee is paid in full. Payments of any developer fees shall follow closing of the permanent loan and final tax credit syndication payments from the investor, unless sufficient financing proceeds are available at an earlier date at which time a partial payment may be made.
6. Housing Authority shall agree to provide a contribution in an amount equal to the sum of: 1) 10% of the total developer fee including both deferred and non-deferred portions (hereafter the "Contribution") to the Project to assist with development and construction. The Contribution shall be made only after Housing Authority has been paid, at a minimum, a portion of their developer fee equal to the Contribution. For example, if the developer fee finally approved through the financing process is \$1,200,000 (as currently projected) but \$400,000 is projected to be deferred, the Contribution would be \$120,000.
7. Upon completion of construction and passing of all inspections, the limited partnership established by an affiliate of PWC and the Housing Authority during the predevelopment period, along with the investor limited partner under an amended and restated partnership agreement, shall thereafter own and operate the Project as an affordable housing project subject to the requirements set forth by the tax credit program and other financing agreements. All cash flow and ownership benefits, including the sale of the property shall be shared 80% to the general partner affiliate of PWC and 20% to Housing Authority. The Managing General Partner of the Project shall also receive an annual fee of \$3,000 (\$100 per unit).
8. PWC shall select a third party management company, with the approval of RHASNC, to manage the project in accordance with commercially reasonable terms and in compliance with IRC Section 42 guidelines. Housing Authority may elect to provide certain management operations such as maintenance and landscaping.
9. In the event that the partnership elects to sell the project, the Housing Authority shall have, after 15 years from the project's placed-in-service date, the right of first refusal to purchase the project. Said right shall not terminate unless the Housing Authority elects to do so in writing. If the Housing Authority elects to sell the project, the Housing Authority will receive 20% of the proceeds and benefits from that sale.
10. PWC and the Housing Authority shall at all times ensure that the Project is consistent with federal and state laws that govern BBP as a 501(c)(3) non-profit corporation. Neither PWC nor the Housing Authority shall perform any act that potentially jeopardizes the non-profit status of BBP.
11. Either PWC or RHASNC may terminate this Agreement without liability upon written notice to the other party if either party determines, in its sole discretion, that (i) the Project or the

partnership is infeasible or (ii) that sufficient financing to develop the Project will not be awarded by December 31, 2022.

12. Formal notices, demands, and communications among the Parties shall not be deemed given unless dispatched by certified mail, return receipt requested, by facsimile delivery with correct answerback received, by electronic mail or by reputable delivery service with a delivery receipt, to the Parties' principal offices as follows:

The Housing Authority:                    Regional Housing Authority of Sutter and Nevada Counties  
1455 Butte House Road  
Yuba City, CA 95993  
Attention: Gustavo Becerra  
Telephone: 530-671-0220  
Fax: 530-674-8505  
Email: [G.becerra@rhasnc.org](mailto:G.becerra@rhasnc.org)

PWC:    Pacific West Communities, Inc.  
430 East State St., Suite 100  
Eagle, ID 83616  
Attention: Caleb Roope  
Telephone: 208-461-0022  
Fax: 208-461-3267  
Email: [calebr@tpchousing.com](mailto:calebr@tpchousing.com)

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

**REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES**

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

Name: Gustavo Becerra

Title: Executive Director

Date: \_\_\_\_\_

**PACIFIC WEST COMMUNITIES, INC.**

By: \_\_\_\_\_  
Caleb Roope

Title: President

Date: \_\_\_\_\_



**REGIONAL HOUSING AUTHORITY  
OF SUTTER AND NEVADA COUNTIES**

**STAFF REPORT**

**Date:** December 7, 2016  
**To:** Board of Commissioners  
**From:** Beckie Flores, Assistant Manager – Planning & Community Development

---

**SUBJECT:** Purchase of Land for Development of Affordable Housing in Grass Valley, CA

**RECOMMENDATION:** Adopt a resolution authorizing the acquisition of land for the development of housing for low income persons, and authorize the Executive Director to sign any necessary documents.

**FISCAL IMPACT:** None. Acquisition costs will be covered by AMG and Associates funds.

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**Background**

A private for-profit company, AMG and Associates (AMG), is in contract to purchase the land located at 751 Old Tunnel Road in Grass Valley, CA for the purpose of developing 30 affordable housing units for low income seniors. The Housing Authority has worked with AMG and Pacific West Communities, Inc. in the development of the Kristen Court Apartments (Live Oak) and Stony Creek II Senior Apartments (Williams).

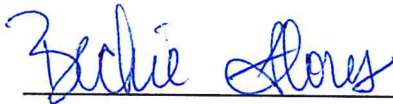
RHASNC has again been asked to co-develop the Grass Valley project for potential State and Federal tax credit development financing. Part of the process of applying for and developing units for tax credits is to have public leverage in the form of land donation. In prior projects, the property was purchased by AMG and then donated to RHASNC to meet this criteria. Tax credit rules now require that the Housing Authority purchase the property directly. Upon Housing Authority approval, AMG will assign the purchase contract to the Housing Authority and fully fund the purchase.

In addition, RHASNC will commit project-based vouchers (PBVs) to the development in order to make the project more competitive in future funding applications.

**Recommendation**

Staff recommends that the Board of Commissioners of the Regional Housing Authority of Sutter and Nevada Counties adopt a resolution authorizing the acquisition of land for the purpose of developing housing for low income persons, and authorize the Executive Director to sign necessary documents and take any other necessary action in connection with the acquisition.

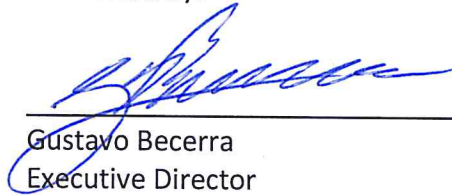
Prepared by:



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Beckie Flores  
Assistant Manager  
Planning & Community Development

Submitted by:



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Gustavo Becerra  
Executive Director

Attachment(s):

- Resolution
- Purchase Agreement
- Preliminary Site Layout
- Aerial Map



**Regional Housing Authority of Sutter and Nevada Counties**

1455 Butte House Road, Yuba City, CA 95993  
Phone: (530) 671-0220, Toll Free: (888) 671-0220  
TTY: (866) 735-2929, Fax: (530) 673-0775  
Website: www.rhasnc.org

**RESOLUTION NO. 16-1476**

A RESOLUTION OF THE REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES AUTHORIZING THE ACQUISITION OF LAND FOR THE PURPOSE OF DEVELOPING HOUSING FOR LOW INCOME PERSONS, AUTHORIZING ITS EXECUTIVE DIRECTOR TO SIGN NECESSARY DOCUMENTS AND TAKE ANY OTHER NECESSARY ACTION IN CONNECTION THEREWITH

WHEREAS, the Regional Housing Authority of Sutter and Nevada Counties (the "Authority") is authorized pursuant to Articles 1 through 5 of Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California (the "Act"), to acquire, rehabilitate and develop housing for low income persons; and

WHEREAS, the Authority desires financing for the acquisition of that property located at 751 Old Tunnel Road, Grass Valley, California, APN 35-400-86-000 (the "Property"); and

WHEREAS, the Authority hereby finds and declares that it is necessary, essential and a public purpose for the Authority to acquire the Property; and

WHEREAS, the Authority hereby finds and declares that this resolution is being adopted pursuant to the powers granted by the Act; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in connection with the Authority's actions contemplated by this resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

NOW, THEREFORE, BE IT RESOLVED by the Regional Housing Authority of Sutter and Nevada Counties, as follows:

**Section 1.** The Authority hereby finds and declares that the above recitals are true and correct.

**Section 2.** The Chairperson, the Vice Chairperson, the Executive Director and the Assistant Manager Planning & Community Development (the "Designated Officers") of the Authority are, and each of them acting alone is, hereby authorized, for and in the name of and on behalf of the Authority, to execute and deliver the necessary documents as may be required in conjunction with the purpose of this Resolution.



