



HOUSING AUTHORITY REPORT

DATE ISSUED: April 15, 2008 REPORT NO: HAR 08-10
ATTENTION: Members of the Housing Authority
For the Agenda of May 20, 2008
SUBJECT: Offer to Purchase – 3516 Del Sol Blvd., Unit G / Council District 8

REQUESTED ACTION:

Housing Authority acceptance of the \$90,000 offer to purchase the property located at 3516 Del Sol Blvd., Unit G.

STAFF RECOMMENDATION:

Housing Authority approval to:

1. Determine the property located at 3516 Del Sol Blvd., Unit G to be surplus in accordance with the provisions of California Health and Safety Code 34315.7 and Housing Commission Policy No. 600.103; and to find that such determination will allow the Housing Commission to sell the property to Leo Jeffries under the provisions of Health and Safety Code Sections 34315.7;
2. Accept the \$90,000 offer to purchase the property at 3516 Del Sol Blvd., Unit G as submitted by Leo Jeffries; and
3. Authorize the President and Chief Executive Officer, or designee, to execute any and all documents and receive the sale proceeds.

DISCUSSION:

The subject property, located at 3516 Del Sol Blvd., Unit G is located in Otay Mesa in the South Bay area of San Diego (Attachment 1 – Location Map). It is part of a 140 unit condominium project known as Park Lido that was built in 1974. The unit has approximately 800 square feet with two bedrooms and one bath. It is considered to be in fair condition.

On December 3, 1999, the Housing Commission funded an \$11,800 shared equity loan using HOME funds to Baltazar and Reyna Zamora to help them purchase the unit. The shared equity loan was recorded in second position, junior to a \$44,250 first trust deed loan funded by Washington Mutual. The original purchase price for the Del Sol property was \$59,000. In February 2003, the owners refinanced the property by paying off the existing first trust deed loan and took out a loan that was junior to the Housing Commission's debt. Mr. and Mrs. Zamora refinanced once again in February 2004, resulting in a total of approximately \$67,000 in cash to the owners. Through the refinancing the Housing Commission's lien moved into first position.

Eventually, Mr. and Mrs. Zamora defaulted on the payment of their homeowner's association dues and the second trust deed loan with Wells Fargo Bank. On May 9, 2006 a Trustee's Sale was held on behalf of the bank and the property was purchased by Hassan Kahn for \$175,100. Mr. Kahn purchased the property subject to the Housing Commission's first trust deed shared equity loan. After the completion of the sale, Mr. Kahn was notified the Commission's loan was due and payable, including an equity share, because the property was no longer owner occupied and it had been sold and transferred to Mr. Kahn via the foreclosure sale. Mr. Kahn refused to pay off the shared equity loan which resulted in

staff recording a Notice of Default. Mr. Kahn believed the Housing Commission was not entitled to an equity share so he hired an attorney and had a restraining order placed against the property halting the Housing Commission's foreclosure action. The Housing Commission's General Counsel filed a motion for summary judgment to validate the right of the Housing Commission to proceed with its foreclosure and to obtain its equity share. The Superior Court ruled in favor of the Housing Commission. The Trustee's Sale was held on November 21, 2007. There were no bidders at the sale and title to the property reverted to the Housing Commission. The property is owned free and clear of all liens.

In accordance with Housing Commission Loan Defaults, Foreclosures, and Disposition of Property Acquired Policy No. 600.103, the Chief Executive Officer analyzed the subject property to determine if it should be added to the Housing Commission's management portfolio and maintained as an affordable housing resource. Based on the adverse condition of the unit (and development) and additional costs to maintain a single separated unit from other maintained units, a decision was made to sell the unit. On December 7, 2008 the property was offered for sale at \$115,000 through a public notice in compliance with the conditions set forth in California Health and Safety Code Section 34315.7. One offer was received from Alberto Garcia Lopez for \$120,000. However, prior to Housing Authority acceptance of the offer, Mr. Lopez withdrew it. The property was then listed with a Real Estate Agent from the Housing Commission's list of qualified agents able to sell single family properties or condominium units owned by the Housing Commission/Housing Authority. The Del Sol property was listed for sale at \$99,900. On March 30, 2008, an offer was received from Leo Jeffries for \$79,000. The Housing Commission made a counter offer, subject to Board and Housing Authority approval, of \$95,000. On April 14, 2008, a counter offer was received from Mr. Jeffries for \$90,000. The offer is an all cash transaction with buyer and seller paying normal closing costs. Mr. Jeffries is an investor and will be renting the property once it is acquired. On May 16, 2008 the Housing Commission heard this item and is recommending the Housing Authority accept the offer as presented.

FISCAL CONSIDERATIONS:

Sale of the property for \$90,000 would result in the recovery of the shared equity loan funds and expenses, plus a profit of approximately \$31,866.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Pursuant to California Health and Safety Code Section 34315.7 and Housing Commission Policy No. 600.103, a public notice was issued. If multiple offers had been received they would have been considered in the order and upon the terms set forth in the code section and Policy No. 600.103.

ENVIRONMENTAL REVIEW:

This activity is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15060(c)(3) of the State CEQA guidelines (the activity is not a project as defined in Section 15378). The project is categorically excluded from review under the National Environmental Protection Act pursuant to Section 58.35(b)(5).

