

AGREEMENT TO PURCHASE TAX DEFAULTED PROPERTY (NONPROFIT)

This agreement is made this (day) day of (month), (year) by and between the (county) County Board of Supervisors and (purchasing entity), a nonprofit corporation organized in accordance with provisions of California law. The County (“SELLER”), subject to the State Controller’s approval, does hereby agree to sell to the nonprofit corporation (“PURCHASER”) the real property described in Exhibit ‘A’ of this agreement.

As set forth in Purchaser’s Articles of Incorporation within Exhibit ‘A’ of this agreement, the PURCHASER is formed for the purpose of either rehabilitating or constructing dwellings and selling to, or otherwise using the property to serve, qualified low-income persons as defined in Health and Safety Code section 50093, or for dedication of that vacant land to public use pursuant to the provisions of Division 1, Part 6, Chapter 8 of the California Revenue and Taxation Code.

The real property situated within said county, hereinafter set forth and described in Exhibit ‘A’ of this agreement, is tax defaulted and is subject to the power of sale by the tax collector of said county for the nonpayment of taxes.

The PURCHASER agrees to pay the sum of \$(price) and which is tendered in the form of (cash/negotiable paper/etc) with this document.

The following is a *sample listing* of terms and conditions, any of which may be included in Chapter 8 Sale Agreements at the discretion of the County. ***This list is not inclusive and pursuant to California Revenue and Taxation Code sections 3795.5 and 3794.3, the board of supervisors may establish conditions of sale, including reporting, to ensure maximum benefit to low-income persons.***

Consultation with county counsel is recommended before establishing conditions of sale

In consideration of the mutual promises herein set forth, the parties mutually agree as follows:

- Any violations of the terms and conditions of this agreement shall constitute an event of default.
- Use by Low Income Persons. Low income persons are defined in Health and Safety Code section 50093. **The property may not be transferred, sold, leased, rented, or made use of by persons who do not qualify as low income persons as defined by Health and Safety Code section 50093.**
- Approval by the State Controller. California Revenue and Taxation Code section 3795 requires this agreement to be submitted to and approved by the California State Controller before it becomes final. This agreement is not in effect until the California State Controller’s authorization is received and the noticing process is complete.
- Purchase and Evidence of Title. Within 21 days from the effective date of this agreement, the PURCHASER agrees to pay a sum sufficient to redeem the delinquent property taxes pursuant to California Revenue and Taxation Code section 3793.1(a) or a reduced price in accordance with section 3793.1(b). The approval and notice process will determine the effective date of the sale and the final purchase price. The PURCHASER agrees to pay the amount specified in Exhibit ‘__’ for the properties described in Exhibit ‘__’. Payment shall be in cash or certified funds payable to the (county) County Tax Collector. Upon receipt of said sums by the

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Tax Collector, the Tax Collector shall execute and record a deed conveying the title to said property to PURCHASER and after recordation the deeds will be returned to the purchaser by the County Clerk/Recorder.

- Use of Residential Property. In the case of residential property, PURCHASER (the nonprofit organization) shall rehabilitate and sell or rent to, or otherwise use the property to serve, low-income persons. **The property may not be transferred, sold, leased, rented, or made use of by persons who do not qualify as low income persons as defined by Health and Safety Code section 50093.**
- Intent of Use. The public purpose and specified intent of use set forth by the PURCHASER for the purchased property is as follows:_____
- Review of Use. The intended use of each property involving a low-income housing project will be reviewed by the appropriate county housing agency and determined, in writing, to be consistent and in compliance with the local jurisdiction's consolidated plan or community development plan. A detailed list of the intended use for each property will be included as Exhibit '___'.
- Time to Completion. The PURCHASER agrees to complete the rehabilitation or construction of residential dwellings on the property and sale within a reasonable period of time and the maximum benefit to low-income persons. The reasonable period of time for completion determined by the PURCHASER and the SELLER is specified in Exhibit '___'.
- Code Compliance. The PURCHASER shall maintain any existing structures and ensure compliance with all applicable county code provisions (e.g., substandard housing, building, and zoning). Within six months of transfer of title, the PURCHASER shall remediate any outstanding code violations and correct and repair any dangerous, unsightly, or blighted condition which reduces the aesthetic and property values in the neighborhood, is offensive to the senses, or is detrimental to the health, safety, and welfare of the public. Within six months of transfer of title, the PURCHASER shall also remove overgrown, diseased, dead, or decayed trees, weeds, or other vegetation, exterior trash, debris, junk, rubbish, graffiti, and abandoned and/or inoperable vehicles. The PURCHASER shall also ensure the property and all building entry points including doorways, windows, or other openings are closed, maintained, or secured to prevent entry by persons or animals. The property shall be fenced if appropriate.
- Contractors. The PURCHASER will ensure that the contractor building or rehabilitating the housing is a licensed general contractor in good standing with the California Contractor State Licensing Board, and a member of the development team. The contractor shall have constructed or rehabilitated, as appropriate to the Chapter 8 request, at least two residential dwellings listing their dates of completion and their complete addresses. The contractor shall not be a member of the board of the nonprofit corporation.
- Manufactured Homes. In the case of manufactured homes, the PURCHASER shall ensure that the manufactured home is attached to a permanent foundation.

