

Attachment 4

Chanate Campus Property Sale  
Proposed Term Sheet

<b>Purchaser:</b>	CalCHA or CalCHA affiliate
<b>Seller:</b>	County of Sonoma
<b>Property:</b>	Chanate Campus at 3313 Chanate Road, Santa Rosa, CA comprised of approximately 82 acres of land
<b>Consideration:</b>	
<b>Purchase Price:</b>	The Purchase Price is One Dollar and no cents (\$1.00). The Purchase Price shall be paid in cash at Closing as defined herein.
<b>Option:</b>	The County will receive an exclusive option to purchase the property after Year 15, with the purchase price equal to the then outstanding debt balance. The option shall be assignable at the County's discretion and shall never create any obligations for the County, financially, legally or otherwise.
<b>Initial Deposit:</b>	Within five (5) business days of execution of the ENA, Purchaser will deposit Fifty thousand dollars (\$50,000) of earnest money with a mutually agreed upon Title Company. The deposit will be refundable until the Close of Escrow. At Close of Escrow, this deposit shall be credited against the Equity Advance.
<b>Second Deposit:</b>	Within five (5) business days of execution of the PSA, Purchaser will deposit Four Hundred fifty thousand dollars (\$450,000) of earnest money with a mutually agreed upon Title Company. The deposit will be refundable until the Close of Escrow. At Close of Escrow, this deposit shall be credited against the Equity Advance.
<b>Equity Advance:</b>	Purchaser shall make an equity advance ("Advance") to the County in the amount of Five million dollars (\$5,000,000), less Deposits. The Advance shall be structured as a loan against the County's future public benefit created through the Option, and shall be funded upon CalCHA's bond issuance to finance the development of Chanate. Should CalCHA phase the issuance of their bonds, to meet a phased development schedule of the Property, the Advance shall be made on a pro rata basis, in relation to each bond issuance's percentage of the total development cost.
<b>Exclusive Negotiating Agreement:</b>	Purchaser and Seller shall enter into an Exclusive Negotiating Agreement ("ENA") during which the terms of the PSA shall be negotiated. Seller agrees to this exclusive negotiation right due to the fact that Purchaser will be

	<p>expending time and incurring expenses in analyzing its ability to acquire and develop the Property.</p>
<p><b>Due Diligence:</b></p>	<p>Purchaser shall have ninety (90) days to complete and be satisfied with the physical condition of the Property, the condition of title to the Property, and the Property’s suitability for Purchaser’s intended investment therein (the “Due Diligence Period”). If Purchaser is not satisfied with the Property, it may elect within such Due Diligence Period to terminate the Agreement and recover the Initial Deposit and any earnings thereon.</p> <p>The Agreement will call for Seller to provide Purchaser with copies of the following: leases; property maintenance records; environmental reports concerning the Property; any governmental permits or approvals; surveys and site plans; plans and specifications for existing and proposed improvements; existing title policy; and any soils engineering and other engineering reports on the Property.</p> <p>From and after the execution of the Agreement, Purchaser or its agents or representatives will have the right to inspect the Property and conduct tests thereon, including geotechnical and environmental studies, for the purpose of satisfying itself regarding the physical condition of the Property and its suitability for Purchaser’s intended use. Upon the completion of any such inspection or test, Purchaser will restore the Property to its condition prior to such inspection or test. Purchaser will indemnify, hold harmless and defend Seller from any loss, cause of action or claim arising out of or resulting from Purchaser’s actions under this subparagraph.</p>
<p><b>Entitlement Authority:</b></p>	<p>Purchaser will confirm during Due Diligence that the City of Santa Rosa has the land use entitlement authority for the Property.</p>
<p><b>Community Outreach:</b></p>	<p>Purchaser will conduct extensive community outreach consistent with the outreach described in the proposal submitted by CalCHA.</p>
<p><b>Closing:</b></p>	<p>Closing of the PSA contemplated by this proposal (“Closing”) will take place per the negotiated terms of the PSA.</p>
<p><b>Disputes:</b></p>	<p>Any disputes will be resolved by expedited JAMS arbitration in San Francisco.</p>