

PURCHASING PAID-OFF HOMES

Program Description and Policy

This policy was adopted by the WHA Board of Commissioners by Resolution #15-WHA-02 on January 13, 2015; revised by Resolution #15-WHA-07 on June 10, 2015.

Washoe Housing Authority
1588 Watasheamu Drive
Gardnerville, NV 89410

TABLE OF CONTENTS

DEFINITIONS	4
CLOSING:.....	4
CONTRACT:.....	4
DAYS:	4
FIXTURES:	4
PROPERTY, Personal:.....	4
PROPERTY, Real:.....	4
PURCHASER:.....	4
SELLER:	4
SHALL:	4
TENANT:	5
TENANT-OWNED IMPROVEMENT:.....	5
OVERVIEW	6
SECTION 1: PURCHASING PAID-OFF HOMES.....	7
SECTION 2: SELLER’S REQUEST TO PURCHASE HOME BY WHA.....	7
Letter of Intent to Sell	7
Homeowner Documentation	7
SECTION 3: APPROVAL TO PROCEED	8
SECTION 4: INITIAL INSPECTION OF HOME	8
Scheduling.....	8
Access to Home.....	8
Delay in Process.....	8
SECTION 5: VALUE DETERMINATION	8
Appraisal	8
Replacement Cost.....	9
Asking Price.....	9
SECTION 6: RISK OF LOSS.....	9
SECTION 7: CONTRACT DOCUMENTS	9
Time is of the Essence, Entire Contract and Changes	10
Expiration	10
Acceptance of Offer	10
SECTION 8: HOME AND PROPERTY.....	10
Seller to maintain property and improvements.....	10
Improvements, buildings and fixtures.....	10
Tenant-owned improvements	10
Altering the property	11
Damage to Home.....	11
Disclosures	11
Utilities.....	11
Other inspections	11
Final inspection.....	12

SECTION 9: TRANSFER OF LAND LEASE 12

SECTION 10: PAYMENT 12

SECTION 11: VACATING THE HOME..... 13

Time Frame 13

Personal property and trash 13

SECTION 12: OCCUPANCY BY PURCHASER..... 13

SECTION 13: CONTRACTUAL OBLIGATION TO SELL 13

ADDENDUM 1: OFFER TO PURCHASE AND CONTRACT 14

ADDENDUM 2: PROOF OF OWNERSHIP & TITLE STATUS REPORT (TSR) 15

ADDENDUM 3: CONTRACTUAL OBLIGATION TO SELL 16

DEFINITIONS

CLOSING:

Closing shall be defined as the time when full possession by Purchaser has been attained.

CONTRACT:

Contract is referring to the "Agreement to Purchase Real Property", all signed documents and all documents provided by the Seller, including the Letter of Intent to Sell.

DAYS:

Unless otherwise provided, for purposes of this contract, the term "days" shall mean consecutive calendar days, including Saturdays, Sundays, and holidays, whether federal, state, local or religious. For the purposes of calculating days, the count of "days" shall begin on the day following the day upon which any act or notice as provided in this contract was required to be performed or made.

FIXTURES:

Subject to specific exclusions made part of the contract documents, the Purchaser is entitled to all fixtures. Fixtures are items attached permanently (e.g., by cement, plaster, bolts, screws, or nails) to what is permanent (walls, etc.). Examples are electrical, lighting, plumbing and heating fixtures, fireplace inserts, solar systems, built-in appliances, window coverings, TV antennas, air conditioners, and in-ground landscaping.

PROPERTY, Personal:

The Purchaser is entitled to only that personal property listed in the contract documents and Personal Property Agreement. This could include, but not be limited to, the refrigerator, freezer, or even any large outside potted plants, as these are ordinarily not fixtures. Everything owned other than real estate.

PROPERTY, Real:

Land and whatever is growing or erected upon it or affixed to it.

PURCHASER:

For the purposes of this policy, the term "Purchaser" refers to the Washoe Housing Authority.

SELLER:

For the purposes of this policy, the term "Seller" refers to the homeowner.

SHALL:

Shall means that an action is mandatory and must be performed. No alternative action is to be considered in its place.

TENANT:

“Tenant” is one that pays rent to use or occupy land, a building, or other property owned by another.

TENANT-OWNED IMPROVEMENT:

Any building, structure, or other improvement, which would be considered to be real property if owned by the owner of the real property on which it is located. This shall include any improvement of a tenant-owner who has the right or obligation to remove the improvement at the expiration of the lease term. Just compensation for tenant-owned improvements is the amount, which the improvement contributes to the fair market value of the whole property (Contributory Value), or its salvage value, whichever is greater.