*The Housing Authority is an equal opportunity employer and housing provider.*



**Section 3.** All actions heretofore taken by the officers and agents of the Authority with respect to the acquisition contemplated by this Resolution and the Property are hereby approved, confirmed and ratified, and a Designated Officer of the Authority, is hereby authorized, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements, assignments, notes and other documents which are necessary or advisable in order to carry out the purposes of the proposed acquisition, including but not limited to those certificates, agreements, assignments, notes and other documents as may be necessary to further the purposes hereof.

**Section 4.** This resolution shall take effect from and after its adoption.

DULY AND REGULARLY ADOPTED by the Board of Commissioners of the Regional Housing Authority of Sutter and Nevada Counties this 7<sup>th</sup> day of December, 2016.

AYES:  
NAYS:  
ABSENT:  
ABSTAIN:

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Martha Griese, Chairperson



EXTENSION OF TIME ADDENDUM
(C.A.R. Form ETA, Revised 4/06)

The following terms and conditions are hereby incorporated in and made a part of the: [ ] California Residential Purchase Agreement, [ ] Manufactured Home Purchase Agreement, [ ] Probate Purchase Agreement, [ ] Residential Income Property Purchase Agreement, [X] Vacant Land Purchase Agreement, [ ] Commercial Property Purchase Agreement, [ ] Business Purchase Agreement, [ ] other
dated September 1, 2016, on property known as 751 Old Tunnel Rd, Grass Valley, CA
AMG & Associates, Alexis Gevorgian is referred to as ("Buyer") and John Mcmanus is referred to as ("Seller").

- 1. EXTENSION OF ESCROW: The scheduled Close Of Escrow is extended to (Date).
2. EXTENSION OF CONTINGENCY(IES): The following contingency(ies), if checked, is/are extended to November 14, 2016 (Date) [X] Buyer Investigation of Property Condition [ ] Loan [ ] Other 19-B of contract.
3. OTHER EXTENSION(S): The time for Release of \$15,000 deposit. (Adden. 1-4) is/are extended to November 14, 2016 (Date).
4. ADDITIONAL TERMS:

By signing below, Buyer and Seller acknowledge that each has read, understands, and received a copy of and agrees to the terms of this Extension of Time Addendum.

Buyer AMG & Associates 10/31/2016 9:33:01 Date
Buyer Alexis Gevorgian 10/27/2016 12:41:04 Date
Seller John Mcmanus Date
Seller Date

PP

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Reviewed by Date



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ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. 3

The following terms and conditions are hereby incorporated in and made a part of the:  Purchase Agreement,  Residential Lease or Month-to-Month Rental Agreement,  Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind),  Other Vacant Land Purchase agreement dated \_\_\_\_\_, on property known as 751 Old Tunnel Road

Grass Valley, CA 95945

in which AMG and Associates, Alexis Gevorgian, Managing Mem is referred to as ("Buyer/Tenant") and John Mcmanus= is referred to as ("Seller/Landlord").

1. Amend #2 on Addendum 1 to read.

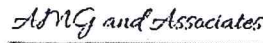

Extensions - Buyer shall have the right to extend the Close of Escrow date described in the contract for one 45 day extension period, upon which time Buyer shall deposit and release Ten Thousand Dollars (\$10,000). This first extension deposit release of \$10,000 shall apply to the purchase price. This deposit release shall be non-refundable to Buyer.

2 On any additional 45 day extension period granted by the Seller, the Buyer shall deposit and release Ten Thousand Dollars (\$10,000). These deposit releases shall not apply to the Purchase price. This deposit release shall be non-refundable to Buyer.

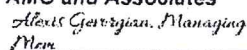

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date \_\_\_\_\_

Date \_\_\_\_\_

Buyer/Tenant AMG and Associates   1/22/2016 13:44:49


Seller/Landlord \_\_\_\_\_

Buyer/Tenant AMG and Associates  
Alexis Gevorgian, Managing Mem   1/22/2016 13:43:57

Seller/Landlord John Mcmanus=

Seller/Landlord \_\_\_\_\_

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27



ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. 3

The following terms and conditions are hereby incorporated in and made a part of the: [ ] Purchase Agreement, [ ] Residential Lease or Month-to-Month Rental Agreement, [ ] Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), [X] Other Vacant Land Purchase agreement dated \_\_\_\_\_, on property known as \_\_\_\_\_ 751 Old Tunnel Road \_\_\_\_\_

Grass Valley, CA 95945 in which AMG and Associates, Alexis Gevorgian, Managing Mem is referred to as ("Buyer/Tenant") and John Mcmanus= is referred to as ("Seller/Landlord").

1. Amend #2 on Addendum 1 to read.

Extensions - Buyer shall have the right to extend the Close of Escrow date described in the contract for one 45 day extension period, upon which time Buyer shall deposit and release Ten Thousand Dollars (\$10,000). This first extension deposit release of \$10,000 shall apply to the purchase price. This deposit release shall be non-refundable to Buyer.

2. On any additional 45 day extension period granted by the Seller, the Buyer shall deposit and release Ten Thousand Dollars (\$10,000). These deposit releases shall not apply to the Purchase price. This deposit release shall be non-refundable to Buyer.

Multiple horizontal lines for additional terms or conditions.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date \_\_\_\_\_ Buyer/Tenant AMG and Associates 11/22/2016 Buyer/Tenant Alexis Gevorgian, Managing Mem 11/22/2016 Alexis Gevorgian, Managing Mem

Date \_\_\_\_\_ Seller/Landlord John Mcmanus=

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)

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VACANT LAND PURCHASE AGREEMENT  
AND JOINT ESCROW INSTRUCTIONS

(C.A.R. Form VLPA, Revised 4/10)

Date August 25, 2016

1. OFFER:

A. THIS IS AN OFFER FROM AMG and Associates, Alexis Gevorgian, Managing Mem ("Buyer").

B. THE REAL PROPERTY TO BE ACQUIRED is described as 751 Old Tunnel Road  
Grass Valley, CA 95945

Assessor's Parcel No(s) 35-400-86  
situated in Grass Valley, County of Nevada, California, ("Property").

C. THE PURCHASE PRICE offered is Two Hundred Seventy-Five Thousand  
(Dollars \$ 275,000.00).

D. CLOSE OF ESCROW shall occur on \_\_\_\_\_ (date) (or  90 Days After Acceptance).

2. AGENCY:

A. POTENTIALLY COMPETING BUYERS AND SELLERS: Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer representation agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.

B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:  
Listing Agent Sierra Heritage Realty (Print Firm Name) is  
the agent of (check one):  the Seller exclusively; or  both the Buyer and Seller.  
Selling Agent Sierra Heritage Realty (Print Firm Name) (if not the  
same as the Listing Agent) is the agent of (check one):  the Buyer exclusively; or  the Seller exclusively; or  both the Buyer and Seller.  
Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.

A. INITIAL DEPOSIT: Deposit shall be in the amount of \$ 15,000.00

(1) Buyer shall deliver deposit directly to Escrow Holder by personal check,  electronic funds transfer,  
 Other \_\_\_\_\_ within 3 business days after acceptance (or  
 Other Within 5 business days after acceptance.);

OR (2) (If checked)  Buyer has given the deposit by personal check (or  \_\_\_\_\_ )  
to the agent submitting the offer (or to  \_\_\_\_\_ ), made payable to  
\_\_\_\_\_. The deposit shall be held uncashed until  
Acceptance and then deposited with Escrow Holder (or  into Broker's trust account) within 3 business days  
after Acceptance (or  Other \_\_\_\_\_ ).

B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ \_\_\_\_\_  
within \_\_\_\_\_ Days After Acceptance, or  \_\_\_\_\_.

C. LOAN(S)

(1) FIRST LOAN in the amount of \$ \_\_\_\_\_  
This loan will be conventional financing or, if checked,  FHA,  VA,  Seller (C.A.R. Form SFA),  
 assumed financing (C.A.R. Form PAA),  Other \_\_\_\_\_. This loan shall be at a  
fixed rate not to exceed \_\_\_\_\_ % or,  an adjustable rate loan with initial rate not to exceed  
\_\_\_\_\_ %. Regardless of the type of loan, Buyer shall pay points not to exceed \_\_\_\_\_ %  
of the loan amount.

