

Congress of the United States

Washington, DC 20515

September 7, 2023

The Honorable Thomas J. Vilsack
Secretary
United States Department of Agriculture
1400 Independence Avenue SW
Washington, DC 20250

The Honorable Phyllis K. Fong
Inspector General
USDA Office of Inspector General
Room 117-W Jamie Whitten Building
1400 Independence Avenue SW
Washington, DC 20250

Dear Secretary Vilsack and Inspector General Fong:

We write to raise serious concerns regarding the conduct of Bosley Management (Bosley), which owns and manages the U.S. Department of Agriculture (USDA)-subsidized La Vista del Rio (LVDR) Apartments located in Española, New Mexico. Our offices have received reports that Bosley has repeatedly attempted to lie and intimidate low-income residents of LVDR in order to try to illegally evict them from the property. We request that your offices immediately investigate this matter to determine whether their conduct violates 1) their Section 515 contract with USDA; 2) USDA's Section 515 Rural Multifamily Housing Program rules and regulations; and 3) federal fair housing law. Further, we request your offices take immediate action to protect the residents of LVDR from displacement, be responsive to Project Moxie and members of the community who are dedicated to protecting LVDR residents, and take appropriate administrative and/or criminal action against Bosley for its conduct. We are also copying District Attorney Mary Carmack-Altwies and New Mexico Attorney General Raúl Torrez for appropriate legal action.

As you know, LVDR is a Bosley-managed apartment complex participating in USDA's Section 515 Rural Multifamily Rental Housing Direct Loan (USDA Rural Housing) Program. This program provides loans for the development or rehabilitation of rural multifamily rental housing for low-income individuals. The properties developed through this loan program often receive rental assistance through USDA's Rural Rental Assistance Program. Tenants pay no more than 30 percent of their income towards rent and USDA pays the property owner any additional cost.

It appears Bosley has a pattern of not only mismanaging properties it owns and that are enrolled in USDA's Rural Housing Program in Española but also attempting to illegally evict its residents. Below are several disturbing examples of Bosley's conduct in Española.

- In November 2022, the City of Española condemned a separate Bosley-owned apartment complex participating in USDA’s Rural Housing Program called Santa Clara Apartments due to poor management, lack of maintenance, and unsafe conditions. Bosley’s mismanagement of Santa Clara Apartments clearly violated USDA’s standards under CFR Section 3560.103 that require borrowers to, in part, “provide decent, safe, and sanitary housing” and “maintain the security of the property.” Although USDA provided housing vouchers, numerous residents became homeless after being forced out (*see attachment 1*).
- In March 2023, just a few months after the closure of Santa Clara Apartments, Bosley sent a letter to LVDR tenants ordering them to vacate the property by April 1, 2023. USDA’s Rural Development Office ordered LVDR apartments to remain open and found Bosley’s eviction notice to be illegal (*see attachment 2*). LVDR suffers from similar poor conditions that resulted in the condemnation of Santa Clara Apartments – poor management, lack of maintenance, and unsafe conditions, including mold growth and faulty utilities. As you know, all of these issues similarly violate USDA’s requirements for property owners participating in USDA’s Rural Housing Program.
- Even after USDA informed Bosley that its March 2023 eviction was illegal, it appears Bosley again tried to intimidate and lie to residents in order to try to evict them. According to reports, on August 30, 2023, Bosley told most LVDR residents that they were being evicted by 9:00 AM on September 2, 2023. Residents reported that Bosley told them that the police would forcibly remove them from their homes (*see attachment 3*) and child protective services would be called to do assessments of their children. The Santa Fe County Sheriff’s Office reported that they had not received any paperwork to evict any residents at LVDR.

Bosley is in the process of attempting to sell LVDR. It has entered into a purchase agreement with the City of Española (*attachment 4*). It is our understanding that the purchase agreement may not go through. We are concerned that Bosley has engaged in a pattern and practice of falsely and unlawfully intimidating residents in order to evict the tenants so it can more easily sell the property. Further, we are concerned that its actions violate the Fair Housing Act, which prohibits discrimination in housing. Many LVDR tenants are elderly, disabled, Latino, have children, and have limited English proficiency – all of which are protected classes under federal fair housing law.

