

2007 Valley Million Dollar Home Raffle

Official Rules

The net proceeds of this raffle shall be used to support the educational programs of Kadima Academy. A list of the raffle winners will be posted at www.kadimaacademy.org/ and www.valleyhomeraffle.com/. Printed winner lists may be requested by mail within two (2) weeks following the final drawing date. This raffle is registered with the Office of the California Attorney General, Raffle Registration Number R-0000079.

PRIZES

Grand Prize: The GPW may choose either the West Hills home with an estimated value of \$1,000,000 or choose the alternate prize, \$800,000 cash. The cash alternate of \$800,000 will be automatically awarded to the GPW in place of the home unless the winner selects the home.

Final Drawing Cash Prizes: Drawings for additional prizes (prizes 2 through 95) will be conducted prior to the Grand Prize announcement. Second Prize: \$ 25,000 / Third Prize: \$10,000 / Fourth Prize: \$5,000 / Fifth Prize: \$2,000 / Prizes 6–10: \$1,000 each / Prizes 11–15: \$500 each / Prizes 16–95: \$300 each.

Early-Bird Prizes: Five raffle tickets will be drawn on each Early Bird drawing date. First Prize: \$15,000; second prize: \$5,000, third, fourth, and fifth prize: \$1,000 each.

Multiple Ticket Buyer Prizes: First Prize: 2007 BMW Z4 3.0i Roadster or \$30,000. Second Prize: Vacation Cruise or \$10,000. Third Prize: Custom Entertainment Center with installation or \$7,000. Fourth Prize: Gas for a Year or \$4,000.

DEADLINES AND DRAWING DATES

All tickets, including winning tickets, in each Early Bird drawing will be re-entered in any subsequent Early-Bird drawings and for the Grand Prize and Cash Prizes Drawing.

Early-Bird One Drawing: To be eligible, ticket order with payment must be received by close of business Wednesday, August 22, 2007. Drawing will be held on Sunday, September 2, 2007, 2:00 pm at the Million Dollar Home, 6967 Sale Ave, West Hills, CA 91307.

Early-Bird Two Drawing: To be eligible, ticket order with payment must be received by close of business Wednesday, September 19, 2007. Drawing will be held on Sunday, September 30, 2007, 2:00 pm at the Million Dollar Home, 6967 Sale Ave, West Hills, CA 91307.

Early-Bird Three Drawing: To be eligible, ticket order with payment must be received by close of business Wednesday, October 24, 2007. Drawing will be held on Sunday, November 4, 2007, 2:00 pm at the Million Dollar Home, 6967 Sale Ave, West Hills, CA 91307.

Early-Bird Four Drawing: To be eligible, ticket order with payment must be received by close of business Wednesday, November 28, 2007. Drawing will be held on Sunday, December 9, 2007, 2:00 pm at the Million Dollar Home, 6967 Sale Ave, West Hills, CA 91307.

Multiple-Ticket Drawing: The Multi-Ticket Drawing is an extra drawing for individuals buying more than a single raffle ticket. For those who buy more than one ticket, all tickets purchased must have the same name(s) and address listed in order to be eligible for the Multiple Ticket Drawing. All orders with payment must be received no later than close of business Wednesday, December 19, 2007, or prior to 18,000 tickets sold. The drawing will be held Thursday, December 27, 2007, 2:00 pm at the Million Dollar Home, 6967 Sale Ave, West Hills, CA 91307.

Grand Prize Drawing: To be eligible, ticket order with payment must be received by close of business Wednesday, December 19, 2006. The Grand Prize Drawing is scheduled for Sunday, December 30, 2007 at 2:00 pm at Shadow Ranch Park in West Hills, CA. This deadline date may be extended at Kadima Academy's discretion in an effort to reach the 18,000 ticket limit.

RAFFLE TICKET ORDERS

The price for each raffle ticket is \$150. No more than 18,000 raffle tickets will be sold.

A raffle ticket can only be purchased in the name of one, two or three individuals. If more than three names appear on a raffle ticket entry form, then the first three names listed on the form will be deemed the holders of that raffle ticket. Tickets will be placed in the raffle drum awaiting the drawing. Ticket receipts will be mailed to the address listed on the entry orders. Any prize and consequent tax liability will belong 100% to the person named on a ticket bearing only one name, 50% to each of the two persons named on a ticket bearing only two names, and 33% to each of the three persons named on a ticket bearing three names.