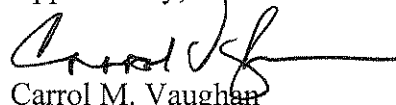
Respectfully submitted,



Cissy Fisher

Directory of Housing Finance and Development

Approved by,

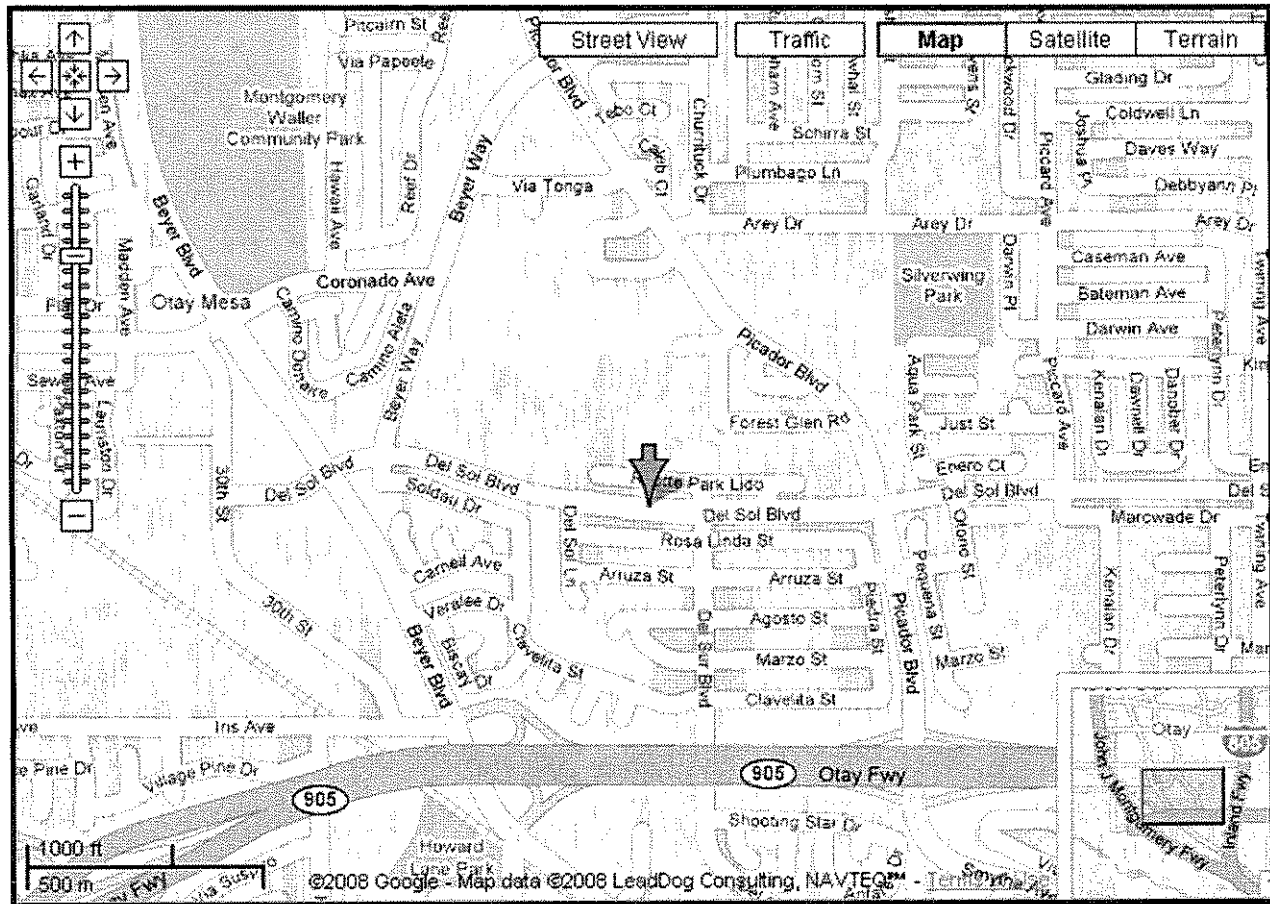


Carol M. Vaughan

Interim President & Chief Executive Officer

ATTACHMENT 1

Location Map:



Full Location Address:

3516 Del Sol Blvd, Unit G
San Diego, CA 92154

ATTACHMENT 2

SUMMARY OF INCOME AND EXPENSES

Assuming escrow will close in June 2008, the sale would result in an estimated net gain of \$31,866.

Sales price	\$90,000
Less: Original shared equity loan	11,800
Payment of delinquent and current property taxes	7,070
Attorney's fees	29,243
Miscellaneous expenses incurred to date	3,721
Estimated closing cost (2% of sales price)	1,800
Real estate commission (5% of sales price)	<u>4,500</u>
ESTIMATED NET GAIN	\$31,866



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COUNTER OFFER No. 2

For use by Seller or Buyer. May be used for Multiple Counter Offer.
(C.A.R. Form CO, Revised 10/04)

Date April 6, 2008, at San Diego, California.
This is a counter offer to the: ☐ California Residential Purchase Agreement, ☒ Counter Offer, or ☐ Other ("Offer").
dated , on property known as 3516 Del Sol Blvd. #G ("Property").
between Leo Jeffries, ("Buyer") and San Diego Housing Commission ("Seller").

1. **TERMS:** The terms and conditions of the above referenced document are accepted subject to the following:
- Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
 - The total purchase price shall be \$90,000.00.

D. The following attached supplements are incorporated into this Counter Offer: ☐ Addendum No.

2. **RIGHT TO ACCEPT OTHER OFFERS:** Seller has the right to continue to offer the Property for sale or for other transaction, and to accept any other offer at any time prior to notification of acceptance, as described in paragraph 3. If this is a Seller Counter Offer, Seller's acceptance of another offer prior to Buyer's acceptance and communication of notification of this Counter Offer, shall revoke this Counter Offer.

3. **EXPIRATION:** This Counter Offer shall be deemed revoked and the deposits, if any, shall be returned unless this Counter Offer is signed by the Buyer or Seller to whom it is sent and a Copy of the signed Counter Offer is personally received by the person making this Counter Offer or Kaye Hernandez

who is authorized to receive it, by 5:00 PM on the third Day after this Counter Offer is made or, (if checked) by ☐ (date), at AM ☐ PM. This Counter Offer may be executed in counterparts.

4. ☐ (If checked:) **MULTIPLE COUNTER OFFER:** Seller is making a Counter Offer(s) to another prospective buyer(s) on terms that may or may not be the same as in this Counter Offer. Acceptance of this Counter Offer by Buyer shall not be binding unless and until it is subsequently re-Signed by Seller in paragraph 7 below and a Copy of the Counter Offer Signed in paragraph 7 is personally received by Buyer or by , who is authorized to receive it, by 5:00 PM (date), at AM ☐ PM. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.