OVERVIEW

The Washoe Housing Authority (WHA) has created this policy to set requirements and procedures for the purchase of paid-off homes and the process in which a homeowner must follow to sell a home to the Washoe Housing Authority. The development of this policy does not guarantee the purchase of a home that has been presented for sale by a homeowner. Purchase of a home will be subject to the approval of the Board of Commissioners, budget, sale price, condition of home, availability of funds, etc. Purchase of a home will be at the full discretion of the Washoe Housing Authority Board of Commissioners. Washoe Housing Authority (WHA) is also known as the “Purchaser” throughout this Policy and all contract documents.

SECTION 1: PURCHASING PAID-OFF HOMES

The Washoe Housing Authority may purchase a paid-off Mutual Help or other home from a homeowner when presented with a “Letter of Intent to Sell” as long as the home is within one of the four (4) tribal communities. The Washoe Housing Authority and Board of Commissioners will conduct several actions, outlined in this policy, before considering the purchase of the home. Sellers are to exhibit cordial and polite behavior when dealing with Washoe Housing Authority staff, those working on behalf of Washoe Housing Authority and Board members.

SECTION 2: SELLER’S REQUEST TO PURCHASE HOME BY WHA

Letter of Intent to Sell

A homeowner who wishes to sell their home to the Washoe Housing Authority is to submit a “Letter of Intent to Sell” to the Washoe Housing Authority office. The letter is to include the following information and documentation:

1. Name of homeowner
2. Name on Land Lease*
3. Address of subject home
4. Square footage of home
5. Number of bedrooms and bathrooms
6. Property size
7. Information on any additions to existing home
8. Mutual Help project number (if applicable)
9. Title Status Report (This process could take up to 6 months)
10. Copy of Deed & Release
11. Photos of all 4 sides of the home’s exterior
12. Photos of each building/improvement on the property
13. Photos of each side of the roof (May be taken from ground level)
14. Photos of each room inside of home
15. Asking price
16. Signed and notarized “Contractual Obligation to Sell” form

*Note: If the Land Lease has not been recorded by the Bureau of Indian Affairs (BIA), the WHA may require the homeowner to complete the recordation process in order to move forward with the sale.

Homeowner Documentation

In the event the current Seller is not the original homeowner, the Seller must provide any of the following documents that most apply to their situation:

1. Court documents placing the home in their name.

Purchasing Paid-off Homes Policy approved by
the WHA Board of Commissioners by Resolution #15-WHA-02 on January 13, 2015:
Revised by Resolution #15-WHA-07 on June 10, 2015.

2. Probate documentation providing ownership to the Seller.
3. Community Council resolution and Tribal Resolution placing the Land Lease and ownership of home in the Seller's name along with Land Lease with Seller's name.

SECTION 3: APPROVAL TO PROCEED

Upon Washoe Housing Authority's receipt of the Letter of Intent to Sell from the Seller (complete with all documentation required according to this Policy) the Washoe Housing Authority will present the Assignment and Transfer Lease Agreement package to the Community Council and the Tribal Council for approval. Approval of the resolutions within the package will be consider a notice to proceed.

SECTION 4: INITIAL INSPECTION OF HOME

Scheduling

The Purchaser will inspect the home by a person of their choosing, which may include, but not be limited to a certified appraiser. The Seller is to cooperate with the Purchaser when scheduling a date and time for the initial inspection.

Access to Home

The Seller is to ensure access to all areas of the home including the crawl space and attic. The Seller is to make sure no items are blocking entry nor stacked around the area creating a hazardous situation. The Seller is to allow access to all sides of the home's exterior. The Seller is to ensure that all pets are secured properly. The Purchaser or anyone working on behalf of the Purchaser will not be liable for any lost or stolen pets. The Seller will be liable for any harm caused by a pet to any person working on behalf of the Purchaser.

Delay in Process

If the home, including the crawl space or attic, is not accessible, the process will be delayed and the inspection will have to be rescheduled to a later date when the access and personnel are available.

SECTION 5: VALUE DETERMINATION

Through the evaluation process, the Washoe Housing Authority will determine the value of the home by choosing one of the options listed below:

Appraisal

The Purchaser may have a certified appraiser inspect the home to create a value of the home.

Replacement Cost

The Purchaser may evaluate a replacement cost to determine a value for the home. Any and all repairs that are remaining will be deducted from the replacement cost of the home to determine the actual value of the home.

Asking Price

The Seller is to list the asking price within the "Letter of Intent to Sell". The Washoe Housing Authority may consider the asking price for the value of the home subject to the appraisal report, the initial inspection and other factors. The Washoe Housing Authority Board of Commissioners may consider negotiations and therefore, reserves the right to counter-offer.

SECTION 6: RISK OF LOSS

Seller shall procure and/or maintain in effect a policy or policies of fire and hazard insurance adequately covering the Property and Seller's personal property, if any, located on the Property. Risk of loss or damage to the Property by fire or other casualty remains with the Seller until full possession by Purchaser has been attained.