Communities in New Mexico are dealing with an acute housing crisis. The population housed at LVDR apartments is particularly vulnerable. We urge your offices to investigate Bosley and take appropriate action based on your responsibilities to oversee USDA’s Rural Housing Programs to hold Bosley accountable and protect its tenants. It is imperative that USDA work to preserve the Section 515 loan and Section 521 rental assistance currently in place at LVDR to prevent the displacement of the current residents. As we have seen with the Santa Clara Apartments foreclosure, there is no available housing stock – and definitely no affordable housing options. The lack of affordable housing in the area would likely lead to displaced LVDR tenants facing homelessness even if they received USDA vouchers.

Lastly, we urge you to provide LVDR tenants with a written explanation of their rights and the current status of the property given the misleading and deceptive notices that Bosley has provided. Thank you for your attention to this matter. We look forward to your response.

Sincerely,



Martin Heinrich
U.S. Senator



Ben Ray Luján
U.S. Senator



Teresa Leger Fernández
Member of Congress

CC:

The Honorable Raúl Torrez
Attorney General, State of New Mexico
408 Galisteo Street
Villagra Building
Santa Fe, NM 87501

The Honorable Mary Carmack-Altwies
District Attorney, First Judicial District
P.O. Box 2041
Santa Fe, NM 87504-2041

ATTACHMENT

#1

KRQE

Española apartment condemned after numerous violations

by: Marilyn Upchurch

Posted: Nov 14, 2022 / 10:00 PM MST

Updated: Nov 16, 2022 / 07:13 AM MST

ESPAÑOLA, N.M. (KRQE) – The city said the apartment complex is not safe for the residents or the people who live nearby. Now, they're shutting it down.

"This is awful. I don't think this is fair to anybody. This is not our fault," said Polly Rudolph, a resident at the Santa Clara Apartments in Española. She's worried because the city says everyone living there must move out by November 21.

Española man charged with murder after shooting at trailer park

The city said the property is a nuisance. The fire marshal inspected the property in January. In March, the city fined the owner \$11,000 for the high number of false fire alarm calls in 2021. The city sent a letter giving the owner adequate time to fix the issues with the fire alarm system, electrical problems, and squatters causing fires.

"We go there two or three times a day for false alarms, and nobody evacuates the building," said Española Fire Department Assistant Fire Chief, John Wickersham. "Everybody just stays inside the residence. It's just a matter of time before a tragedy happens there."

There are other problems as well. Española police show up at least once a day. Police say the apartments have a narcotics issue and violent crime. The department's most recent homicide occurred in the parking lot.

"We have an elementary school that would constantly be on lockdown because of some of the activities that were occurring at the Santa Clara Apartments," said Española Chief of Police Mizel Garcia.

In the end, the city said the property owner, John Bosley, did not bring the 48-room building to code. Last Monday, the city decided to condemn the building. Leaving residents worried about what's next.

According to the city, residents may be able to move into some other apartments the property owner has. The property owner did not want to comment to KRQE. According to police, another property Bosely owns may soon be condemned as well.

Since the apartments are government subsidized, the USDA is stepping in to help residents with housing vouchers. Some residents said they still have not found a place to live.

ATTACHMENT

#2

Rio Grande Sun

USDA Orders La Vista Del Rio Owner to Keep Apartments Open

By Kevin Deutsch kdeutsch@riograndesun.com SUN Staff Writer
Mar 29, 2023 Updated Apr 6, 2023

The U.S. Department of Agriculture ordered the La Vista Del Rio apartments to remain open, officials said Wednesday, halting a planned closure of the complex officials called “illegal.”

Constance Bosley, a general partner in the apartment complex’s ownership group, said in a letter to tenants dated March 23 that the USDA’s Rural Development office “demands that this complex remain open, even though the constant, continuous, dangerous illegal activity is still ongoing.”

The letter comes two weeks after Bosley issued an initial letter to La Vista Del Rio tenants ordering them to vacate the drug-plagued property by April 1. Bosley blamed the planned closure on Española police not enforcing laws at the troubled complex. City officials said that was a lie.

According to Española City Manager Jordan Yutzy, Bosley Management actually planned to close the complex because the company is unable to pay the \$500,000 in federal loans it owes on the property, and have entered foreclosure.