5. **OFFER:** ☒ **BUYER OR** ☐ **SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.**

Leo Jeffries Date April 6, 2008
Date

6. **ACCEPTANCE:** I/WE accept the above Counter Offer (if checked ☐ **SUBJECT TO THE ATTACHED COUNTER OFFER**) and acknowledge receipt of a Copy

SAN DIEGO HOUSING COMMISSION Date April 14, 2008 Time ☐ AM ☐ PM
By: Date Time ☐ AM ☐ PM

7. **MULTIPLE COUNTER OFFER SIGNATURE LINE:** By signing below, Seller accepts this Multiple Counter Offer.
NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)

Date Time ☐ AM ☐ PM
Date Time ☐ AM ☐ PM

8. **(/) (Initials) Confirmation of Acceptance:** A Copy of Signed Acceptance was personally received by the maker of the Counter Offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) , at AM ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the 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.

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Reviewed by
Broker or Designee Date



CO REVISED 10/04 (PAGE 1 OF 1)

COUNTER OFFER (CO PAGE 1 OF 1)

Agent: Kaye Hernandez Phone: (619) 922-5293 Fax: (619) 472-9810 Prepared using WINForms® software
Broker: Southwest Realtors 5120 Parkwood Rd. Ste B-21 Bonita CA 91907

SAN DIEGO HOUSING COMMISSION COUNTER OFFER

The San Diego Housing Commission, a public agency (Seller), accepts the offer dated March 30, 2007 from Leo Jeffries (Buyer), concerning that real property commonly known as 3516 Del Sol Blvd., Unit No. G San Diego, California, 92154 upon the following terms and conditions:

1. The total purchase price is \$95,000.
2. The Close of Escrow shall be twenty five (25) days after the approval of the purchase and sale of the property by the Housing Authority of the City of San Diego. In the event that the Housing Authority of the City of San Diego does not approve the sale, then the Seller shall have no duty to sell the property to Buyer. The purchase and sale of the real property is expressly conditioned upon the approval of such purchase and sale by the Housing Authority of the City of San Diego, in its sole discretion. If the purchase and sale is not approved by the Housing Authority this contingent agreement to sell the real property shall be null and void and of no force and effect.
3. The property is being purchased in an "as is" condition, without warranty any type of kind being made by Seller.
4. Buyer acknowledges that Seller has not occupied the property but rather has acquired the property as a result of a foreclosure sale and has no knowledge concerning the condition of the property. Buyer is relying upon his own inspection(s) and those of its retained experts in agreeing to purchase the real property.
5. Seller shall perform no repairs on the property. The property is being purchased in an "as is" condition without any warranty concerning the condition of the property, either implied or express.
6. Paragraphs 16 and 17 of the Purchase Agreement are hereby deleted.
7. All other terms and conditions shall be as set forth in the offer dated March 30, 2008, as referenced above.
8. This counter offer shall expire if not accepted on or before April 11, 2008 at 5:00 P.M. Pacific Daylight Time.

This counter offer is made this 2nd day of April, 2008, at San Diego, California.

Seller:

San Diego Housing Commission

By: Carrol Vaughan

Carrol Vaughan, Interim President and Chief Executive Officer

This counter offer is accepted this 14th day of April, 2008, at San Diego, California.

Buyer: ☒ Subject to attached Counter Offer No. 2 dated April 16, 2008

By: Leo Jeffries

Leo Jeffries



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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

For Use With Single Family Residential Property — Attached or Detached
(C.A.R. Form RPA-CA, Revised 11/07)

Date March 30, 2008, at San Diego, California.

1. OFFER:

A. THIS IS AN OFFER FROM Leo Jeffries ("Buyer").

B. THE REAL PROPERTY TO BE ACQUIRED is described as 3516 Del Sol Blvd. #G, San Diego CA 92154, Assessor's Parcel No. 630-280-17-07, situated in San Diego, County of San Diego, California, ("Property").

C. THE PURCHASE PRICE offered is Seventy-Nine Thousand Dollars \$ 79,000.00.

D. CLOSE OF ESCROW shall occur on _____ (date) (or ☒ 60 Days After Acceptance).

2. FINANCE TERMS: Obtaining the loans below is a contingency of this Agreement unless: (i) either 2K or 2L is checked below; or (ii) otherwise agreed in writing. Buyer shall act diligently and in good faith to obtain the designated loans. Obtaining deposit, down payment and closing costs is not a contingency. Buyer represents that funds will be good when deposited with Escrow Holder.

A. INITIAL DEPOSIT: Buyer has given a deposit in the amount of \$ 1,000.00 to the agent submitting the offer (or to ☐ _____), by personal check (or ☐ _____), made payable to Southwest Realtors, which shall be held uncashed until Acceptance and then deposited within 3 business days after Acceptance (or ☐ _____), with Escrow Holder, (or ☐ into Broker's trust account).

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

C. FIRST LOAN IN THE AMOUNT OF \$ _____

(1) NEW First Deed of Trust in favor of lender, encumbering the Property, securing a note payable at maximum interest of _____ % fixed rate, or _____ % initial adjustable rate with a maximum interest rate of _____ %, balance due in _____ years, amortized over _____ years. Buyer shall pay loan fees/points not to exceed _____. (These terms apply whether the designated loan is conventional, FHA or VA.)

(2) ☐ FHA ☐ VA: (The following terms only apply to the FHA or VA loan that is checked.) Seller shall pay _____ % discount points. Seller shall pay other fees not allowed to be paid by Buyer, ☐ not to exceed \$ _____. Seller shall pay the cost of lender required Repairs (including those for wood destroying pest) not otherwise provided for in this Agreement, ☐ not to exceed \$ _____. (Actual loan amount may increase if mortgage insurance premiums, funding fees or closing costs are financed.)

D. ADDITIONAL FINANCING TERMS: ☐ Seller financing, (C.A.R. Form SFA); ☐ secondary financing, _____ \$ (C.A.R. Form PAA, paragraph 4A); ☐ assumed financing (C.A.R. Form PAA, paragraph 4B)

E. BALANCE OF PURCHASE PRICE (not including costs of obtaining loans and other closing costs) in the amount of \$ 78,000.00 to be deposited with Escrow Holder within sufficient time to close escrow.

F. PURCHASE PRICE (TOTAL): \$ 79,000.00

G. LOAN APPLICATIONS: Within 7 (or ☐ _____) Days After Acceptance, Buyer shall provide Seller a letter from lender or mortgage loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for the NEW loan specified in 2C above.

H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 2G) shall, within 7 (or ☐ _____) Days After Acceptance, provide Seller written verification of Buyer's down payment and closing costs.