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- Current Incorporation. The PURCHASER shall be currently incorporated and shall provide a copy of its articles of incorporation filed with the Secretary of State, stating that the organization is incorporated for at least one of the purposes specified in the California Revenue and Taxation Code section 3772.5(b).
- Progress Updates. The PURCHASER shall report back to the (county) Board of Supervisors regarding the progress of the low-income housing project at the following intervals:
 - When building or rehabilitation begins;
 - If rehabilitation or construction of residential dwellings on the property will not be completed by the agreed upon timeline and a modification of the rehabilitation/construction timeline is needed;
 - When the property is leased with documentation that the leasee is qualified for low-income housing;
 - When the property is sold with documentation for the sale of the home including:
 - That the home was sold to a qualified low-income person(s),
 - That the sale price of the house is in compliance with the accepted maximum estimated sales prices established by the United States Department of Housing and Urban Development for low-income household incomes pursuant to Health and Safety Code section 50093.
- Non-discrimination. The PURCHASER shall not discriminate in the selection of low-income persons because of color, race, creed, national origin, religion, gender, sexual orientation, age, or physical or mental handicap in accordance with Title VI of the Civil rights Act of 1964 (42 U.S.C. section 2000D), the Americans with Disabilities Act (42 U.S.C. section 12131 et seq.), and all other applicable laws and regulations prohibiting discrimination. Purchaser shall include this nondiscrimination provision in all contracts for services in the construction, rehabilitation and sale of the property related to this agreement.
- Default: The PURCHASER shall fully comply with the terms and conditions of this agreement. The following shall constitute events of default to the purchase agreement:
 - Any violation of the terms and conditions of this agreement;
 - Transfer and/or lease of the property to a person who does not qualify as a low-income person as defined in Health and Safety Code section 50093;
 - In the event that a petition of bankruptcy shall be filed by or against the PURCHASER, and the petition has not been dismissed or discharged within 180 days of its filing;
 - Failure to maintain the property improvements and the property to the minimum housing standards of the County, to keep the property free from any accumulation of debris, waste materials and/or to maintain all landscaping in a healthy condition;
 - Failure to complete the rehabilitation or construction of the residential dwelling(s) on the property within the reasonable period of time as agreed upon in the purchase agreement.
- Breach: In the event the PURCHASER is in default, the SELLER shall give written notice of default to the PURCHASER specifying the event of default. The PURCHASER must commence to cure, correct, or remedy the default within five days of receipt of notice of default and must fully cure, correct, or remedy the default within 30 days of receipt of notice of default.

If the PURCHASER does not cure the default the PURCHASER shall take one of the following actions:

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- Transfer the property to a different Nonprofit Organization that qualifies pursuant to California Revenue and Taxation Code section 3772.5 and that is agreed to by the SELLER;
- Transfer the property to the SELLER at the sole discretion of the SELLER;
- At the sole discretion of the SELLER, the SELLER may permit the PURCHASER to sell the property for costs incurred to a new PURCHASER (including a for-profit entity) that agrees to continue the completion of the rehabilitation or construction of residential dwellings on the property to low-income person as outlined in the Terms and Conditions of the Agreement.

In the event of transfer of the property as a result of inability to fully cure default, the PURCHASER shall relinquish any claim to the property without any compensation or refund. The PURCHASER shall pay any and all costs required to cure a default including the transfer of property.

