

**PROPOSED REGULATION OF THE ADMINISTRATOR
OF THE MANUFACTURED HOUSING DIVISION OF
THE DEPARTMENT OF BUSINESS AND INDUSTRY**

LCB File No. R204-01

April 2, 2002

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §1, NRS 489.7152.

Section 1. Chapter 489 of NAC is hereby amended by adding thereto a new section to read as follows:

1. The following form of contract for the sale of a used manufactured home, mobile home or commercial coach must be used in the sale of any used manufactured home, mobile home or commercial coach. A formatted copy of this form is available, free of charge, by contacting the division at 2501 East Sahara Avenue, Suite 204, Las Vegas, Nevada 89104, telephone number (702) 486-4135.

(DEALER HEADER INFORMATION TO BE INSERTED HERE)

| <i>USED HOME PURCHASE CONTRACT</i> | | |
|------------------------------------|-------------|--------------------|
| <i>PHONE</i> | <i>DATE</i> | <i>SALESPERSON</i> |
| <i>BUYER</i> | | |
| <i>ADDRESS</i> | | |

| <i>DELIVERY ADDRESS</i> | | | | | |
|---|-----------------|--------------|---------------------------|-----------------|--------------|
| <i>MAKE</i> | <i>SERIAL #</i> | <i>SIZE</i> | <i>YEAR/MANUFACTURER</i> | <i>BEDROOMS</i> | <i>BATHS</i> |
| | | | | | |
| <i>OPTIONAL EQUIPMENT, LABOR & ACCESSORIES (for additional items or services, see page 6)</i> | | <i>PRICE</i> | | | <i>PRICE</i> |
| | | | <i>BASE PRICE OF HOME</i> | | |
| | | | <i>OPTIONAL EQUIPMENT</i> | | |
| | | | <i>TOTAL PAGE 2</i> | | |
| | | | <i>TOTAL PAGE 3</i> | | |
| | | | <i>TOTAL PAGE 6</i> | | |
| | | | <i>DOCUMENT FEES</i> | | |
| | | | <i>SUBTOTAL</i> | | |
| | | | <i>SALES TAX</i> | | |
| | | | <i>NONTAXABLE ITEMS</i> | | |
| | | | <i>FEES AND INSURANCE</i> | | |
| | | | <i>1. CASH PRICE</i> | | |
| | | | | | |
| | | | <i>TRADE ALLOWANCE</i> | | |
| | | | <i>LESS LOAN BALANCE</i> | | |
| | | | <i>NET ALLOWANCE</i> | | |
| | | | <i>CASH DOWN PAYMENT</i> | | |
| | | | <i>CASH AS AGREED</i> | | |

| | | | |
|--|--|---|--|
| | | 2. LESS TOTAL CREDITS | |
| | | | |
| | | 3. UNPAID BALANCE OF CASH SALE PRICE | |
| | | | |
| BALANCE CARRIED TO OPTIONAL EQUIPMENT | | | |

This contract contains the entire agreement between Dealer and Buyer, and no other representation or inducement has been made that is not contained in this contract. Buyer confirms he has reviewed ALL SIX (6) PAGES of this purchase contract and has obtained any legal, tax or other professional advice Buyer may desire. Buyer and Dealer agree that each portion of this contract is independent of any other portion and that if any portion of this contract is found to violate the law or to be unenforceable, the remainder of this contract is valid. Do not sign this agreement if it contains blank spaces. Buyer acknowledges receipt of a copy of this contract.