I. LOAN CONTINGENCY REMOVAL: (i) Within 17 (or ☐ _____) Days After Acceptance, Buyer shall, as specified in paragraph 14, 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.

J. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (OR, if checked, ☐ is NOT) contingent upon the Property appraising at no less than the specified purchase price. If there is a loan contingency, at the time the loan contingency is removed (or, if checked, ☐ within 17 (or _____) Days After Acceptance), Buyer shall, as specified in paragraph 14B(3), remove the appraisal contingency or cancel this Agreement. If there is no loan contingency, Buyer shall, as specified in paragraph 14B(3), remove the appraisal contingency within 17 (or _____) Days After Acceptance.

K. ☐ NO LOAN CONTINGENCY (If checked): Obtaining any loan in paragraphs 2C, 2D or elsewhere in this Agreement 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.

L. ☒ ALL CASH OFFER (If checked): No loan is needed to purchase the Property. Buyer shall, within 7 (or ☐ _____) Days After Acceptance, provide Seller written verification of sufficient funds to close this transaction.

3. CLOSING AND OCCUPANCY:

A. Buyer intends (or ☒ does not intend) to occupy the Property as Buyer's primary residence.

B. Seller-occupied or vacant property: Occupancy shall be delivered to Buyer at 5:00 ☐ AM ☒ PM, ☒ on the date of Close Of Escrow; ☐ on _____; or ☐ no later than _____ Days After Close Of Escrow. (C.A.R. Form PAA, paragraph 2.) If transfer of title and occupancy do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement; and (ii) consult with their insurance and legal advisors.

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RPA-CA REVISED 11/07 (PAGE 1 OF 8)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 1 OF 8)

Agent: Kave Hernandez

Phone: (619) 922-5293

Fax: (619) 472-9810

Prepared using WINForms® software

Buyer's Initials (X) (_____)
Seller's Initials (JS) (_____)

Reviewed by _____ Date _____



- C. Tenant-occupied property: (i) Property shall be vacant at least 5 (or ☐ _____) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.
- OR (ii) (if checked) ☐ Tenant to remain in possession. The attached addendum is incorporated into this Agreement (C.A.R. Form PAA, paragraph 3.);
- OR (iii) (if checked) ☐ This Agreement is contingent upon Buyer and Seller entering into a written agreement regarding occupancy of the Property within the time specified in paragraph 14B(1). If no written agreement is reached within this time, either Buyer or Seller may cancel this Agreement in writing.
- D. At Close Of Escrow, Seller assigns to Buyer any assignable warranty rights for items included in the sale and shall provide any available Copies of such warranties. Brokers cannot and will not determine the assignability of any warranties.
- E. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarms and garage door openers. If Property is a condominium or 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.
4. ALLOCATION OF COSTS (If checked): Unless otherwise specified here, this paragraph only determines who is to pay for the report, inspection, test or service mentioned. If not specified here or elsewhere in this Agreement, the determination of who is to pay for any work recommended or identified by any such report, inspection, test or service shall be by the method specified in paragraph 14B(2).
- A. WOOD DESTROYING PEST INSPECTION:
- (1) ☐ Buyer ☒ Seller shall pay for an inspection and report for wood destroying pests and organisms ("Report") which shall be prepared by any reliable, professional and, a registered structural pest control company. The Report shall cover the accessible areas of the main building and attached structures and, if checked: ☐ detached garages and carports, ☐ detached decks, ☐ the following other structures or areas _____ . The Report shall not include roof coverings. If Property is a condominium or located in a common interest subdivision, the Report shall include only the separate interest and any exclusive-use areas being transferred and shall not include common areas, unless otherwise agreed. Water tests of shower pans on upper level units may not be performed without consent of the owners of property below the shower.
- OR (2) ☒ (If checked) The attached addendum (C.A.R. Form WPA) regarding wood destroying pest inspection and allocation of cost is incorporated into this Agreement.
- B. OTHER INSPECTIONS AND REPORTS:
- (1) ☐ Buyer ☒ Seller shall pay to have septic or private sewage disposal systems inspected _____ .
- (2) ☐ Buyer ☐ Seller shall pay to have domestic wells tested for water potability and productivity N/A _____ .
- (3) ☐ Buyer ☒ Seller shall pay for a natural hazard zone disclosure report prepared by Property I.D. _____ .
- (4) ☒ Buyer ☐ Seller shall pay for the following inspection or report Physical Inspection Report _____ .
- (5) ☐ Buyer ☐ Seller shall pay for the following inspection or report _____ .
- C. GOVERNMENT REQUIREMENTS AND RETROFIT:
- (1) ☐ Buyer ☒ Seller shall pay for smoke detector installation and/or water heater bracing, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer a written statement of compliance in accordance with state and local Law, unless exempt.
- (2) ☐ Buyer ☒ Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law. _____ .
- D. ESCROW AND TITLE:
- (1) ☒ Buyer ☒ Seller shall pay escrow fee 50/50 _____ . Escrow Holder shall be Allison McCloskey Escrow-A.Ramirez _____ .
- (2) ☐ Buyer ☒ Seller shall pay for owner's title insurance policy specified in paragraph 12E _____ . Owner's title policy to be issued by Ticor Title (Jackie Novicio) _____ . (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)
- E. 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 HOA transfer fee _____ .
- (4) ☐ Buyer ☒ Seller shall pay HOA document preparation fees _____ .
- (5) ☐ Buyer ☒ Seller shall pay the cost, not to exceed \$ 500.00 _____ , of a one-year home warranty plan, issued by CRES Home Warranty Plan _____ with the following optional coverage: Roof, air conditioning and plumbing _____ .
- (6) ☒ Buyer ☐ Seller shall pay for Transaction Coordinator Fee of \$395.00 _____ .
- (7) ☐ Buyer ☐ Seller shall pay for _____ .
5. STATUTORY DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:
- A. (1) Seller shall, within the time specified in paragraph 14A, deliver to Buyer, if required by Law: (i) Federal Lead-Based Paint Disclosures and pamphlet ("Lead Disclosures"); and (ii) disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the California Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act and Improvement Bond Act of 1915) and, if Seller has actual knowledge, an industrial use and military ordinance location disclosure (C.A.R. Form SSD).
- (2) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory and Lead Disclosures to Seller.
- (3) 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.