If the property is destroyed, the agreement is cancelled.

SECTION 7: CONTRACT DOCUMENTS

The Purchaser and the Seller must agree to a sale price. Once an agreement is attained, the Purchaser and the Seller will sign all contract documents. The documents will include, but are not limited to, the following:

1. Agreement to Purchase Real Property
2. Personal Property Agreement
3. Disclosure Statement
 - a. Any inspection reports and/or invoices from extermination companies
4. Certification of ownership
5. Title Status Report (TSR)
6. "As-is" warranty
7. Assignment and Transfer of Lease Agreement
8. Land Lease Resolutions transferring property from Seller to Purchaser
9. Legal description
10. Survey and lot map
11. Letter of request from the Seller to the Community Council and Tribal Council requesting to have the Land Lease transferred into the Washoe Housing Authority's name.

The Purchaser and Seller agree to vacate the transaction if a sale price cannot be agreed to within 90 days from the initial meeting.

Time is of the Essence, Entire Contract and Changes

The Agreement to Purchase Real Property will state that time is of the essence and that the time for performance can be extended or any other provision of the offer modified only by an Addendum signed by both Purchaser and Seller. All parties understand that all prior discussions and negotiations are superseded by the written contract. Any other conditions or negotiations after the signing of the contract documents must be submitted in writing and signed as an Addendum to the Agreement to Purchase Real Property.

Expiration

Unless otherwise stated, the offer will expire according to the date set forth in the Agreement to Purchase Real Property.

Acceptance of Offer

In order to form a binding contract, the Seller must accept the Purchaser's offer in writing, without modification by signing the Agreement to Purchase Real Property and delivering to Purchaser, before the set forth expiration date, in person, by certified mail or by any other delivery company who utilizes tracking methods. If the Seller finds unacceptable, some element(s) of the offer, the Seller may make a counter-offer, giving the Purchaser a reasonable and definitive time to accept.

SECTION 8: HOME AND PROPERTY

Seller to maintain property and improvements

The Seller covenants to continue to manage, operate and maintain the Property and its improvements until full possession by Purchaser is attained, in a manner consistent with its current and past operations, and as they were as of the date of the initial inspection and final inspection/sign-off, including, subject to the obligations of the tenants under the leases or rental agreements, making all necessary day-to-day repairs and maintenance as may be reasonably required. Maintenance also includes lawn maintenance, weeding, fall clean up, trash removal, chimney sweeps, smoke detector battery replacement and air filter replacement.

Improvements, buildings and fixtures

All improvements, buildings and fixtures presently on the real estate including, but not limited to electrical, gas, heating, wood, pellet or gas stove, ceiling fans, cooling or air conditioning, plumbing equipment, built-in appliances, hot water heaters, screens, storm windows, doors, blinds, drapery hardware, awnings, attached carpeting, radio or television antennas, trees, shrubs, flowers, fences and anything else listed in the contract documents and Personal Property Agreement, applicable to this home, are to remain in the home and on the home's exterior. The Purchaser and the Seller reserve the right to exclude items in the contract.

Tenant-owned improvements

The tenant must remove all tenant-owned improvements, unless it is otherwise stated in the contract documents and Personal Property Agreement that they will remain on the property.

Examples of tenant-owned improvements would be portable storage sheds, greenhouses, refrigerators, washer/dryer, etc.

Altering the property

Seller (or tenant) shall not materially alter the physical condition of the Property.

Damage to Home

If there is any damage to the home or property identified during the final inspection that has occurred after the initial inspection but before full possession by the Purchaser, the contract, at the discretion of the Purchaser, may become null and void or the Purchaser may choose to require the Seller to make the repairs necessary to bring the home back up to the condition at final inspection within an agreed upon amount of time. An Addendum to the Agreement to Purchase Real Property will be required; identifying items to be repaired along with a deadline (date/time) such repairs are to be completed.

In the event the home is irreparably damaged by natural causes, the sale will be terminated.

Disclosures

As part of the contract, the Seller agrees to sign a "Disclosure Statement". Disclosure includes, but is not limited to any knowledge of prior infestations of termites, structure altering bugs/ants, rodents, bed bugs, fleas, ticks, water damage, fire damage, etc. Seller is to provide the Purchaser any inspection reports and/or invoices for work performed by an extermination company.

Purchaser understands that Seller and Purchaser are lay persons with no expertise in detecting infestation damage, and therefore may not be aware of, or fully or accurately describe, any existing problems.

Seller warrants the property to be free from hazardous substances and from any violation of zoning, environmental, building, health or other governmental codes or ordinances and that there are no known facts regarding this property that could adversely affect its value.

Utilities

Seller shall keep all utilities registered in Seller's name and shall be responsible for the costs associated to those utilities (sewer, water, gas, electricity, etc.) until full possession by Purchaser has been attained.