(2)  SECOND LOAN in the amount of \$ \_\_\_\_\_  
This loan will be conventional financing or, if checked,  Seller (C.A.R. Form SFA),  assumed financing  
(C.A.R. Form PAA),  Other \_\_\_\_\_. This loan shall be at a fixed rate not to exceed  
\_\_\_\_\_ % or,  an adjustable rate loan with initial rate not to exceed \_\_\_\_\_ %.  
Regardless of the type of loan, Buyer shall pay points not to exceed \_\_\_\_\_ % of the loan amount.

D. ADDITIONAL FINANCING TERMS: \_\_\_\_\_ \$ \_\_\_\_\_

E. BALANCE OF PURCHASE PRICE OR DOWN PAYMENT in the amount of \$ 260,000.00  
to be deposited with Escrow Holder within sufficient time to close escrow.

F. PURCHASE PRICE (TOTAL): \$ 275,000.00

Buyer's Initials ( AG ) ( ACM )

Seller's Initials ( AG ) ( \_\_\_\_\_ )

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





G. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 3H(1)) shall, within 7 (or  \_\_\_\_\_) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (If checked,  verification attached.)

H. LOAN TERMS:

(1) LOAN APPLICATIONS: Within 7 (or  \_\_\_\_\_) Days After Acceptance, Buyer shall Deliver to Seller a letter from lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in 3C above. (If checked  letter attached.)

(2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Obtaining the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. Buyer's contractual obligations to obtain and provide deposit, balance of down payment and closing costs are not contingencies of this Agreement.

(3) LOAN CONTINGENCY REMOVAL:

(i) Within 17 (or  \_\_\_\_\_) Days After Acceptance, Buyer shall, as specified in paragraph 19, in writing remove the loan contingency or cancel this Agreement;

OR (ii) if checked)  the loan contingency shall remain in effect until the designated loans are funded.

(4)  NO LOAN CONTINGENCY (If checked): Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (OR, if checked,  is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the specified purchase price. If there is a loan contingency, Buyer's removal of the loan contingency shall be deemed removal of this appraisal contingency (or,  if checked, Buyer shall, as specified in paragraph 19B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or  \_\_\_\_\_) Days After Acceptance). If there is no loan contingency, Buyer shall, as specified in paragraph 19B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or  \_\_\_\_\_) Days After Acceptance.

J.  ALL CASH OFFER (If checked): Buyer shall, within 7 (or  \_\_\_\_\_) Days After Acceptance, Deliver to Seller written verification of sufficient funds to close this transaction. (If checked  verification attached.)

K. BUYER STATED FINANCING: Seller has relied on Buyer's representation of the type of financing specified (including but not limited to, as applicable, amount of down payment, contingent or non contingent loan, or all cash). If Buyer seeks alternate financing, (i) Seller has no obligation to cooperate with Buyer's efforts to obtain such financing, and (ii) Buyer shall also pursue the financing method specified in this Agreement. Buyer's failure to secure alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

L. SELLER FINANCING: The following terms (or  (if checked) the terms specified in the attached Seller Financing Addendum (C.A.R. Form SFA) apply ONLY to financing extended by Seller under this Agreement.

(1) BUYER'S CREDIT-WORTHINESS: Buyer authorizes Seller and/or Brokers to obtain, at Buyer's expense, a copy of Buyer's credit report. Within 7 (or  \_\_\_\_\_) Days After Acceptance, Buyer shall provide any supporting documentation reasonably requested by Seller.

(2) TERMS: Buyer's promissory note, deed of trust and other documents as appropriate shall incorporate and implement the following additional terms: (i) the maximum interest rate specified in paragraph 3C shall be the actual fixed interest rate for Seller financing; (ii) deed of trust shall contain a REQUEST FOR NOTICE OF DEFAULT on senior loans; (iii) Buyer shall sign and pay for a REQUEST FOR NOTICE OF DELINQUENCY prior to Close Of Escrow and at any future time if requested by Seller; (iv) note and deed of trust shall contain an acceleration clause making the loan due, when permitted by law and at Seller's option, upon the sale or transfer of the Property or any interest in it; (v) note shall contain a late charge of 6% of the installment due (or  \_\_\_\_\_) if the installment is not received within 10 days of the date due; (vi) title insurance coverage in the form of a joint protection policy shall be provided insuring Seller's deed of trust interest in the Property (any increased cost over owner's policy shall be paid by Buyer); and (vii) tax service shall be obtained and paid for by Buyer to notify Seller if property taxes have not been paid.

(3) ADDED, DELETED OR SUBSTITUTED BUYERS: The addition, deletion or substitution of any person or entity under this Agreement or to title prior to Close Of Escrow shall require Seller's written consent. Seller may grant or withhold consent in Seller's sole discretion. Any additional or substituted person or entity shall, if requested by Seller, submit to Seller the same documentation as required for the original named Buyer. Seller and/or Brokers may obtain a credit report, at Buyer's expense, on any such person or entity.

M. ASSUMED OR "SUBJECT TO" FINANCING: Seller represents that Seller is not delinquent on any payments due on any loans. Seller shall, within the time specified in paragraph 19, provide Copies of all applicable notes and deeds of trust, loan balances and current interest rates to Buyer. Buyer shall then, as specified in paragraph 19B(3), remove this contingency or cancel this Agreement. Differences between estimated and actual loan balances shall be adjusted at Close Of Escrow by cash down payment. Impound accounts, if any, shall be assigned and charged to Buyer and credited to Seller. Seller is advised that Buyer's assumption of an existing loan may not release Seller from liability on that loan. If this is an assumption of a VA Loan, the sale is contingent upon Seller being provided a release of liability and substitution of eligibility, unless otherwise agreed in writing. If the Property is acquired subject to an existing loan, Buyer and Seller are advised to consult with legal counsel regarding the ability of an existing lender to call the loan due, and the consequences thereof.

4. ALLOCATION OF COSTS (If checked): Unless otherwise specified in writing, this paragraph only determines who is to pay for the inspection, test or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.

A. INSPECTIONS AND REPORTS:

(1)  Buyer  Seller shall pay to have existing septic or private sewage disposal system, if any, inspected N/A

(2)  Buyer  Seller shall pay for costs of testing to determine the suitability of soil for sewage disposal \_\_\_\_\_

(3)  Buyer  Seller shall pay to have existing wells, if any, tested for water potability and productivity \_\_\_\_\_

Buyer's Initials ( AA ) ( ACM )

Seller's Initials ( [Signature] ) ( \_\_\_\_\_ )



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- (4)  Buyer  Seller shall pay to have Property corners identified \_\_\_\_\_
- (5)  Buyer  Seller shall pay for a natural hazard zone disclosure report prepared by Property ID \_\_\_\_\_
- (6)  Buyer  Seller shall pay for the following inspection or report Soil Testing, Geological studies, any.
- (7)  Buyer  Seller shall pay for the following inspection or report Any other studies Buyer deems necessary

**B. ESCROW AND TITLE:**

- (1)  Buyer  Seller shall pay escrow fee 50/50  
Escrow Holder shall be First American Title Porterville
- (2)  Buyer  Seller shall pay for owner's title insurance policy specified in paragraph 15E 50/50  
Owner's title policy to be issued by First American Title Porterville CA  
(Buyer shall pay for any title insurance policy insuring Buyer's Lender, unless otherwise agreed in writing.)