Buyer's Initials (X) (_____)
 Seller's Initials (_____) (_____)

Reviewed by _____ Date _____

- (4) If any disclosure or notice specified in 5A(1), or subsequent or amended disclosure or notice is delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within **3 Days** After delivery in person, or **5 Days** After delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent. (Lead Disclosures sent by mail must be sent certified mail or better.)
- (5) **Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.**
- B. NATURAL AND ENVIRONMENTAL HAZARDS:** Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide a NHD, 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.
- 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.)
- 6. 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 unit development or other common interest subdivision (C.A.R. Form SSD).
- B.** If the Property is a condominium or is 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"). 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).
- 7. CONDITIONS AFFECTING PROPERTY:**
- A.** Unless otherwise agreed: (i) the Property is sold (a) in its **PRESENT** physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.
- B. SELLER SHALL,** within the time specified in paragraph 14A, **DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS** affecting the Property, including known insurance claims within the past five years, **AND MAKE OTHER DISCLOSURES REQUIRED BY LAW** (C.A.R. Form SSD).
- C. NOTE TO BUYER:** You are strongly advised to conduct investigations of the entire Property in order to determine its present condition since Seller may not be aware of all defects affecting the Property or other factors that you consider important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.
- D. NOTE TO SELLER:** Buyer has the right to inspect the Property and, as specified in paragraph 14B, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that you make Repairs or take other action.
- 8. 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 8B or C.
- B. ITEMS INCLUDED IN SALE:**
- (1) All **EXISTING** fixtures and fittings that are attached to the Property;
- (2) Existing electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alarms; and
- (3) The following items: Per MLS
- (4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
- (5) All items included shall be transferred free of liens and without Seller warranty.
- C. ITEMS EXCLUDED FROM SALE:** Trash, debris
- 9. 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 14B. Within the time specified in paragraph 14B(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.** Buyer shall complete Buyer Investigations and, as specified in paragraph 14B, remove the contingency or cancel this Agreement. Buyer shall give Seller, at no cost, complete Copies of all Buyer Investigation reports obtained by Buyer. Seller shall make the Property available for all Buyer Investigations. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.

Buyer's Initials (X) ()
Seller's Initials () ()

Reviewed by _____ Date _____



- 10. REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of receipts and statements to Buyer prior to final verification of condition.
- 11. 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. 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 of this Agreement.
- 12. TITLE AND VESTING:**
- A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary (title) report, which 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 14B.
 - 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 14A, 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 CLTA/ALTA Homeowner's Policy of Title Insurance. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, 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.
- 13. 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.
- 14. 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 must be in writing (C.A.R. Form CR).
- A. **SELLER HAS:** 7 (or ☐ _____) Days After Acceptance to deliver to Buyer all reports, disclosures and information for which Seller is responsible under paragraphs 4, 5A and B, 6A, 7B and 12.
 - B. (1) **BUYER HAS:** 17 (or ☐ _____) Days After Acceptance, unless otherwise agreed in writing, to:
 - (i) complete all Buyer Investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property (including lead-based paint and lead-based paint hazards as well as other information specified in paragraph 5 and insurability of Buyer and the Property); and
 - (ii) return to Seller Signed Copies of Statutory and Lead Disclosures delivered by Seller in accordance with paragraph 5A.
 - (2) Within the time specified in 14B(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) By the end of the time specified in 14B(1) (or 21 for loan contingency or 2J for appraisal contingency), Buyer shall, in writing, remove the applicable contingency (C.A.R. Form CR) or cancel this Agreement. However, if (i) government-mandated inspections/ reports required as a condition of closing; or (ii) Common Interest Disclosures pursuant to paragraph 6B are not made within the time specified in 14A, then Buyer has 5 (or ☐ _____) Days After receipt of any such items, or the time specified in 14B(1), whichever is later, to remove the applicable contingency or cancel this Agreement in writing.
 - C. **CONTINUATION OF CONTINGENCY OR CONTRACTUAL OBLIGATION; SELLER RIGHT TO CANCEL:**
 - (1) **Seller right to Cancel; Buyer Contingencies:** Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit if, by the time specified in this Agreement, Buyer does not remove in writing the applicable contingency or cancel this Agreement. Once all contingencies have been removed, failure of either Buyer or Seller to close escrow on time may be a breach of this Agreement.
 - (2) **Continuation of Contingency:** Even after the expiration of the time specified in 14B, Buyer retains the right to make requests to Seller, remove in writing the applicable contingency or cancel this Agreement until Seller cancels pursuant to 14C(1). Once Seller receives Buyer's written removal of all contingencies, Seller may not cancel this Agreement pursuant to 14C(1).
 - (3) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit for any of the following reasons: (i) if Buyer fails to deposit funds as required by 2A or 2B; (ii) if the funds deposited pursuant to 2A or 2B are not good when deposited; (iii) if Buyer fails to provide a letter as required by 2G; (iv) if Buyer fails to provide verification as required by 2H or 2L; (v) if Seller reasonably disapproves of the verification provided by 2H or 2L; (vi) if Buyer fails to return Statutory and Lead Disclosures as required by paragraph 5A(2); or (vii) if Buyer fails to sign or initial a separate liquidated damage form for an increased deposit as required by paragraph 16. **Seller is not required to give Buyer a Notice to Perform regarding Close of Escrow.**
 - (4) **Notice To Buyer To Perform:** The Notice to Buyer to Perform (C.A.R. Form NBP) shall: (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer at least 24 (or ☒ 72) hours (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A Notice to Buyer to Perform may not be given 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 a 14C(3) obligation.