| | | | |
|--------------------------------|-----------------|--------------------|---------------------|
| DESCRIPTION OF TRADE-IN | | | AMOUNT OWING |
| MANUFACTURER | | | SIZE |
| TITLE # | BEDROOMS | BATHS | COLOR |
| SERIAL # | | LIEN HOLDER | |

| |
|---|
| LICENSED DEALER OR LICENSED REPRESENTATIVE _____ |
| DATE _____ |
| BUYER _____ SSN _____ DATE _____ |

| |
|---|
| <i>BUYER</i> _____ <i>SSN</i> _____ <i>DATE</i> _____ |
| <i>SELLER</i> _____ <i>DATE</i> _____ |
| <i>SELLER</i> _____ <i>DATE</i> _____ |

| |
|---|
| <i>DISCLOSURES AND ESTIMATED MONTHLY COSTS</i> |
|---|

| | |
|---------------------------------------|----|
| <i>ESTIMATED MONTHLY HOME PAYMENT</i> | \$ |
| <i>CURRENT PARK or LAND RENT</i> | \$ |
| <i>TAXES ON HOME</i> | \$ |
| <i>HOME INSURANCE</i> | \$ |
| <i>OTHER MONTHLY COSTS</i> | \$ |
| <i>TOTAL MONTHLY COSTS</i> | \$ |

PARK APPROVAL OF BUYER: This transaction is contingent upon the approval of Buyer by the park management where applicable. All deposits will be refunded in the event that the park management does not approve of Buyer.

CLOSING DATE OF MORTGAGE LOAN: If Buyer is obtaining a mortgage loan, Buyer shall comply with all terms and conditions of such mortgage loan, including payment of all closing costs, and Buyer shall close the mortgage loan escrow within two (2) days after completion of the premises. Buyer and Dealer hereby agree that escrow on the mortgage loan is closed when the mortgage lien documents are recorded.

OWNERSHIP: *Buyer understands that Buyer is not the legal owner of the home until closing. Buyer shall not enter the premises or allow any other person to enter the premises during the course of construction or at any other time before the close of escrow. Buyer shall indemnify and hold Dealer and subcontractors harmless for any and all injuries or damages resulting from entry on the premises by Buyer or Buyer's representatives and guests.*

POSSESSION AND KEYS: *Possession and occupancy will be delivered to Buyer upon completion of construction and final funding of Buyer's loan. Dealer shall provide keys and/or a means to operate all locks.*

BUYER AND DEALER COOPERATION: *After closing and throughout the warranty period, Buyer and Dealer agree to cooperate in scheduling appointments and making the home accessible to contractors during regular business hours (8 a.m. to 5 p.m., Monday through Friday) at the times agreed upon. Unless otherwise required by law, Dealer has no obligation to correct any item not caused by deficient workmanship or materials. Buyer understands that Dealer may encounter delays in correcting certain deficiencies because the primary responsibility for correcting such deficiencies may be that of the manufacturer, a subcontractor or a supplier whose time schedule is not controlled by Dealer. Dealer's obligation to correct any deficiencies noted by Buyer will not delay the closing of the transaction or demand any conditions upon the closing not specified in this contract.*

| |
|-----------------|
| REMEDIES |
|-----------------|

DEFAULT AND REMEDIES: *If either party defaults in any respect on any material obligation under this contract, the nondefaulting party may elect to be released from all obligations under this contract by canceling the contract. The nondefaulting party may thereafter proceed against the party in default upon any claim or remedy, which the nondefaulting party may have in law or equity. In the event of Buyer's default, the amount of the deposit, not to exceed the actual costs expended by Dealer, may be forfeited, at Dealer's option, as Dealer's sole right to damages.*

ATTORNEY'S FEES: *In any action or proceeding to enforce any provision of this contract or for the damages sustained by reason of its breach, the prevailing party, on trial and on appeal, shall be entitled to receive reasonable attorney's fees and any other related expenses as awarded by the court.*

TIME: *Time is of the essence in the performance of obligations contained in this contract.*

NEVADA LAW: *Nevada law governs this contract.*

Initials _____ *Initials* _____

| |
|----------------------------|
| RECEIPT FOR DEPOSIT |
|----------------------------|

Received by _____ *Date* _____
Dealer

Print name(s) as it should appear on title:

Note: IT IS SOLELY THE BUYER'S RESPONSIBILITY TO DETERMINE THE FORM OF TITLE. NEITHER SELLER NOR SELLER'S AGENT IS AUTHORIZED TO RENDER ANY ADVICE AS TO THE MANNER IN WHICH TITLE IS TO BE TAKEN. THE DECISION AS TO HOW TO TAKE TITLE HAS IMPORTANT LEGAL CONSEQUENCES, INCLUDING, WITHOUT LIMITATION, THE DETERMINATION OF TAXES, INHERITANCE AND COMMUNITY PROPERTY. IF BUYER NEEDS ADVICE REGARDING THIS QUESTION, BUYER SHOULD CONSULT WITH HIS OWN ATTORNEY OR OTHER PROFESSIONAL.