Government officials and local social service organizations banded together in mid-March to oppose the complex’s closure, advocating for La Vista Del Rio’s 79 or so legal residents, plus the 15 to 25 non-residents crashing there, officials said.

Those advocates on Wednesday hailed Constance Bosley’s announcement as a victory.

“The residents of La Vista del Rio Apartments can breathe a bit easier knowing that the USDA has demanded that the property owner keep the apartments open,” the group of dozens of government officials and advocates said in a written statement Wednesday. “The Rio Arriba County-Rural Housing Task Force took the lead in coordinating the efforts to stop the illegal closure of the property. Many government and non-governmental agencies joined forces to prevent this housing crisis.”

“This new change in tone is a direct response to a community meeting in Española on Thursday, March 23 where tenants, community activists, service providers, first responders and local and national politicians packed a room and met to discuss the housing crisis facing at least 79 residents,” the statement reads, referencing a community meeting held to helping the complex’s tenants. “The meeting opened dialogue between the community and USDA, which subsidizes the property.”

According to the advocate group, La Vista Del Rio owner Bosley Management, a Wyoming company that operates more than 50 low-income properties throughout the western U.S., was forced to reverse course on the closure after the USDA intervened.

In her letter to residents, Constance Bosley still “advised” residents to vacate the property by April 1 “for your own safety.”

“Since the illegal activity has not and probably will not be abated by the appropriate authorities, for your own safety, we advise you to vacate your unit as soon as possible,” Bosley wrote of the apartments, located at 1911 Avenida Cañada in Santa Fe County.

“If you remain living at this complex, you are living there at your own risk, and you are totally responsible for your safety and you are totally responsible for the safety of all members of your household and your guests,” Bosley said, adding that all utilities at the complex will stay on.

In a written statement from Santa Fe County, county officials said they were “collaborating with our neighboring communities, the state, and our federal delegation to make sure the tenants of the La Vista Del Rio Apartments are supported in this time of uncertainty.”

“We are working together to provide the wrap-around support services that the families need as we look for solutions and work to bring stability to this situation,” the statement reads.

Records indicate Bosley Management, led by property management executive John Bosley, owe roughly \$500,000 in federal rural housing loans to the government for La Vista Del Rio, and another \$1.6 million for Bosley’s other failed low-income property in Española, the Santa Clara Apartments, which officials condemned in November due to “life-safety issues” that violated city building codes.

Both properties have been plagued for decades by what residents characterized as slumlord tactics: a lack of maintenance and compliance with federal housing standards, disregard of residents’ maintenance requests and management’s turning a blind eye to open-air drug trafficking and abuse, with multiple overdose deaths reported at the complexes.

After Bosley’s March 15 closure announcement, nearly 40 leaders from government, harm reduction agencies and other care organizations gathered at the Española Fire Department to help residents of La Vista Del Rio’s 37 occupied units, officials said.

The result of the group's work: a Community Resource Picnic set for Wednesday, March 29, from 5 to 7 p.m. at La Vista Del Rio, 1911 Avenida Cañada. All residents and those who want to help are welcome to attend the resource fair, which will feature free food and music, officials said.

Rumors about La Vista Del Rio's closure have swirled since the November condemnation of the Santa Clara Apartments. When residents were forced out of that drug-ravaged complex, federal inspectors with the United States Department of Agriculture next visited La Vis Del Rio and found the property out of compliance with federal housing standards, records show.

The USDA ordered John Bosley to put together an action plan within 30 days to bring the apartments up to federal standards, officials said.

"He failed to do that," Yutzy said at the March 23 community meeting. "At that point in time, they accelerated his loans...and gave him 60 days to pay off the note in full or lose the complex. He's been unable to pay the note off in full, so now it's in foreclosure."

"The owner has known it's been coming for at least 90 days and has just been ignoring it," Yutzy said of the foreclosure, adding that Bosley has missed numerous meetings with city officials concerning his two failed properties.

John Bosley did not return a message seeking comment.

Like the Santa Clara Apartments, La Vista Del Rio was built in the 1980s with the help of federal loans and subsidies from federal rural housing programs. The complexes have housed some of the Valley's poorest residents, including many citizens battling drug addiction and struggling to stave off homelessness.