Buyer's Initials (☒) (_____)Seller's Initials (☒) (_____)

Reviewed by _____ Date _____

- 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 conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for inability to obtain financing.
- E. 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 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. A party may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).
- 15. 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 7A; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement.
- 16. LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award.
- BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION FOR ANY INCREASED DEPOSIT. (C.A.R. FORM RID)**

Buyer's Initials

Seller's Initials

17. 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. Paragraphs 17B(2) and (3) below apply to mediation whether or not the Arbitration provision is initialed. 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 commences an action without first attempting to resolve the matter through mediation, or 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.
- B. ARBITRATION OF DISPUTES:** (1) 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, including and subject to paragraphs 17B(2) and (3) below. 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, who shall render an award in accordance with substantive California Law. The parties shall have the right to discovery in accordance with California Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part III of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Interpretation of this agreement to arbitrate shall be governed by the Federal Arbitration Act.
- (2) **EXCLUSIONS FROM MEDIATION AND ARBITRATION:** The following matters are 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 California 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 of the mediation and arbitration provisions.
- (3) **BROKERS:** Buyer and Seller agree to mediate and arbitrate disputes or claims involving either or both Brokers, consistent with 17A and B, provided either or both Brokers shall have agreed to such mediation or arbitration prior to, or within a reasonable time after, the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the Agreement.

"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

Seller's Initials

Buyer's Initials (X) () ()

Seller's Initials () () ()

Reviewed by _____ Date _____

- 18. 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 now a 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 now a lien but not yet due. 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. 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.
- 19. WITHHOLDING TAXES:** Seller and Buyer agree to execute any instrument, affidavit, statement or instruction reasonably necessary to comply with federal (FIRPTA) and California withholding Law, if required (C.A.R. Forms AS and AB).
- 20. MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
- 21. EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 22. 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 17A.
- 23. SELECTION OF SERVICE PROVIDERS:** If Brokers refer Buyer or Seller to persons, vendors, or service or product providers ("Providers"), Brokers do not guarantee the performance of any Providers. Buyer and Seller may select ANY Providers of their own choosing.
- 24. 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. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**
- 25. OTHER TERMS AND CONDITIONS,** including attached supplements:
- A. ☒ Buyer's Inspection Advisory (C.A.R. Form BIA)
- B. ☐ Purchase Agreement Addendum (C.A.R. Form PAA paragraph numbers: _____)
- C. ☒ Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
- D. ☐ Seller shall provide Buyer with a completed Seller Property Questionnaire (C.A.R. form SPQ) within the time specified in paragraph 14A
- E. Supplement to Residential Purchase Agreement
- 26. 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. "Agreement" means the terms and conditions of this accepted California Residential Purchase Agreement and any accepted counter offers and addenda.
- C. "C.A.R. Form" means the specific form referenced or another comparable form agreed to by the parties.
- D. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded. If the scheduled close of escrow falls on a Saturday, Sunday or legal holiday, then close of escrow shall be the next business day after the scheduled close of escrow date.
- E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
- F. "Days" means calendar days, unless otherwise required by Law.
- G. "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 11:59PM on the final day.
- H. "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.
- 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.
- 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. "Notice to Buyer to Perform" means a document (C.A.R. Form NBP), which shall be in writing and Signed by Seller and shall give Buyer at least 24 hours (or as otherwise specified in paragraph 14C(4)) to remove a contingency or perform as applicable.
- L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
- M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
- N. Singular and Plural terms each include the other, when appropriate.

Buyer's Initials (X) (_____)
 Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



27. AGENCY:

- A. **DISCLOSURE:** Buyer and Seller each acknowledge prior receipt of C.A.R. Form AD "Disclosure Regarding Real Estate Agency Relationships."
- B. **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-broker 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.
- C. **CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:
- Listing Agent Prudential California Realty (Print Firm Name) is the agent of (check one): ☒ the Seller exclusively; or ☐ both the Buyer and Seller.
- Selling Agent Southwest Realtors (Print Firm Name) (if not same as 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.

28. 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, 2, 4, 12, 13B, 14E, 18, 19, 24, 25B and 25D, 26, 28, 29, 32A, 33 and paragraph D of the section titled Real Estate Brokers on page 8. If a Copy of the separate compensation agreement(s) provided for in paragraph 29 or 32A, or paragraph D of the section titled Real Estate Brokers on page 8 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth 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 ☐ _____). 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 paragraphs 29, 32A and paragraph D of the section titled Real Estate Brokers on page 8. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraphs 29 and 32A, 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. 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 Buyer and 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.

29. **BROKER COMPENSATION FROM BUYER:** If applicable, upon Close Of Escrow, **Buyer** agrees to pay compensation to Broker as specified in a separate written agreement between Buyer and Broker.

30. TERMS AND CONDITIONS OF OFFER:

This is an offer to purchase the Property on the above terms and conditions. All paragraphs with spaces for initials by Buyer and Seller are incorporated in this Agreement only if initialed by all parties. If at least one but not all parties initial, 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. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships. 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.

Seller's Initials () ()

Reviewed by _____ Date _____



3516 Del Sol Blvd. #G
Property Address: San Diego, CA 92154

Date: March 30, 2008

31. 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 Kaye Hernandez, 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 (date), at ☐ AM ☐ PM).

Date March 30, 2008
BUYER X
Leo Jeffries
(Print name)
16502 Le Grand Lane, Huntington Beach CA 92649
(Address)

Date _____
BUYER _____
(Print name)

32. BROKER COMPENSATION FROM SELLER:

- A. Upon Close Of Escrow, Seller agrees to pay compensation to Broker as specified in a separate written agreement between Seller and Broker.
B. If escrow does not close, compensation is payable as specified in that separate written agreement.

33. 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, DATED April 2, 2008

Date San Diego Housing Commission 4/2/08
SELLER Cissy Fisher
(Print name)

Date _____
SELLER _____
(Print name)

(Address)

(_____/_____) 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.

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 27.
C. If specified in paragraph 2A, 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.

Real Estate Broker (Selling Firm) Southwest Realtors DRE Lic. # _____
By Kaye Hernandez Kaye Hernandez DRE Lic. # 01397650 Date March 30, 2008
Address 5120 Robinwood Road, Suite B-21 City Bonita State CA Zip 91902
Telephone (619) 922-5293 Fax (619) 472-9810 E-mail kaye.hernandez@cox.net

Real Estate Broker (Listing Firm) Prudential California Realty License # _____
By Russell C. Elrod License # _____ Date _____
Address 870 W. Washington Street City San Diego State CA Zip 92103
Telephone (619) 299-8020 Fax (619) 299-4406 E-mail _____

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of \$ _____), counter offer numbers _____ and _____, and agrees to act as Escrow Holder subject to paragraph 28 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

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

Escrow Holder Allison McCloskey Escrow-A. Ramirez Escrow # _____
By Alicia Ramirez Date _____
Address _____
Phone/Fax/E-mail //

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

(_____/_____) REJECTION OF OFFER: No counter offer is being made. This offer was reviewed and rejected by Seller on (Seller's Initials) _____ (Date) _____

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.
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Reviewed by _____ Date _____



HEALTH AND SAFETY CODE

SECTION 34315

34315. An authority may:

(a) Lease or rent any dwellings, houses, accommodations, lands, buildings, structures, or facilities embraced in any housing project, or a project assisted pursuant to Section 34312.3, and establish and revise the rents or charges for them.