**C. OTHER COSTS:**

- (1)  Buyer  Seller shall pay County transfer tax or transfer fee \_\_\_\_\_
- (2)  Buyer  Seller shall pay City transfer tax or transfer fee \_\_\_\_\_
- (3)  Buyer  Seller shall pay Homeowners' Association ("HOA") transfer fees \_\_\_\_\_
- (4)  Buyer  Seller shall pay HOA document preparation fees \_\_\_\_\_
- (5)  Buyer  Seller shall pay for \_\_\_\_\_
- (6)  Buyer  Seller shall pay for \_\_\_\_\_

5. **POSSESSION AND KEYS:** Possession shall be delivered to Buyer at 5PM or \_\_\_\_\_  AM  PM,  on the date of Close Of Escrow;  on \_\_\_\_\_; or  no later than \_\_\_\_\_ Days After Close Of Escrow. The Property shall be unoccupied, unless otherwise agreed in writing. Seller shall provide keys and/or means to operate all Property locks. If Property is located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

**6. STATUTORY DISCLOSURES AND CANCELLATION RIGHTS:**

- A. **NATURAL AND ENVIRONMENTAL HAZARDS:** Seller shall, within the time specified in paragraph 19, deliver to Buyer if required by Law: (i) earthquake guides (and questionnaire) and environmental hazards booklet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- B. **WITHHOLDING TAXES:** Within the time specified in paragraph 19A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).
- C. **MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**7. SELLER DOCUMENTATION AND ADDITIONAL DISCLOSURE:**

- A. Within the time specified in paragraph 19, if Seller has actual knowledge, Seller shall provide to Buyer, in writing, the following information:
  - (1) **LEGAL PROCEEDINGS:** Any lawsuits by or against Seller, threatening or affecting the Property, including any lawsuits alleging a defect or deficiency in the Property or common areas, or any known notices of abatement or citations filed or issued against the Property.
  - (2) **AGRICULTURAL USE:** Whether the Property is subject to restrictions for agricultural use pursuant to the Williamson Act (Government Code §§51200-51295).
  - (3) **DEED RESTRICTIONS:** Any deed restrictions or obligations.
  - (4) **FARM USE:** Whether the Property is in, or adjacent to, an area with Right to Farm rights (Civil Code §3482.5 and §3482.6).
  - (5) **ENDANGERED SPECIES:** Presence of endangered, threatened, 'candidate' species, or wetlands on the Property.
  - (6) **ENVIRONMENTAL HAZARDS:** Any substances, materials, or products that may be an environmental hazard including, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, and contaminated soil or water on the Property.
  - (7) **COMMON WALLS:** Any features of the Property shared in common with adjoining landowners, such as walls, fences, roads, and driveways, and agriculture and domestic wells whose use or responsibility for maintenance may have an effect on the Property.
  - (8) **LANDLOCKED:** The absence of legal or physical access to the Property.
  - (9) **EASEMENTS/ENCROACHMENTS:** Any encroachments, easements or similar matters that may affect the Property.
  - (10) **SOIL FILL:** Any fill (compacted or otherwise), or abandoned mining operations on the Property.
  - (11) **SOIL PROBLEMS:** Any slippage, sliding, flooding, drainage, grading, or other soil problems.
  - (12) **EARTHQUAKE DAMAGE:** Major damage to the Property or any of the structures from fire, earthquake, floods, or landslides.
  - (13) **ZONING ISSUES:** Any zoning violations, non-conforming uses, or violations of "setback" requirements.
  - (14) **NEIGHBORHOOD PROBLEMS:** Any neighborhood noise problems, or other nuisances.
- B. **RENTAL AND SERVICE AGREEMENTS:** Within the time specified in paragraph 19, Seller shall make available to Buyer for inspection and review, all current leases, rental agreements, service contracts and other related agreements, licenses, and permits pertaining to the operation or use of the Property.
- C.  **TENANT ESTOPPEL CERTIFICATES:** (If checked) Within the time specified in paragraph 19, Seller shall deliver to Buyer tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.
- D. **MELLO-ROOS TAX; 1915 BOND ACT:** Within the time specified in paragraph 19, Seller shall: (i) make a good faith effort to obtain a notice from any local agencies that levy a special tax or assessment on the Property (or, if allowed, substantially equivalent notice), pursuant to the Mello-Roos Community Facilities Act, and Improvement Bond Act of 1915, and (ii) promptly deliver to Buyer any such notice obtained.

Buyer's Initials ( AA ) ( ACM )

Seller's Initials ( SM ) ( \_\_\_\_\_ )

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



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8. CONDOMINIUM/PLANNED UNIT DEVELOPMENT DISCLOSURES:

- A. SELLER HAS: 7 (or  \_\_\_\_\_) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form VLQ).
- B. If the Property is a condominium, or located in a planned unit development or other common interest subdivision, Seller has 3 (or  \_\_\_\_\_) Days After Acceptance to request from the HOA (C.A.R. Form HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures") and (vi) the following if Seller has actual knowledge: (a) any material defects in the condition of common area (such as pools, tennis courts, walkways or other areas co-owned in undivided interest with other); and (b) possible lack of compliance with HOA requirements. Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3).

9. SUBSEQUENT DISCLOSURES: In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.

10. CHANGES DURING ESCROW:

A. Prior to Close Of Escrow, Seller may engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 19: (i) rent or lease any part of the premises; (ii) alter, modify or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.

B. At least 7 (or  \_\_\_\_\_) Days prior to any Proposed Changes, Seller shall give written notice to Buyer of such Proposed Changes.

11. ITEMS INCLUDED AND EXCLUDED:

A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 11B or C.

B. ITEMS INCLUDED IN SALE:

- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) The following items: \_\_\_\_\_

(3) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.

(4) All items included shall be transferred free of liens and without Seller warranty.

C. ITEMS EXCLUDED FROM SALE: \_\_\_\_\_

12. CONDITION OF PROPERTY: Unless otherwise agreed: (i) the Property is sold (a) in its PRESENT physical ("as-is") condition as of the date of Acceptance and (b) subject to Buyer Investigation rights; (ii) the Property is to be maintained in substantially the same condition as of the date of Acceptance and (iii)  (if checked) All debris and personal property not included in the sale shall be removed by Seller by Close Of Escrow.

A. SELLER SHALL, within the time specified in paragraph 19, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS AFFECTING THE PROPERTY AND MAKE ALL OTHER DISCLOSURES REQUIRED BY LAW.

B. Buyer has the right to inspect the Property and, as specified in paragraph 19B, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.

C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.

13. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:

A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 19B. Within the time specified in paragraph 19B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.

B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 19B, complete Buyer Investigations and, either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.

C. Buyer indemnity and Seller protection for entry upon property: Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs of Buyer's Investigations. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination or cancellation of this Agreement and Close Of Escrow.

Buyer's Initials ( AA ) ( ACM )

Seller's Initials ( JM ) ( \_\_\_\_\_ )



**D. BUYER IS STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY AND ALL MATTERS AFFECTING THE VALUE OR DESIRABILITY OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE ITEMS SPECIFIED BELOW. IF BUYER DOES NOT EXERCISE THESE RIGHTS, BUYER IS ACTING AGAINST THE ADVICE OF BROKERS. BUYER UNDERSTANDS THAT ALTHOUGH CONDITIONS ARE OFTEN DIFFICULT TO LOCATE AND DISCOVER, ALL REAL PROPERTY CONTAINS CONDITIONS THAT ARE NOT READILY APPARENT AND THAT MAY AFFECT THE VALUE OR DESIRABILITY OF THE PROPERTY. BUYER AND SELLER ARE AWARE THAT BROKERS DO NOT GUARANTEE, AND IN NO WAY ASSUME RESPONSIBILITY FOR, THE CONDITION OF THE PROPERTY. BROKERS HAVE NOT AND WILL NOT VERIFY ANY OF THE ITEMS IN THIS PARAGRAPH 13, UNLESS OTHERWISE AGREED IN WRITING.**