Bosley has said he is accepting bids to sell La Vista Del Rio, with the caveat the buyer maintain the USDA's low-income requirements, the officials said.

An imminent sale of the complex seemed unlikely, with Yutzy estimating a minimum of \$1 million in renovations needed at La Vista Del Rio to bring the property up to federal standards.

La Vista Del Rio is among the only low-income housing apartment complex's in Española, and government officials are working to keep residents housed there as long as possible, authorities said.

ATTACHMENT

#3

Santa Fe New Mexican

Advocates: Low-income Española tenants threatened with illegal eviction

By Maya Hilty mhilty@sfnewmexican.com Aug 31, 2023

Advocates working to save tenants from the shutdown of an Española low-income apartment complex say residents were threatened with eviction in a few days — despite the fact that they legally cannot be kicked on such short notice.

On Wednesday afternoon, La Vista del Rio Apartments residents told members of Project Moxie, property management staff going door to door told residents to move out by 9 a.m. Saturday or face eviction by law enforcement.

About 10 households received the verbal notice before advocates contacted property management saying they were going to send people to the site, said Kathleen Van Voorhis, vice president of the Project Moxie affordable housing nonprofit.

Van Voorhis and Wolf Bomgardner, an attorney with the New Mexico Center on Law and Poverty, spent Thursday morning at the complex telling residents they do not need to leave because the notice does not follow the process that Sheridan, Wyo.-based property owner Bosley Management would have to follow for a legal eviction. They connected with people in 16 of the 17 units still occupied in the 49-unit complex, Van Voorhis said.

Owner John Bosley did not respond to multiple calls on Thursday requesting comment.

The Santa Fe County Sheriff's Office has not received paperwork for any evictions at La Vista del Rio apartments, spokeswoman Denise Womack-Avila said.

Wednesday was the second time advocates have accused the property owners of unlawfully threatening residents with eviction.

In March, Bosley gave residents a written notice saying the complex would close in two weeks. Advocates, including members of the Rio Arriba County Rural Housing Task Force, mobilized to protect residents from the closure, and the U.S. Department of Agriculture, which subsidizes the apartments, ordered Bosley to keep the apartments open.

Several residents did leave in March, Van Voorhis said.

“Obviously, people are so scared,” Bomgardner said. “There are people that have been living here for decades. ... It’s their home, and beyond that, people really just don’t know where they would go if they had to leave here. New Mexico is in the midst of a housing crisis.”

Many grandparents and kids are among those who call the complex home. People from about nine different units shared breakfast Thursday and still sat outside talking hours later, Van Voorhis said.

“They’ve supported each other for years ... but these individuals would not have other choices,” she said. “For many of them, this displacement would be permanent, and it would be deadly.”

According to USDA regulations, the tenants of La Vista del Rio cannot be evicted with less than 180 days’ notice, said Santa Fe County spokeswoman Olivia Romo. The federal agency did not confirm or deny this Thursday.

Van Voorhis said advocates and local officials have had trouble getting answers about tenants’ rights at the apartments in “multiple attempts” to contact the agency since April.

A spokesperson said in a statement Thursday that “USDA Rural Development is unaware of any tenant evictions in process.”

“Tenant protections are of priority for Rural Development and requirements of existing agreements with the owner are actively being enforced,” the statement said.

Residents are also concerned about the apartments’ conditions, Bomgardner and Van Voorhis said, including mold growth and faulty utilities.

“It sounds like from the little bit that I’ve spoken with the people who live here ... the landlord has refused to actually upkeep the property in any way,” Bomgardner said. “And in New Mexico, the landlord actually owes duties to people that live there. They need to make sure that it’s a habitable place that people can live. They need to fix issues when they arise.”

ATTACHMENT

#4

REAL ESTATE PURCHASE AGREEMENT

THIS REAL ESTATE PURCHASE AGREEMENT is entered into between the City of Espanola ("City" or "Buyer"), whose address is 405 N. Paseo de Oate, Espanola, NM, 87532, and La Vista del Rio Apartments, A Limited Partnership ("Sellers"), whose address is 566 Turner Lane, Sheridan, WY 82801.