(b) Own, hold, and improve real or personal property.

(c) Purchase, lease, obtain option upon, acquire by gift, grant, bequest, devise, or otherwise, any real or personal property or any interest in property.

(d) Acquire any real property by eminent domain.

(e) Sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest in it.

(f) Insure

(g) Lend upon the security of a mortgage or deed of trust, directly or by purchase from one or more qualified mortgage lenders, in connection with the sale of real property to persons of low income and to other persons pursuant to Section 34312.3, moneys for the financing of construction or rehabilitation pursuant to this part, or the implementation of government housing and rehabilitation financing programs for persons of low income and for other persons when acting pursuant to authorization contained in Section 34312.3, Part 13 (commencing with Section 37910) of this division, or Part 3 (commencing with Section 50900) of Division 31, subject only to the limitations on income of borrowers or residents prescribed by the statutory provisions under which the authority is acting. With respect to financing activities conducted pursuant to Part 3 (commencing with Section 50900) or Part 4 (commencing with Section 51600) of Division 31, the authority shall obtain certification as a qualified mortgage lender pursuant to Section 50094.

(h) Procure insurance or guarantees from the federal government or the California Housing Finance Agency or from any person licensed to insure mortgages in this state of the payment of all or part of any debts, whether or not incurred by the authority, secured by mortgages or deeds of trust on any property included in any of its housing projects or otherwise financed pursuant to this chapter or secured by mortgages or deeds of trust pursuant to Part 13 (commencing with Section 37910) of this division or Part 3 (commencing with Section 50900) of Division 31.

34315.3. An authority may accept financial or other assistance from any public or private source, and expend any funds so received for the purposes of this chapter and the activities permitted to authorities by state law, including leased housing.

34315.5. An authority may transfer real property not needed by the authority to a fire protection district for fire protection purposes without consideration if the board determines that such transfer is necessary or desirable to effectuate the purposes of the authority.

34315.7. Real property owned by an authority which the authority determines is not required for its foreseeable needs and which is not transferred pursuant to Section 34315.5, shall be disposed of for the following purposes, in descending order of priority:

(a) For the purposes, and in accordance with the provisions, of Article 10 (commencing with Section 50568) of Chapter 2 of Part 1 of Division 1 of Title 5 of the Government Code.

(b) To public, nonprofit, or private developers for development of housing for persons and families of low and moderate income, as defined by Section 50093. Such transfers may not be made at a cost below the housing authority's acquisition cost but may be made at a cost below market value if (1) not less than 30 percent of the housing units to be developed will be enforceably restricted for occupancy by persons and families of low and moderate income, with at least 50 percent of the housing units restricted to persons and families of low income, and (2) a transfer at below market value is necessary to assure that the housing units restricted for occupancy by persons and families of low or moderate income will be provided at affordable housing cost, as defined by Section 50052.5.

(c) To private developers, generally, at market value for development of housing.

(d) For any purpose, where the sale is at public auction to the highest bidder.

The Department of Housing and Community Development shall adopt regulations governing disposal of surplus real property of housing authorities pursuant to subdivisions (b) and (c). The regulations shall include requirements for providing public notice of a housing authority's intent to dispose of real property in accordance with this section and shall also specify other reasonable requirements to implement the priorities established by this section.

The deed or other instrument of conveyance shall recite that the authority has determined the property is not required for its foreseeable needs and it is being disposed of pursuant to this section and, if the property is disposed of pursuant to subdivision (b) or (c), in accordance with regulations adopted by the Department of Housing and Community Development. Such recital shall be conclusive in favor of purchasers and encumbrancers for value.

Failure to comply with the provisions of this section shall not invalidate any right, title or interest acquired by a purchaser or encumbrancer for value.

POLICY

Subject: **HOUSING COMMISSION LOAN DEFAULTS, FORECLOSURES,
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Number: **PO600.103**

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1. **PURPOSE**

- 1.1 To state Commission policy on protecting Housing Commission loan and grant investments related to delinquencies, defaults, foreclosure proceedings and ultimate disposition of properties acquired through Trustee's Sales or other related action.

2. **POLICY**

- 2.1 Housing Commission loans and revocable grants shall be secured by a Deed of Trust and evidenced by a Promissory Note or Revocable Grant Agreement. Such Deeds of Trust may be subordinate to senior liens.
- 2.2 The Chief Executive Officer or designee shall monitor all loan and revocable grant terms, conditions and agreements for compliance with rent restrictions, program funding requirements, occupancy monitoring and for other mandated criteria. If loans or revocable grants are not in compliance, they are in a technical default and the Chief Executive Officer is authorized to initiate foreclosure proceedings against the property in accordance with the laws governing such transactions.
- 2.3 The Chief Executive Officer is authorized to aggressively pursue collection of any loans which become delinquent. A loan shall be considered delinquent when a payment is thirty days overdue. If delinquent loans are not brought current, the Chief Executive Officer is authorized to initiate foreclosure proceedings against the property in accordance with the laws governing such transactions. If such default is not cured within the statutory time period, the Chief Executive Officer shall schedule a Trustee's Sale. If the anticipated loss is less than \$35,000, the Trustee's Sale shall proceed; if the anticipated loss exceeds \$35,000, the Chief Executive Officer shall proceed with the Trustee's Sale only after Board approval. A public auction shall be held with an opening bid established by the Commission after consultation with General Counsel. The opening bid may be at a discounted amount if it is deemed in the best interest of the Housing Commission. The property will be sold to the highest bidder. If there are no bids, ownership of the property passes to the Commission.
- 2.4 The Chief Executive Officer, upon the advice of General Counsel, is authorized to institute judicial foreclosure proceedings against a borrower when time constraints preclude consideration by the Board. In such cases, the General Counsel shall report his actions to the Board, in closed session, at its next scheduled meeting.