- E. SIZE, LINES, ACCESS AND BOUNDARIES:** Lot size, property lines, legal or physical access and boundaries including features of the Property shared in common with adjoining landowners, such as walls, fences, roads and driveways, whose use or responsibility for maintenance may have an effect on the Property and any encroachments, easements or similar matters that may affect the Property. (Fences, hedges, walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. Property lines may be verified by survey.) (Unless otherwise specified in writing, any numerical statements by Brokers regarding lot size are APPROXIMATIONS ONLY, which have not been and will not be verified, and should not be relied upon by Buyer.)
- F. ZONING AND LAND USE:** Past, present, or proposed laws, ordinances, referendums, initiatives, votes, applications and permits affecting the current use of the Property, future development, zoning, building, size, governmental permits and inspections. Any zoning violations, non-conforming uses, or violations of "setback" requirements. (Buyer should also investigate whether these matters affect Buyer's intended use of the Property.)
- G. UTILITIES AND SERVICES:** Availability, costs, restrictions and location of utilities and services, including but not limited to, sewerage, sanitation, septic and leach lines, water, electricity, gas, telephone, cable TV and drainage.
- H. ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel, oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, including mold (airborne, toxic or otherwise), fungus or similar contaminant, materials, products or conditions.
- I. GEOLOGIC CONDITIONS:** Geologic/seismic conditions, soil and terrain stability, suitability and drainage including any slippage, sliding, flooding, drainage, grading, fill (compacted or otherwise), or other soil problems.
- J. NATURAL HAZARD ZONE:** Special Flood Hazard Areas, Potential Flooding (Inundation) Areas, Very High Fire Hazard Zones, State Fire Responsibility Areas, Earthquake Fault Zones, Seismic Hazard Zones, or any other zone for which disclosure is required by Law.
- K. PROPERTY DAMAGE:** Major damage to the Property or any of the structures or non-structural systems and components and any personal property included in the sale from fire, earthquake, floods, landslides or other causes.
- L. NEIGHBORHOOD, AREA AND PROPERTY CONDITIONS:** Neighborhood or area conditions, including Agricultural Use Restrictions pursuant to the Williamson Act (Government Code §§51200-51295), Right To Farm Laws (Civil Code §3482.5 and §3482.6), schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, abandoned mining operations on the Property, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.
- M. COMMON INTEREST SUBDIVISIONS; OWNER ASSOCIATIONS:** Facilities and condition of common areas (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others), Owners' Association that has any authority over the subject property, CC&Rs, or other deed restrictions or obligations, and possible lack of compliance with any Owners' Association requirements.
- N. SPECIAL TAX:** Any local agencies that levy a special tax on the Property pursuant to the Mello-Roos Community Facilities Act or Improvement Bond Act of 1915.
- O. RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants and the right of a landlord to terminate a tenancy.
- P. MANUFACTURED HOME PLACEMENT:** Conditions that may affect the ability to place and use a manufactured home on the Property.

**14. SELLER DISCLOSURES; ADDENDA; ADVISORIES; OTHER TERMS:**

- A. Seller Disclosures (if checked):** Seller shall, within the time specified in paragraph 19A, complete and provide Buyer with a:
  - Seller Vacant Land Questionnaire (C.A.R. Form VLQ)
- B. Addenda (if checked):**
  - Addendum # 1 (C.A.R. Form ADM)
  - Wood Destroying Pest Inspection and Allocation of Cost Addendum (C.A.R. Form WPA)
  - Purchase Agreement Addendum (C.A.R. Form PAA)
  - Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)
  - Short Sale Addendum (C.A.R. Form SSA)
  - Other Local NCAR Regional Disclosure
- C. Advisories (if checked):**
  - Buyer's Inspection Advisory (C.A.R. Form BIA)
  - Probate Advisory (C.A.R. Form PAK)
  - Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
  - Trust Advisory (C.A.R. Form TA)
  - REO Advisory (C.A.R. Form REO)
- D. Other Terms:** See Addendum #1 attached

Buyer's Initials ( AA ) ( ACM )

Seller's Initials ( JM ) ( \_\_\_\_\_ )

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



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15. TITLE AND VESTING:

- A. Within the time specified in paragraph 19, Buyer shall be provided a current preliminary title report, which shall include a search of the General Index, Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information. The preliminary report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 19B.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except: (i) monetary liens of record unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C. Within the time specified in paragraph 19, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
- E. Buyer shall receive a standard coverage owner's CLTA policy of title insurance. An ALTA policy or the addition of endorsements may provide greater coverage for Buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, survey requirements, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.

16. SALE OF BUYER'S PROPERTY:

- A. This Agreement is NOT contingent upon the sale of any property owned by Buyer.
- OR B.  (If checked) The attached addendum (C.A.R. Form COP) regarding the contingency for the sale of property owned by Buyer is incorporated into this Agreement.

17.  MANUFACTURED HOME PURCHASE (If checked): The purchase of the Property is contingent upon Buyer acquiring a personal property manufactured home to be placed on the Property after Close Of Escrow. Buyer  has  has not entered into a contract for the purchase of a personal property manufactured home. Within the time specified in paragraph 19, Buyer shall remove this contingency or cancel this Agreement, (OR, if checked,  this contingency shall remain in effect until the Close Of Escrow of the Property).

18.  CONSTRUCTION LOAN FINANCING (If checked): The purchase of the Property is contingent upon Buyer obtaining a construction loan. A draw from the construction loan  will  will not be used to finance the Property. Within the time specified in paragraph 19, Buyer shall remove this contingency or cancel this Agreement (or, if checked,  this contingency shall remain in effect until Close Of Escrow of the Property).

19. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

A. SELLER HAS: 7 (or  7 ) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 3M, 4, 6A and B, 7, 8A, 12A, 14A and B, and 15. Buyer may give Seller a Notice to Seller to Perform (C.A.R. Form NSP) if Seller has not Delivered the items within the time specified.

B. (1) BUYER HAS: 17 (or  60 ) Days After Acceptance, unless otherwise agreed in writing, to complete all Buyer Investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and approve all other matters affecting the Property (including lead-based paint and lead-based paint hazards as well as other information specified in paragraph 6 and insurability of Buyer and the Property).

(2) Within the time specified in 19B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests.

(3) Within the time specified in 19B(1) (or as otherwise specified in this Agreement), Buyer shall, Deliver to Seller either (i) a removal of the applicable contingency (C.A.R. Form CR), or (ii) a cancellation (C.A.R. Form CC) of this Agreement based upon a remaining contingency or Seller's failure to Deliver the specified items. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in 19A, then Buyer has 5 (or  ) Days After Delivery of any such items, or the time specified in 19B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.

(4) Continuation of Contingency: Even after the end of the time specified in 19B(1) and before Seller cancels this Agreement, if at all, pursuant to 19C, Buyer retains the right to either (i) in writing remove remaining contingencies, or (ii) cancel this Agreement based upon a remaining contingency or Seller's failure to Deliver the specified items. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to 19C(1).

C. SELLER RIGHT TO CANCEL:

(1) Seller right to Cancel; Buyer Contingencies: If, within the time specified in this Agreement, Buyer does not, in writing, Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP) may cancel this Agreement. In such event, Seller shall authorize return of Buyer's deposit.

(2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first Delivering to Buyer a NBP may cancel this Agreement for any of the following reasons: (i) if Buyer fails to deposit funds as required by 3A or 3B; (ii) if the funds deposited pursuant to 3A or 3B are not good when deposited; (iii) if Buyer fails to Deliver a letter as required by 3H; (iv) if Buyer fails to Deliver verification as required by 3G or 3J; or (v) if Seller reasonably disapproves of the verification provided by 3G or 3J or the credit report or supporting documentation pursuant to 3M. In such event, Seller shall authorize return of Buyer's deposit.

(3) Notice To Buyer To Perform: The NBP shall: (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer at least 2 (or  ) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for Buyer to remove a contingency or cancel this Agreement or meet an obligation specified in 19C(2).

D. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall with regard to that contingency or cancellation right conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections or for inability to obtain financing.