DEPOSIT: Upon acceptance of this contract by Dealer, Dealer may deposit Buyer's money into a trust account. Unless otherwise provided in this contract, all deposited money is considered a part of the purchase price. ***Buyer agrees that, if Buyer breaches this contract, any deposited money may be subject to forfeiture. In the event any check is dishonored for any reason, Dealer may, at his option, be immediately released from any further obligation under this contract.***

Amount of deposit: \$ _____ Dealer's Receipt # _____

Form of deposit: Personal check Cash: \$ _____ Other: \$ _____

Received by _____
Salesperson's Name Salesperson's Signature License # Date

Firm Name Firm License #

CASH SALE: If Buyer is paying in cash for this transaction, all money must be deposited with Dealer before delivery.

| | | | |
|--|-------------|--------------|-------------|
| _____ | _____ | _____ | _____ |
| <i>Buyer</i> | <i>Date</i> | <i>Buyer</i> | <i>Date</i> |
| _____ | | _____ | |
| <i>Licensed Dealer or Representative</i> | | <i>Date</i> | |

WALK-THROUGH AND POSSESSION RECEIPT

YEAR/MANUFACTURER _____ *SIZE* _____

COMPLETE SERIAL # _____

Buyer hereby stipulates that he has personally inspected the home with Dealer or his representative and that it complies with all the terms and conditions of the offer to purchase, including all amendments submitted to the above Seller's agent. Buyer further stipulates that he accepts the home in its present condition and at its present location and that he has not received any expressed or implied warranties from Seller or from his agent with only the following exceptions:

The implied warranty by Dealer of the working order of the essential systems in the home as prescribed by NRS 489.751.

The following items are in working order at the time of sale:

| <i>Item or System</i> | <i>Working</i> | <i>Not Working</i> | <i>Buyer's Initials</i> | <i>Dealer's Initials</i> |
|--------------------------------|----------------|--------------------|-------------------------|--------------------------|
| <i>Heating System</i> | | | | |
| <i>Air-Conditioning System</i> | | | | |
| <i>Electrical System</i> | | | | |
| <i>Plumbing System</i> | | | | |
| <i>Drainage System</i> | | | | |

Other Exceptions and Additional Warranties:

(Repairs or replacements must be completed within 30 days by the responsible party unless otherwise noted and agreed upon.)

SEE ATTACHED SHEET

I, the Purchaser of the above property, have, on this date, personally inspected the home and assured myself regarding the condition of the home.

Date _____

Buyer _____

Buyer _____

Dealer _____

License # _____

Supplement "A" DELIVERY AND INSTALLATION (if applicable)

This contract contains all essential services and elements to complete the installation of the home and meets all requirements to pass inspections required by state laws and regulations unless otherwise noted in this contract. To help ensure prompt delivery and proper installation of your home, there are certain responsibilities that must be fulfilled by both you and your Dealer for the work to be done properly. Please read the following provisions carefully. If you have any questions, please ask your sales representative.