In addition, the Chief Executive Officer upon the advice of General Counsel, is authorized to take such other legal actions as are necessary in the opinion of General Counsel to protect the interests of the Housing Commission. General Counsel shall report any such actions in closed session at the Board's next scheduled meeting.

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- 2.5 If a senior lienholder files a Notice of Default on a property with a subordinate Commission loan revocable grant, the Chief Executive Officer is authorized to reinstate senior liens up to \$35,000 to forestall a foreclosure action by the senior lienholder. The Chief Executive Officer shall only take such action when it is determined to be in the Commission's best interest. In such cases, the Commission shall subsequently record a Notice of Default against the property on its behalf, and pursue the process as described in 2.3. If the Chief Executive Officer determines it is in the Commission's best interest to let the senior lienholder's foreclosure proceed, the Chief Executive Officer shall then determine whether the Commission should bid at the Trustee's Sale to protect the Commission's investment (this may include bidding an amount less than the full amount needed to recover all loan or revocable grant funds and expenses) or let the Trustee's Sale proceed without Housing Commission participation.

The Chief Executive Officer is authorized to bid up to \$35,000, plus the amount of the Commission's subordinate loans or revocable grants, at Trustee's Sales without Board authorization. Trustee's Sale bids by the Chief Executive Officer in excess of \$35,000 (excluding the Commission's subordinate financing), shall be authorized by the Board in advance, unless such approval is precluded by time constraints, in which case the Chief Executive Officer may proceed upon written authorization of the Chairperson or Vice Chairperson of the Board.

If the Chief Executive Officer believes it is in the best interest of the Housing Commission for the Trustee's Sale to proceed without Commission participation, the Chief Executive Officer is authorized to take such action if the anticipated loss is less than \$35,000. If the anticipated loss exceeds \$35,000, the Board must authorize such action prior to the scheduled Trustee's Sale. If time constraints preclude approval by the Board, the Chief Executive Officer may take such action upon written authorization of the Chairperson or Vice Chairperson of the Board.

- 2.6 When a property is acquired as authorized above, the Chief Executive Officer shall consider the guidelines in Attachment 1 and determine if it is advisable to retain the property in Commission ownership as an affordable housing resource, or to transfer ownership with restrictions that would achieve an affordable housing objective, or if neither action is advisable.

- 2.7 The Chief Executive Officer shall make the decision, relative to 2.6 above, regarding 1 to 4 units. The Chief Executive Officer's recommendation regarding properties consisting of 5 or more units, relative to 2.6 above, shall be subject to approval of the Board. In the event that it is determined not retain ownership of the property as an affordable housing resource, the Chief Executive Officer is authorized to implement the procedures as described below, to sell acquired property.

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A notice shall be mailed to all nonprofit corporations on the Housing Commission's mailing list indicating the Commission's intent to sell the property. The notice shall include the terms and conditions of the sale including the rent restrictions (if applicable) and shall indicate a date and place for the submittal of sealed bids. Concurrently, a public notice shall be published indicating the Commission's intent to sell the property. Terms and conditions may vary dependent upon the specific circumstances surrounding a particular property. All property shall be offered for sale on an "as is" basis as permitted by state law. The Chief Executive Officer may accept an offer to purchase subject to approval of the Board, or may reject all bids if deemed in the best interest of the Commission to do so.

In the event no bid or no acceptable bid is received after a public notice has been published for fourteen (14) days, the Chief Executive Officer may list the property for sale with a licensed, residential real estate broker from the Commission's approved list. The listing shall require the broker to list the property with the Multiple Listing Service.

- 2.8 If a senior lienholder files a Notice of Default on a mobile home with a subordinate Housing Commission loan, or a mobile home park owner gives the owner a Three (3) Day Notice to Perform Covenants or Quit and Sixty (60) Day Notice to Terminate Possession of a mobile home with a Housing Commission loan, the Chief Executive Officer shall analyze the potential loss to the Housing Commission and determine whether to bid or not to bid at the senior lienholder's Trustee's Sale or the mobile home park owner's auction. The Chief Executive Officer's decision to bid or not to bid shall be based upon the feasibility of recouping the Housing Commission's loss through resale of the mobile home being sold.

In the event of the death of the owner or an unforeseen circumstance that jeopardizes the Housing Commission loan, the Chief Executive Officer may, based on the value of the mobile home and circumstances, discount the Commission loan or forgive the loan in its entirety.

- 2.9 The Chief Executive Officer shall monitor (on a limited basis) all Unsecured Loans, No-Interest Deferred Loans (previously single family emergency grants), Conditional Grants and Revocable Grants. In the event of the death of the owner or an unforeseen circumstance that jeopardizes the Housing Commission's loan or grant, the Chief Executive Officer may discount the Commission's financing or forgive it in its entirety if the loss does not exceed \$35,000.

History

Adopted: 07/20/87

Revised: 08/01/89

San Diego Housing Commission

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History

Revised: 01/18/90

Revised: 01/15/93

Revised: 03/22/94

Revised: 11/14/94

Revised: 05/25/99

[Supersedes Policy 600.203, Issued: 7/20/87, Effective: 3/22/94]

Approved by:



Elizabeth C. Morris, Chief Executive Officer

6-1-99

Date



Steven Mikelman, Chief Operations Officer

6/28/99

Date

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ATTACHMENT

FORECLOSURE SALE GUIDELINES

Before offering property acquired through foreclosure for sale, the Chief Executive Officer shall determine if it is advisable to add the property to the Commission's housing stock, maintaining it as an affordable housing resource using the following guidelines.

NEIGHBORHOOD

The area immediately surrounding the structure(s) shall provide residents access to recreation, schools, shopping, public transportation, etc. Areas with adverse physical or social environmental factors should be avoided unless part of a coordinated effort to revitalize an area.

ADEQUACY

The units should be of appropriate size and design to adequately house low income residents. Units shall generally be in decent, safe and sanitary condition and shall not require a substantial investment of Commission funds to bring to public housing occupancy standards.

COST EFFECTIVE

Assumption of mortgage payments and other costs of retaining a property shall be a prudent investment of public funds.

San Diego Housing Commission

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