Buyer's Initials ( AA ) ( ACM )

Seller's Initials ( JM ) ( \_\_\_\_\_ )

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



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- E. **CLOSE OF ESCROW:** Before Seller or Buyer may cancel this Agreement for failure of the other party to close escrow pursuant to this Agreement, Seller or Buyer must first give the other a demand to close escrow (C.A.R. Form DCE).
- F. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Release of funds will require mutual Signed release instructions from Buyer and Seller, judicial decision or arbitration award.
- 20. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final inspection of the Property within 5 (or \_\_\_\_\_) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 12; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. FORM VP).
- 21. **ENVIRONMENTAL HAZARD CONSULTATION:** Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.
- 22. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are a current lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are a current lien but not yet due. The Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller. See C.A.R. Form SPT or SBSA for further information. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
- 23. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
- 24. **MULTIPLE LISTING SERVICE/PROPERTY DATA SYSTEM:** If Broker is a participant of a Multiple Listing Service ("MLS") or Property Data System ("PDS"), Broker is authorized to report to the MLS or PDS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be produced to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS or PDS.
- 25. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 26. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 31A.
- 27. **DEFINITIONS:** As used in this Agreement:
  - A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.
  - B. "C.A.R. Form" means the specific form referenced or another comparable form agreed to by the parties.
  - C. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded.
  - D. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
  - E. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
  - F. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
  - G. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
  - H. "Deliver", "Delivered" or "Delivery", regardless of the method used (i.e. messenger, mail, email, fax, other), means and shall be effective upon (i) personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in paragraph D of the section titled Real Estate Brokers on page 8; OR (ii) if checked,  per the attached addendum (C.A.R. Form RDN).
  - I. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other party.
  - J. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
  - K. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
  - L. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
- 28. **BROKERS:**
  - A. **BROKER COMPENSATION** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.

Buyer's Initials ( AA ) ( ACM )

Seller's Initials ( [Signature] ) ( \_\_\_\_\_ )



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B. **SCOPE OF BROKER DUTY:** Buyer and Seller acknowledge and agree that: Brokers: (i) do not decide what price Buyer should pay or Seller should accept; (ii) do not guarantee the condition of the Property; (iii) do not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) shall not be responsible for identifying defects that are not known to Broker(s); (v) shall not be responsible for inspecting public records or permits concerning the title or use of the Property; (vi) shall not be responsible for identifying location of boundary lines or other items affecting title; (vii) shall not be responsible for verifying square footage, representations of others or information contained in inspection reports, MLS or PDS, advertisements, flyers or other promotional material, unless otherwise agreed in writing; (viii) shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller in the course of this representation; and (ix) shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

29. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**

A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 3, 4, 6B, 14B and D, 15, 16B, 17, 18, 19F, 22, 27, 28A, 29, 33, 35, and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 28A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out of Buyer's or Seller's funds, or both, as applicable, the respective Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not specifically referenced above in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.

B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or  \_\_\_\_\_). Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement.

C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 28A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 28A, respectively, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement. Escrow Holder shall immediately notify Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if either Buyer or Seller instruct Escrow Holder to cancel escrow.

D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.

30. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award.

Buyer's Initials AAJ / ACM Seller's Initials [Signature]

31. **DISPUTE RESOLUTION:**

A. **MEDIATION:** Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Buyer and Seller also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 31C.

B. **ARBITRATION OF DISPUTES:**

Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. Buyer and Seller also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 31C.

Buyer's Initials ( AAJ ) ( ACM )

Seller's Initials ( [Signature] ) ( \_\_\_\_\_ )



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"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials AA | ACM Seller's Initials EM | \_\_\_\_\_

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

- (1) EXCLUSIONS: The following matters shall be excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver or violation of the mediation and arbitration provisions.
(2) BROKERS: Brokers shall not be obligated or compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.

32. TERMS AND CONDITIONS OF OFFER:

This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all parties initial such paragraph(s), a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

33. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES: Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the laws of the State of California. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.

34. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit shall be returned unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by Patty Puckett who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or, if checked,  by 4:00  AM  PM, on September 8, 2016 (date)).

Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships.

Date 08/29/2016 18:41:11
BUYER AMC and Associates
AMC and Associates
(Print name)
16633 Ventura Blvd. Suite 1014, Encino, CA 91436
(Address)

Date 08/29/2016 18:42:58
BUYER Alexis Gevorgian, Managing Mem
Alexis Gevorgian, Managing Mem
(Print name)

Additional Signature Addendum attached (C.A.R. Form ASA).

35. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

(If checked) SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form CO) DATED: \_\_\_\_\_

Date Sept 1 2016
SELLER John McManus
John McManus
(Print name)
P.O. Box 6361, Incline Village, NV 89450
(Address)

Date \_\_\_\_\_
SELLER \_\_\_\_\_
(Print name)

Additional Signature Addendum attached (C.A.R. Form ASA).

( \_\_\_\_\_ / \_\_\_\_\_ ) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) \_\_\_\_\_ at \_\_\_\_\_  AM  PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

Buyer's Initials ( AA ) ( ACM )

Seller's Initials ( EM ) ( \_\_\_\_\_ )

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





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**REAL ESTATE BROKERS:**

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
- B. Agency relationships are confirmed as stated in paragraph 2.
- C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.
- D. **COOPERATING BROKER COMPENSATION:** Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow: (i) the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS; or (ii)  (if checked) the amount specified in a separate written agreement (C.A.R. Form CBC) between Listing Broker and Cooperating Broker. Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) Sierra Heritage Realty BRE Lic. # 01039993  
 By Patty Puckett  Patty Puckett BRE Lic. # 01238939 Date 08/25/2016 08/29/2016 18:31:57  
 Address 908 Taylorville Rd Suite 204 City Grass Valley State CA Zip 95949  
 Telephone (530) 277-2439 Fax (530) 884-2820 E-mail prpuckett@gmail.com

Real Estate Broker (Listing Firm) Sierra Heritage Realty BRE Lic. # 01039993  
 By Patty Puckett  Patty Puckett BRE Lic. # 01238939 Date 08/29/2016 18:32:50  
 Address 900 Taylorville Road Suite 204 City Grass Valley State CA Zip 95949  
 Telephone (530) 277-2439 Fax (530) 884-2820 E-mail prpuckett@gmail.com

**ESCROW HOLDER ACKNOWLEDGMENT:**

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked,  a deposit in the amount of \$ \_\_\_\_\_), counter offer(s) numbered \_\_\_\_\_  Seller's Statement of Information and  Other \_\_\_\_\_, and agrees to act as Escrow Holder subject to paragraph 29 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions, if any.


Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is \_\_\_\_\_

Escrow Holder \_\_\_\_\_ Escrow # \_\_\_\_\_  
 By \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_  
 Phone/Fax/E-mail \_\_\_\_\_

Escrow Holder is licensed by the California Department of  Corporations,  Insurance,  Real Estate. License # \_\_\_\_\_

**PRESENTATION OF OFFER:** ( \_\_\_\_\_ ) Listing Broker presented this offer to Seller on \_\_\_\_\_ (date).  
 Broker or Designee Initials

**REJECTION OF OFFER:** ( \_\_\_\_\_ ) ( \_\_\_\_\_ ) No counter offer is being made. This offer was rejected by Seller on \_\_\_\_\_ (date).  
 Seller's Initials

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VLPA REVISED 4/10 (PAGE 10 of 10)

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



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The following terms and conditions are hereby incorporated in and made a part of the:  Residential Purchase Agreement,  Manufactured Home Purchase Agreement,  Business Purchase Agreement,  Residential Lease or Month-to-Month Rental Agreement,  Vacant Land Purchase Agreement,  Residential Income Property Purchase Agreement,  Commercial Property Purchase Agreement,  Other \_\_\_\_\_

dated August 25, 2016, on property known as 751 Old Tunnel Road  
Grass Valley, CA 95945

in which AMG and Associates, Alexis Gevorgian, Managing Mem is referred to as ("Buyer/Tenant")  
and John Mcmanus is referred to as ("Seller/Landlord").