In addition to any other rights or remedies, the SELLER may Institute legal action to cure, correct, or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of the purchase agreement. Such legal action must be instituted in the Superior Court of (county) County.

- No Representation. The SELLER makes no representation concerning the condition of title to the subject property. The SELLER does not warrant title to the property or make any representations concerning the title. Additionally, the SELLER makes no representation concerning the physical condition of the subject property and the PURCHASER acknowledges that it is not relying upon any statements or representations of the SELLER concerning the subject property and is purchasing the subject property in its 'as is' condition.
- Other Expenses: The PURCHASER shall pay the other expenses in addition to the purchase price of the property, including but not limited to: the cost of giving notice of the notice of agreement, the cost of publishing or posting the notice of agreement, the cost of proceeding to obtain a clear title to the property, and the expenses incurred in the payment, compromise, or other method of removal of any liens or adverse claims against the property.
- Real Property Taxes, Fiscal Year (current)-(current): The purchase price does not include the property taxes for Fiscal Year (current)-(current). The PURCHASER shall be responsible for payment in full of the Fiscal Year (current)-(current) property taxes for the property in addition to the purchase price.
- Treated as a Single Transaction: The SELLER shall sell the property(s) listed in Exhibit '___' as a single transaction to the PURCHASER in consideration of the receipt of the payments in listed in this agreement.
- Redemption: If any of the properties listed in Exhibit '___' are redeemed prior to the effective date of this agreement, this agreement shall be null and void as to that property. Notwithstanding the foregoing, the agreement shall be binding and shall remain in full force and effect with respect to any remaining property (s).
- Void/Incomplete Purchase: This agreement shall become null and void and the right of redemption restored upon the failure of the PURCHASER to comply with the terms and conditions of this agreement prior to the tax deed recordation. The PURCHASER will be required to reimburse the Tax Collector for the costs for

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producing notice, publication, and actual costs incurred for preparing and conducting the Chapter 8 agreement sale if these expenses have already been incurred.

- Indemnity: The PURCHASER shall indemnify the SELLER from and against any and all liability, loss, costs, damages, attorney's fees, and other expenses which the SELLER may sustain or incur by reasons of a challenge to validity of the tax default sale of the property described in Exhibit '___'. Pursuant to California Revenue and Taxation Code section 3809, a proceeding based on alleged invalidity or irregularity of any proceeding instituted can only be commenced within one year after the date of execution of the Tax Collector's deed.
- Environmental Condition of Property. The property acquired pursuant to this agreement may contain hazardous wastes, toxic substances, or other substances regulated by federal, state, and local agencies. The SELLER in no way whatsoever assumes any responsibility, implied or otherwise, and makes no representations that the property (s) are in compliance with federal, state, or local laws governing such substances. The SELLER in no way assumes any responsibility, implied or otherwise, for any costs or liability of any kind imposed upon or voluntarily assumed by the PURCHASER or any other owner to remediate, clean up, or otherwise bring into compliance according to federal, state, or local environmental laws property purchased.
- CERCLA. The SELLER and the PURCHASER agree that under United States Code, title 42, section 9601(20,d), the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) expressly excludes local and state governments from clean up liability for properties they acquire as a result of tax delinquencies. Notwithstanding this provision, the PURCHASER shall defend, indemnify, and hold harmless the SELLER, its board of supervisors, officers, claims, actions, liabilities, losses, damages, and costs , including reasonable attorneys' fees, arising out of or resulting from the performance of this agreement, regardless of whether caused in part by a party indemnified hereunder, including but not limited to allegations that the SELLER and/or the SELLER's officers, directors, agents, employees, or volunteers are liable for costs or other charges related to the remediation, clean up, or other work necessary to bring any property purchased under this agreement into compliance with deferral, state, or local environmental laws.

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This document is being executed in counterpart, each of which constitutes an original.

ATTEST:

By _____

A California Corporation

By _____
Secretary

BOARD OF SUPERVISORS:

Chairman

A California Corporation

By _____
President/Vice-President

Pursuant to the provisions of California Revenue and Taxation Code section 3795, the foregoing agreement on this (day) day of (month), (year) is approved.

MALIA M. COHEN, CALIFORNIA STATE CONTROLLER

By _____