RECITALS

1. Sellers are the owners of the real property, and improvements thereon (the "Property"), more particularly described as follows:

*T20N R 8E S 1 NE 2.30 AC LA VISTA DEL RIO SUB COMMON AREA CANADA ALSO
1904 AND 1908 AVENIDA*

LA VISTA DEL RIO SUB LOT 33-36 COMMON AREA T20N R 8E S 1 NE

2. The Property is approximately 3.52 acres in size and is improved with six buildings, containing 49 apartment units.
3. The Property has a 911 address of 1911 Avenida Canada, Espanola, NM 87532.
3. Sellers desire to sell the Property to City.
4. City desires to purchase the Property for cash or certified funds.

NOW, THEREFORE, for valuable consideration, City and Sellers agree as follows:

TERMS AND CONDITIONS

1) Purchase Price.

The purchase price for the Property shall be **Five Hundred Thousand Dollars (\$500,000.00)** cash or certified funds and City will pay half of the closing costs.

2) Resolution.

City confirms that the Governing Body has adopted or will adopt a Resolution authorizing the Purchase of the Property prior to Closing. Notwithstanding anything to the contrary herein, this Agreement shall terminate with no consequences to either party and the earnest money, if any, shall be returned to City if City does not obtain approval of the Governing Body prior to the Closing Date.

3) Closing Date.

The "Closing" for purchase of the Property shall occur on a mutually agreeable date not later than ninety (90) days after the expiration of the Inspection Period or the delivery of the Appraisal, whichever occurs later. Closing shall occur at the offices of: South West Title, Espanola, NM.

4) Earnest Money.

City shall deposit the sum of \$ 5,000.00 to the title company as earnest money within ten (10) days of the Effective Date.

5) Appraisal.

This Purchase Agreement is contingent upon City obtaining an appraisal, at City's sole cost, that appraises the Property at a value that supports the Purchase Price. In the event that the appraisal does not, in City's opinion, support the Purchase Price, this Agreement shall terminate upon notice to Sellers and the earnest money, if any, shall be returned to City.

5) Inspection Period.

A. The Property is being purchased "as-is" in contemplation of the residence being renovated as multi-family housing. Buyer may obtain an inspection report as to any hazardous materials to be removed.

B. The "Inspection Period" shall commence on the Effective Date of this Agreement and shall end sixty (60) days from the Effective Date, provided, that the Inspection Period shall be extended for a reasonable period of time for completion if timely commenced or if, following due diligence, City has not been able to commence the inspection within the Inspection Period.

C. Within fifteen (15) days of the Effective Date, Sellers shall disclose to Buyer any adverse material defects or hazardous conditions known to Sellers about the Property and shall provide to Buyer true, correct and complete copies, to the extent that they are in Seller's control or possession, of the following: previously prepared environmental audits and inspections, physical inspection reports, maintenance information, warranties, service and other contracts, engineering reports, hydrology reports, drainage information, grading information, soils reports, topography information, utility reports and information, building plans and specifications, certificates of occupancy, plats, prior surveys, site plans, tax assessments and tax bills for the past two (2) years, utility bills, governmental and quasi-governmental notices, a schedule of all lawsuits (except suits initiated by Seller against tenants no longer occupying space at the Property) pending or threatened related to the Property (including a summary of relevant facts, status of the action, parties, court and attorneys involved), and such other information, notices, correspondence, agreements and other materials, if any, in Sellers' possession related to the Property. "Hazardous materials" shall include, but are not limited to, asbestos and lead-based paint. "Deficiencies" shall include any defects in fee simple title to the Property or encumbrances on the Property.

D. In the event that the inspection identifies hazardous materials to be removed at an estimated cost greater than \$500,000.00, City shall have the option of terminating this Agreement or obtaining an adjustment to the purchase price in the amount of the estimated cost of hazardous-material removal. Within five (5) days of Buyer's notice to Sellers of deficiencies, Sellers shall notify Buyer as to whether Sellers will reduce the purchase price. In the event that Sellers choose to adjust the purchase price in the amount of the estimated costs, Buyer shall have the option of accepting the reduced purchase price or of terminating this Agreement. Upon such termination, the earnest money, if any, shall be returned to Buyer.