1. Buyer's Obligation to close escrow shall be subject to the satisfaction of the following matters or Buyer's express written waiver thereof within the times set forth below. (Contingency Periods)
  - a. Title Report Within 30 days, including copies of all underlying documents referenced therein as exceptions on property issued by Chicago Title Company in Porterville, CA.
  - b. Feasibility. Within 60 days of acceptance date Buyer's review and approval, at Buyer's sole discretion, of the condition and sustainability of Property for Buyer's intended use, including soils testing, zoning, general plan amendments, conditional use permits, engineering and geological studies, environmental studies, market evaluations, and other tests, studies, maps, plans reports and investigations, which Buyer deems necessary.
2. Extensions. Buyer shall have the right to extend the Close of Escrow date described in contract for one 45 day extension period upon which Buyer shall deposit and release Ten Thousand Dollars (\$10,000) for each 45 day extension period granted by Seller. Each Deposit will be non refundable to Buyer, be released to Seller and shall not apply to the Purchase Price at Closing.
3. Buyer shall have the right to assign this contract to a related or affiliated third party or the Regional Housing Authority of Sutter and Nevada Counties.
4. Within 60 days after the agreement date, Buyer shall instruct Escrow to release Fifteen Thousand dollars (\$15,000) to the Seller. This amount shall be non-refundable to Buyer and apply to the Purchase Price and the close of Escrow.
5. Seller shall provide to Buyer all reports, financial statements, studies and any other pertinent work material relative to the subject property within 7 business days of acceptance of this agreement.
6. Current non-delinquent real property taxes and assessments shall be prorated between Buyer and Seller as of the date of closing on the basis of a thirty-day month.
7. Alexis Gevorgian is Managing Member of AMG & Associates.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date \_\_\_\_\_

Date Sept 1, 2016

Buyer/Tenant AMG and Associates 08/29/2016 18:41:21  
AMG and Associates

Seller/Landlord John McManus  
John Mcmanus

Buyer/Tenant Alexis Gevorgian, Managing Mem 08/29/2016 18:43:09  
Alexis Gevorgian, Managing Mem

Seller/Landlord \_\_\_\_\_

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ADM REVISED 4/12 (PAGE 1 OF 1)

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



**ADDENDUM (ADM PAGE 1 OF 1)**

Agent: Patty Puckett Phone: 530-277-2439 Fax: 530-884-2820 Prepared using zipForm® software  
Broker: Sierra Heritage Realty, 908 Taylorville Rd. Suite 204 Grass Valley, CA 95949

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EXTENSION OF TIME ADDENDUM
(C.A.R. Form ETA, Revised 4/06)

The following terms and conditions are hereby incorporated in and made a part of the: [ ] California Residential Purchase Agreement, [ ] Manufactured Home Purchase Agreement, [ ] Probate Purchase Agreement, [ ] Residential Income Property Purchase Agreement, [X] Vacant Land Purchase Agreement, [ ] Commercial Property Purchase Agreement, [ ] Business Purchase Agreement, [ ] other

dated September 1, 2016, on property known as 751 Old Tunnel Rd, Grass Valley, CA ("Agreement"), ("Property"), in which AMG & Associates, Alexis Gevorgian is referred to as ("Buyer") and John Mcmanus is referred to as ("Seller").

- 1. EXTENSION OF ESCROW: The scheduled Close Of Escrow is extended to (Date).
2. EXTENSION OF CONTINGENCY(IES): The following contingency(ies), if checked, is/are extended to November 14, 2016 (Date) [X] Buyer Investigation of Property Condition [ ] Loan [ ] Other 19-B of contract.
3. OTHER EXTENSION(S): The time for Release of \$15,000 deposit. (Adden. 1-4) is/are extended to November 14, 2016 (Date).
4. ADDITIONAL TERMS:

By signing below, Buyer and Seller acknowledge that each has read, understands, and received a copy of and agrees to the terms of this Extension of Time Addendum.

Buyer AMG & Associates 10/31/2016 9:33:01 Date
Buyer Alexis Gevorgian 10/27/2016 12:41:04 Date
Seller John Mcmanus Date
Seller Date

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Reviewed by Date



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CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**ADDENDUM**

(C.A.R. Form ADM, Revised 12/15)

No. 3

The following terms and conditions are hereby incorporated in and made a part of the:  Purchase Agreement,  Residential Lease or Month-to-Month Rental Agreement,  Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind),  Other Vacant Land Purchase agreement, dated \_\_\_\_\_, on property known as 751 Old Tunnel Road, Grass Valley, CA 95945

in which AMG and Associates, Alexis Gevorgian, Managing Mem is referred to as ("Buyer/Tenant") and John Mcmanus is referred to as ("Seller/Landlord").

**1. Amend #2 on Addendum 1 to read.**


Extensions - Buyer shall have the right to extend the Close of Escrow date described in the contract for one 45 day extension period, upon which time Buyer shall deposit and release Ten Thousand Dollars (\$10,000). This first extension deposit release of \$10,000 shall apply to the purchase price. This deposit release shall be non-refundable to Buyer.

2. On any additional 45 day extension period granted by the Seller, the Buyer shall deposit and release Ten Thousand Dollars (\$10,000). These deposit releases shall not apply to the Purchase price. This deposit release shall be non-refundable to Buyer.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date \_\_\_\_\_


Date \_\_\_\_\_

Buyer/Tenant AMG and Associates  11/22/2016 13:44:49

Seller/Landlord \_\_\_\_\_

AMG and Associates

John Mcmanus


Buyer/Tenant Alexis Gevorgian, Managing Mem  11/22/2016 13:43:57

Seller/Landlord \_\_\_\_\_

Alexis Gevorgian, Managing Mem

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525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



ADM REVISED 12/15 (PAGE 1 OF 1)

**ADDENDUM (ADM PAGE 1 OF 1)**

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ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. 3

The following terms and conditions are hereby incorporated in and made a part of the: [ ] Purchase Agreement, [ ] Residential Lease or Month-to-Month Rental Agreement, [ ] Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), [X] Other Vacant Land Purchase agreement dated \_\_\_\_\_, on property known as \_\_\_\_\_ 751 Old Tunnel Road \_\_\_\_\_

\_\_\_\_\_ Grass Valley, CA 95945 in which AMG and Associates, Alexis Gevorgian, Managing Mem is referred to as ("Buyer/Tenant") and John Mcmanus= is referred to as ("Seller/Landlord").

1. Amend #2 on Addendum 1 to read. Extensions - Buyer shall have the right to extend the Close of Escrow date described in the contract for one 45 day extension period, upon which time Buyer shall deposit and release Ten Thousand Dollars (\$10,000). This first extension deposit release of \$10,000 shall apply to the purchase price. This deposit release shall be non-refundable to Buyer.

2. On any additional 45 day extension period granted by the Seller, the Buyer shall deposit and release Ten Thousand Dollars (\$10,000). These deposit releases shall not apply to the Purchase price. This deposit release shall be non-refundable to Buyer.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date \_\_\_\_\_ Buyer/Tenant AMG and Associates 11/22/2016 Buyer/Tenant Alexis Gevorgian, Managing Mem 11/22/2016