WE, AS YOUR DEALER, ARE RESPONSIBLE FOR THE FOLLOWING:

- 1. Blocking and leveling of the home to state's code or manufacturer's code.*
- 2. The connection of above-ground utilities, as agreed upon in the contract, up to a maximum of _____feet of materials, to existing codes.*
- 3. Any applicable inspections.*

You, as Buyer, agree that if MORE than the maximum of _____feet of above-ground utility materials are needed for proper installation of the home, you will pay, at the time of installation, the following charges or allow them to be included in your financing request:

| | | | |
|------------------------|-----------------|--|------------------------|
| A. Electrical, 100 AMP | \$_____ Per Ft. | E. Water | \$_____ Per Ft. |
| B. Electrical, 200 AMP | \$_____ Per Ft. | F. Gas | \$_____ Per Ft. |
| C. Sewer | \$_____ Per Ft. | G. Telephone | \$_____ Per Ft. |
| D. Television cable | \$_____ Per Ft. | H. Required flood-plain or perimeter blocking | \$_____ Actual Cost |

*This contract **DOES** **DOES NOT** contain a line-item charge, in the amount of \$_____, for “materials.” Any unused portion of this money will be returned to Buyer after the installation is completed and the installation crew is paid. If Buyer believes that the utility or other costs will exceed this amount, Buyer should advise the salesperson immediately so this figure may be adjusted. Buyer understands that Dealer cannot be held responsible for delays caused by weather, accidents, strikes, fires, equipment failure, delays by the manufacturer or any other cause beyond Dealer’s control.*

YOU, AS BUYER, ARE RESPONSIBLE FOR THE FOLLOWING:

- 1. Arranging for utility service to be turned on at the time of installation, as set forth below.*
- 2. (A) Obtaining the necessary permit for the placement of your home; or
(B) Authorizing Dealer to obtain the permit. I hereby agree to pay for the permit and any tap-on development fees.*
- 3. Verifying that your home is compatible with the lot, CC&Rs, deed restrictions, zoning laws and the available utilities based on approved plans. You are responsible for the cost of cutting trees, excess site-preparation costs not included in this contract and excessive trenching for utilities, as necessary. You are also responsible for any additional expenses,*

such as a loader, bulldozer or similar heavy equipment that may be needed to properly install your home on your site. For your protection, Dealer advises you to have a compaction test done on the soil to determine compatibility. Dealer can arrange for this test to be done, at your expense. If you act against Dealer's advice and choose not to have a compaction test done, you agree that YOU will be responsible for any problems that a compaction test would have revealed. Improper soil compaction can lead to such problems as unlevelled conditions, settling, tape or texture cracking, etc.

- 4. Making sure there is adequate access for the home to be properly installed. If the lot is not ready for installation of your home and the workers are required to wait, there will be a charge of \$ _____ per hour for each worker.*
- 5. Making sure the electrical power pedestal is installed with meter base, breaker box and necessary (size _____ AMP) breaker, within _____ feet of the home's electrical service, unless otherwise agreed upon.*
- 6. Making sure the water, septic tank or sewer connection is within _____ feet of the home's connection point, and your portion must be preinstalled to the proper code. For assistance, please contact your licensed contractor.*
- 7. Contracting with and paying a licensed contractor for gas plumbing, testing of appliances and gas hookup if Dealer or installation company is not licensed for gas plumbing, testing of appliances and gas hookup. It is not the responsibility of Dealer to complete such work under this contract. Dealer is not responsible for any work done by outside contractors.*
- 8. Arranging for phone service and the installation of phone and television jacks.*
- 9. Being available to assist in placing the home to your requirements and to accept delivery. Rental community installation sets are usually assisted by the manager and must be*

installed to the community standards. Make sure that you inquire about these requirements.

10. Allowing _____ working days after delivery (_____ additional days for drywall homes) before planning to move into your new home. A land or home purchase may take up to _____ days after delivery for move in.

Licensed Dealer or Representative _____ Date _____

Buyer _____ Date _____

Buyer _____ Date _____

Home Phone _____ Work Phone _____ Other _____

Delivery Address _____

Directions _____

Supplement "B" Additional Equipment, Labor & Accessories (See page 1)

| <i>Description of Items or Services</i> | <i>Amount</i> |
|---|---------------|
| | |
| | |
| | |
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| | |
| | |

2. A licensee who fails to comply with this section is subject to disciplinary action by the division pursuant to NRS 489.381.