E. As soon as reasonably possible following the execution of this Agreement, Sellers shall furnish Buyer with a commitment of owner's policy of title insurance ("Commitment") for the Property together with full copies of all exceptions set forth therein, including but not limited to covenants, conditions, restrictions, reservations, easements, rights of way, assessments, liens and other matters of record. During the Inspection Period, Buyer shall notify Sellers of its disapproval of any title discrepancies shown in the Commitment.

F. As soon as reasonably possible following the execution of this Agreement, Buyer shall obtain an improvement survey of the Property at Buyer's sole cost. The Parties agree to use a current Survey if approved by Title Company.

F. Sellers shall eliminate any valid exception(s) or reservations, except patent reservation(s), from the policy of title insurance prior to Closing unless City elects to waive such condition(s). Sellers may decline to eliminate the exceptions or reservations, in which event this Purchase Agreement shall terminate and the earnest money, if any, shall be returned to Buyer. The policy of title insurance shall be a standard coverage policy in the amount of the total purchase price and shall be paid for by Buyer.

G. Prior to Closing, Buyer may, in its sole discretion, terminate this Agreement for any reason or no reason and Sellers shall be entitled to retain the earnest money, if any, provided, that if termination is for any reason resulting from an inspection according to the terms and conditions of this section 5, City shall be entitled to a return of its earnest money, if any. Upon any termination, this Agreement shall be deemed null and void, and neither party shall have any rights or liabilities under this Agreement except as to the terms regarding earnest money.

H. At Closing, Sellers shall execute and deliver a warranty deed conveying the Property to City. The Property shall be delivered free of any monetary liens and encumbrances other than taxes and assessments not yet due and payable.

I. Sellers, to the best of their knowledge, represent and warrant to City as of the date of this Agreement and as of the date of Closing as follows: 1) Sellers are the sole owners of the Property and have the full right, power and authority to sell the Property to City as provided in this Agreement; 2) Sellers are not aware of any unpaid liens or assessments, or items which could result in a lien, related to the Property; 3) the Property is not subject to any historical property designation and/or development limitation; 4) no other party has any rights to possession of the Property; 5) no work has been performed which has not been paid for or which could give rise to any mechanic's or materialmen's lien being filed against the Property; and 6)

no lawsuit or other claim is pending or threatened against Sellers with respect to the Property or the terms of this Agreement and/or the Property.

6) Costs, Fees, and Alternative Dispute Resolution.

A. All closing costs, including The Commitment of Title Insurance and the Title Policy Premium, shall be divided evenly between the Parties.

B. Applicable real property taxes shall be prorated through the date of Closing based on the latest tax information available to the Title Company. Seller shall pay all special assessments, standby charges, prorated charges and other similar charges and/or assessments existing at the time of Closing.

C. Prior to the institution of any litigation, however, the parties have the contractual duty to, in good faith, attempt to resolve any controversy hereunder at the least possible expense using alternative dispute resolution. Should alternative dispute resolution fail and litigation be brought, if either party is found by a court to have breached this Agreement, the other party may recover its costs, including reasonable attorney fees.

7) Compliance with Code and Statutes.

City has complied or will comply with all applicable legal requirements regarding this purchase prior to Closing. City represents that it has obtained or will obtain prior to Closing such authority as may be necessary to purchase the Property from Sellers.

8) Material Change.

No Material Change, as hereinafter defined, shall have occurred before the Closing with respect to the Property that has not been approved in writing by Buyer. For purposes of this Agreement, "Material Change" shall mean a change in the status of a use, occupancy, tenants, financial condition or physical condition of the Property. In the event of a Material Change, Buyer, at Buyer's election, may terminate this Agreement after receiving notice from Seller of such Material Change. If Buyer terminates this Agreement, the Earnest Money and all interest accrued thereon shall be returned to Buyer.

9) Risk of Loss.

In the event of damage or destruction of all or any portion of the Property by wind, water, fire or other casualty, Sellers will promptly notify Buyer of the nature and extent of such damage or destruction. In such event, Buyer, in its sole discretion, may either terminate this Agreement, negotiate a mutually acceptable reduction in the Purchase Price, obtain an assignment of insurance proceeds from Sellers or apply insurance proceeds received by Seller as of the Closing to the Purchase Price. Prior to Closing, risk of loss with respect to the Property shall be on Sellers. After Closing, risk of loss with respect to the Property shall be on Buyer.