Date \_\_\_\_\_ Seller/Landlord John Mcmanus= Seller/Landlord \_\_\_\_\_

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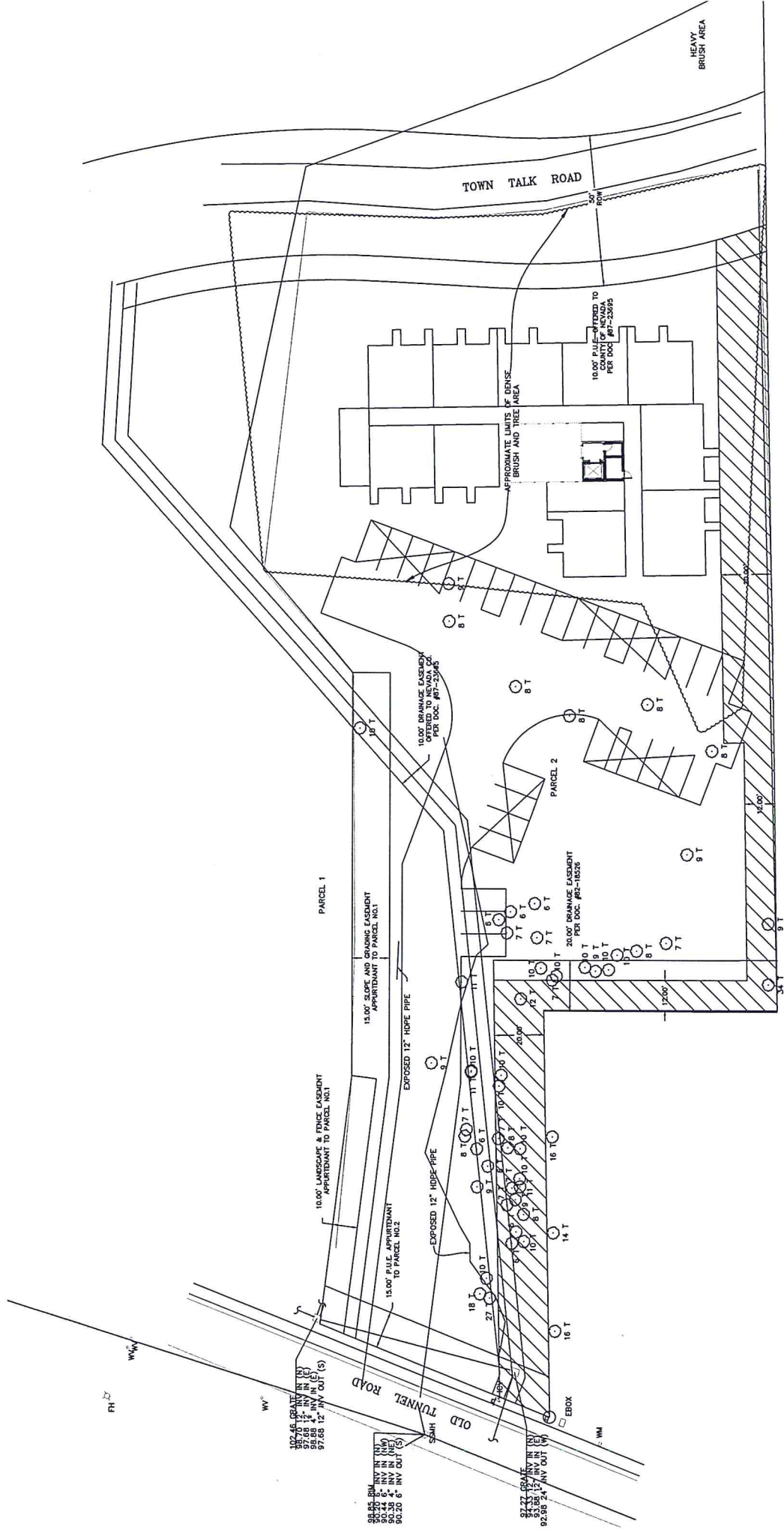
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ADDENDUM (ADM PAGE 1 OF 1)

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**Regional Housing Authority of Sutter and Nevada Counties**

1455 Butte House Road, Yuba City, CA 95993

Phone (530) 671-0220, Toll Free: (888) 671-0220

TTY: (866) 735-2929 | Fax (530) 673-077

Website: www.rhasnc.org

RESOLUTION 16-1477

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES AUTHORIZING RURAL DEVELOPMENT COLLECTION LOSS WRITE-OFF IN THE AMOUNT OF \$512.59

WHEREAS, the Regional Housing Authority of Sutter and Nevada Counties operates farm work housing project Phases I, II and III pursuant to Rural Development regulations; and

WHEREAS, operations of farm work housing includes the collection of monthly rental amounts; and

WHEREAS, the Regional Housing Authority of Sutter and Nevada Counties makes every attempt to collect outstanding balances; and

WHEREAS, Exhibit A provides a list of uncollectible accounts for the period ending December 31, 2016 and is made a part of this resolution;

BE IT THEREFORE RESOLVED that the Board of Commissioners of the Regional Housing Authority of Sutter and Nevada Counties authorizes the Executive Director to write-off as collection losses the tenant receivables listed on Exhibit A totaling \$512.59.

This Resolution is to take effect immediately.

This Resolution is presented at the Regular Meeting of the Board of Commissioners, passed and adopted this 7<sup>th</sup> day of December, 2016 by the following vote:

AYES:

NAYS:

ABSTAINED:

ABSENT:

ATTEST: \_\_\_\_\_

Martha Griese, Chairperson

(SEAL)

H:Reso\16-1477



*The Housing Authority is an equal opportunity employer and housing provider.*



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**Rural Development Properties  
Collection Loss Write Off  
Period: December 2016**

<u>Tenant</u>	<u>Address</u>	<u>Date</u>		<u>Monthly Rent</u>	<u>Rent Owed</u>	<u>Late Fee's</u>	<u>Damages</u>	<u>Utilities</u>	<u>Legal Fee's</u>	<u>Total Owed</u>	<u>Payback Agreement</u>
		<u>Move In</u>	<u>Move Out</u>								
T0005216	9400 Larkin Rd., #8A, Live Oak	11/18/13	09/02/16	\$ 218.00	\$ -	\$ -	\$ 18.02	\$ -	\$ -	\$ 18.02	No
T0005078	420 Miles Ave., #52, Yuba City	05/07/13	09/22/16	\$ 494.00	\$ 257.28	\$ 10.00	\$ 227.29	\$ -	\$ -	\$ 494.57	No
					\$ 257.28	\$ 10.00	\$ 245.31	\$ -	\$ -	\$ 512.59	<b>Total Write Off</b>

Tenants listed with Payback Agreement's failed to honor the Agreement.

Utility costs incurred by PHA from tenant move-in date until transferred to tenant's name. Those charges are then billed to the tenant.

Deceased \*

Exhibit A

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**Regional Housing Authority of Sutter and Nevada Counties**

1455 Butte House Road, Yuba City, CA 95993

Phone (530) 671-0220, Toll Free: (888) 671-0220

TTY: (866) 735-2929 | Fax (530) 673-077

Website: [www.rhasnc.org](http://www.rhasnc.org)

RESOLUTION 16-1478

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES AUTHORIZING KINGWOOD COMMONS APARTMENTS COLLECTION LOSS WRITE-OFF IN THE AMOUNT OF \$635.50

WHEREAS, the Regional Housing Authority of Sutter and Nevada Counties operates Kingwood Commons pursuant to Section 8 regulations; and

WHEREAS, operations of Kingwood Commons includes the collection of monthly rental amounts; and

WHEREAS, the Regional Housing Authority of Sutter and Nevada Counties makes every attempt to collect outstanding balances; and

WHEREAS, Exhibit A provides a list of uncollectible accounts for the period ending December 31, 2016 and is made a part of this resolution;

BE IT THEREFORE RESOLVED that the Board of Commissioners of the Regional Housing Authority of Sutter and Nevada Counties authorizes the Executive Director to write-off as collection losses the tenant receivables listed on Exhibit A totaling \$635.50.

This Resolution is to take effect immediately.

This Resolution is presented at the Regular Meeting of the Board of Commissioners, passed and adopted this 7<sup>th</sup> day of December, 2016 by the following vote:

AYES:

NAYS:

ABSTAINED:

ABSENT:

ATTEST: \_\_\_\_\_

Martha Griese, Chairperson

(SEAL)

H:Reso\16-1478



*The Housing Authority is an equal opportunity employer and housing provider.*



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Kingwood Commons  
 1340 Gray Avenue, Yuba City  
 Collection Loss Write Off  
 Period: December 2016

<u>Tenant</u>	<u>Apartment</u>	<u>Move In</u>	<u>Date</u>	<u>Move Out</u>	<u>Monthly Rent</u>	<u>Rent Owed</u>	<u>Late Fee's</u>	<u>Damages</u>	<u>Utilities</u>	<u>Legal Fee's</u>	<u>Total Owed</u>	<u>Payback Agreement</u>
T0006968	17	10/05/15	10/13/16	\$ 641.00	\$ 274.00	\$ 25.00	\$ 336.50	\$ -	\$ -	\$ -	\$ 635.50	No
											<b>\$ 274.00</b>	<b>\$ 635.50</b>
											<b>\$ 25.00</b>	<b>\$ -</b>
											<b>\$ 336.50</b>	<b>\$ -</b>
											<b>\$ -</b>	<b>Total Write Off</b>

Deceased \*

Tenants listed with Payback Agreement's failed to honor the Agreement.

Utility costs incurred by PHA from tenant move-in date until transferred to tenant's name. Those charges are then billed to the tenant.

Exhibit A