Seller (or tenant) is responsible for paying insurance and other house-related expenses through the time Purchaser attains full possession of property.

Other inspections

The Seller must allow access to the home and property for the Purchaser's inspectors when there is a time that is agreeable for the Seller as well as those working on behalf of the Purchaser.

Purchaser may request a well and/or septic report at their expense, if applicable.

Final inspection

The home and property will be inspected between one (1) and five (5) days prior to Seller vacating the premises to determine the condition of the home. The Seller is to cooperate with the Purchaser when scheduling a date and time for the final inspection.

Tenant Rents/Deposits (if applicable)

Any Rents and/or deposits are between the Tenant and Seller only. Tenant is to vacate the property within the time and conditions set forth in Section 11 (Vacating the Home) of this policy.

SECTION 9: TRANSFER OF LAND LEASE

Upon the signing of the contract documents, the land lease with all improvements including real property will be presented to the Community Council and Tribal Council for transfer into the Purchaser's name. The Washoe Housing Authority will present the following documents to the Community Council and Tribal Council:

1. Assignment and Transfer of Lease Agreement
2. Land Lease Resolutions transferring property from Seller to Purchaser
3. Letter of request from the Seller to the Community Council and Tribal Council requesting to have the land transferred into the Purchaser's name.
4. New Land Lease for 25-years with an automatic 25-year renewal.

The contract will be terminated immediately if the Community Council or Tribal Council denies the Land Lease.

Seller and Purchaser agree that the new Land Lease from Seller to Purchaser will supersede the original Land Lease. The new Land Lease will be attached hereto and made a part hereof, once completed.

SECTION 10: PAYMENT

Payment will be paid to the Seller by a cashier's check within thirty (30) days of the successful completion and attainment of a new Land Lease from the Community Council and Tribal Council. Payment is subject to all contractual obligations being met by both parties, as well as the final inspection and sign-off being satisfactory to the Purchaser.

The Purchaser and Seller may require that any person with a claim or right affecting the property be paid by Seller prior to contract documents being signed. If, after the signing of the contract documents, a person claims any right to the property, the transaction will be voided immediately. In the event a person claims any right to the property after the sale is final and payment has been made, it is the Seller's responsibility to resolve the claim which will include paying all attorney fees for the Purchaser in defense of claim.

SECTION 11: VACATING THE HOME

Time Frame

Seller agrees to vacate the home within thirty (30) days of the successful completion and attainment of a new Land Lease to the Purchaser from the Community Council and Tribal Council.

If a tenant occupies the home, the tenant must vacate the home within thirty (30) days of the successful completion and attainment of a new Land Lease to the Purchaser from the Community Council and Tribal Council. It will be the responsibility of the Seller to notify tenant to vacate and remove all their personal property as well as to the condition the home is to remain in.

Personal property and trash

The Seller (or tenant) will remove any and all personal items along with any trash from the home and property. Only the personal property that has been identified in the contract documents and "Personal Property Agreement" will remain.

SECTION 12: OCCUPANCY BY PURCHASER

All keys and garage door openers will be delivered to the Purchaser upon full possession by Purchaser being attained.

SECTION 13: CONTRACTUAL OBLIGATION TO SELL

The Seller shall not sell, convey, assign, lease, or otherwise transfer all or any part of the real property or improvements, or voluntarily encumber from the date this Contractual Obligation to Sell is signed.

Seller may withdraw his/her offer to sell with a five (5) day written notice to Purchaser.

ADDENDUM 1: OFFER TO PURCHASE AND CONTRACT

ADDENDUM 2: PROOF OF OWNERSHIP & TITLE STATUS REPORT (TSR)

Purchasing Paid-off Homes Policy approved by
the WHA Board of Commissioners by Resolution #15-WHA-02 on January 13, 2015:
Revised by Resolution #15-WHA-07 on June 10, 2015.

ADDENDUM 3: CONTRACTUAL OBLIGATION TO SELL

Purchasing Paid-off Homes Policy approved by
the WHA Board of Commissioners by Resolution #15-WHA-02 on January 13, 2015:
Revised by Resolution #15-WHA-07 on June 10, 2015.

CONTRACTUAL OBLIGATION TO SELL

By signing below, I acknowledge that I have received a true and correct copy of the Washoe Housing Authority's Purchasing Paid-off Homes Policy, Resolution #15-WHA-02, Revised by Resolution #15-WHA-___ on _____, 2015 ("Policy").

I, _____, intend to sell the real property located at
Seller's printed name(s)

_____ City of _____
Address

State of _____ to the Washoe Housing Authority.

I have read and agree to the terms and conditions set forth in the above-referenced Policy through possession by the Purchaser.

Signature of Seller(s)

Date

State of _____

County of _____

This instrument was acknowledged before me on

_____, _____
Date Printed Name of Person(s)

Signature of Notarial Officer