10) Possession.

Unless otherwise agreed by the parties, said agreement to be in writing and constituting an amendment to this Agreement, possession of the Property will be released to Buyer at Closing

and keys, locks, security codes and other such security items shall be delivered by Sellers to Buyer at Closing.

11) Counterparts, Amendments, Invalidity & Entire Agreement.

This Agreement may be executed in one or more identical counterparts, and all counterparts so executed shall constitute one agreement which shall be binding on the parties. This Agreement cannot be amended except as agreed to in writing by the parties. If any provision of this Agreement is determined to be invalid, ineffective, inoperative, unenforceable, or contrary to law, all the remaining provisions of this Agreement shall remain in full force and effect. This Agreement and Disclosure Statements covering the Property constitute a fully integrated document and represent the entire understanding and agreement between Buyer and Sellers regarding the Property. All prior discussions, events, representations, warranties and agreements regarding the Property are hereby superseded and replaced by this Agreement. The parties to this Agreement affirm that the terms and provisions of this Agreement accurately reflect their intent. All exhibits and addenda to this Agreement are incorporated into this Agreement as operative provisions.

12) Successors and Assigns.

This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. Neither party may assign this Agreement or duties hereunder without the express written consent of the other party which consent shall not be unreasonably withheld.

13) Termination.

This Agreement shall be terminated on the closing date for the sale of the Property, unless either party terminates the Agreement prior to that date per the provisions of this Agreement.

14) Taxes and Assessments.

Sellers shall be responsible for payment of all taxes and assessments for the current tax year, provided, that said taxes and assessments shall be prorated as of Closing such that City shall be responsible for the amount of taxes and assessments after the Closing date and the purchase price shall be adjusted to include City's share of said taxes and assessments.

15) Governing Law and Venue.

This Agreement is to be construed in accordance with and governed by the laws of the State of New Mexico without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the laws of the State of New Mexico to the rights and duties of the parties. Each party hereby irrevocably consents to the jurisdiction and venue of the state and federal courts having jurisdiction and venue in the county in which the Property or any portion of the Property is located, in connection with any claim, action, suit or proceeding relating to this Agreement and agrees that all suits or proceedings relating to this Agreement shall be brought only in such courts.

16) Notice.

All notices given pursuant to or in connection with this Agreement shall be made in writing and posted by certified mail, postage prepaid to:

Buyer: City of Espanola
Attention: City Manager
405 N. Paseo de Oñate
Espanola, NM 87532

Sellers: La Vista Del Rio Apartments
566 Turner Lane
Sheridan, WY 82801

or to such address as requested by either party. Notice shall be deemed to be received on the fifth day following posting.

17) USDA Requirements

This Agreement is required to follow the following stipulations from the United States Department of Agriculture, Rural Housing Authority:

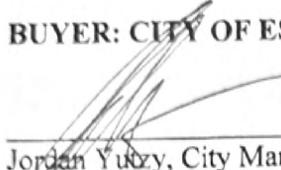
- a) All tenants that are legally occupying any apartment in the above-mentioned property will have their lease honored for one hundred eighty (180) days from the day of closing by the City.
- b) This contract may require amendments from the USDA to ensure the correct language meets their requirements for the use to remove the lien from the property and relieve the seller of obligations. The City agrees to review all amendments from the USDA and sign the amended contract if approved by legal council for the City.

18) Effective Date.

This Agreement shall be effective as of the date of signing by the last party shown below.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the dates indicated.

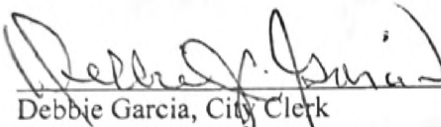
BUYER: CITY OF ESPANOLA



Jordan Yurzy, City Manager

Date: 4/13/23

Attest:



Debbie Garcia, City Clerk

SELLERS: LA VISTA DEL RIO APARTMENTS, A LIMITED PARTNERSHIP



John Bosley
Partner of WHG Partnership,
the General Partner of the
Limited Partnership.

Date: 4/11/2023
11:35 AM