A person named on a raffle ticket can not sell, give away or otherwise transfer his/her interest in the ticket. Kadima Academy assumes no responsibility for lost, misdirected, late, non-delivered, or other failed efforts to submit a timely ticket order. All ticket orders must be received and fully paid prior to the stated entry deadlines in order to be valid. Any raffle ticket entry forms that are deemed by Kadima Academy to be defective or illegible will not be charged (or if charged, will be refunded) and will be disqualified from the drawing. Kadima Academy reserves the right to reject any raffle ticket entry form that is submitted with payment that does not constitute "good funds" as determined in Kadima Academy's discretion. Kadima Academy has no responsibility to notify anyone who attempts to purchase a raffle ticket without good funds.

The IRS does **not** consider the purchase of a raffle ticket to be a tax-deductible charitable contribution.

HOW TO PURCHASE

Raffle tickets may be purchased only from Kadima Academy on site, by phone at **818-444-4068**; or on an order form faxed to **818-444-4069** or mailed to *KHA Valley Home Raffle, 7011 Shoup Avenue, West Hills, CA 91307*. Valid ticket orders are those phoned, faxed or mailed with valid payment: credit card (Visa, MasterCard, Discover or American Express) numbers and expiration dates, or check/money order made payable to "KHA Valley Home Raffle." Tickets may **not** be purchased online or by voicemail or email. Orders will be processed in the approximate order in which they are received and verified.

Buyers may purchase as many tickets as desired subject to availability. Cash purchases may occur in person at Kadima Academy Monday through Friday from 9am to 4pm only. Do not mail cash. All sales are final. Refund of ticket purchase payments, such as payments accompanying ineligible orders, shall be solely at Kadima Academy's discretion.

ELIGIBILITY

All persons submitting payment for a ticket and/or named on a raffle ticket must be 18 years of age or older at the time of purchase. Raffle tickets may **not** be purchased in the name of businesses, trusts, corporations, or other entities, or wherever prohibited by law. (Trustees may purchase tickets as individuals in their own names and place any prizes won inside the trust at their discretion.) Raffle tickets may **not** be purchased by Kadima Academy employees, raffle consultants, members of the Board of Directors of Kadima Academy, or family members residing at the same address. Prize winners will be required to submit a signed affidavit of eligibility, photo identification (in case of prizes requiring tax withholding, taxpayer identification number, or else will be deemed ineligible to claim the prize). The raffle is void where prohibited by law.

DRAWING PROCEDURE AND ODDS OF WINNING

Winning raffle tickets will be drawn at random by Kadima Academy. Odds of winning a prize depend on the number of raffle tickets sold. If 18,000 raffle tickets are sold, then the odds of any one raffle ticket winning the Grand Prize will be 1 in 18,000. The odds will improve for participants if less than 18,000 raffle tickets are sold and/or if a participant is named on more than one ticket.

On the date of the Grand Prize drawing, the raffle tickets for prizes 2 through 95 will be drawn first, before the drawing for the Grand Prize, in reverse order, beginning with prize 95 and finishing with the Second Prize. After the drawings for all the Cash Prizes, all tickets including the

winning tickets of those prizes will be re-entered in the drawing for the Grand Prize. No raffle ticket is eligible for more than one Cash Prize (Prizes 2 through 95).

WINNING PRIZES

Winner Notification: Winners need **not** be present at any drawings; winners will be notified by phone and/or mail. Kadima Academy will make reasonable efforts to contact the persons named on a winning raffle ticket, using only the information on the winning raffle ticket entry form. If despite those efforts the persons named on a winning raffle ticket cannot be located within 30 calendar days after the drawing, or if any such person is ineligible under these Rules or applicable law, then that person will not be awarded the prize, no other raffle ticket will be substituted for that raffle ticket and the prize will be retained by Kadima Academy. Any prize that is not claimed within sixty days after the drawing for that prize will not be awarded.

Prize Acceptance: Each person named on a winning raffle ticket agrees, as a condition to being eligible to receive any prize, to sign and deliver to Kadima Academy: (a) a sworn affidavit of eligibility in accordance with these Rules and applicable law, including without limitation that he or she is at least 18 years old; (b) such written information as is required by any applicable tax and/or real estate laws, including without limitation his or her Social Security Number; (c) proof of identity in forms satisfactory to Kadima Academy showing that the person claiming the prize is the same person who is named on the winning raffle ticket; and (d) a publicity release permitting the above uses by Kadima Academy. In relevant cases, winners choosing between cash and alternate prizes must be made in writing by midnight of the 14th day following the day of the multi-Ticket drawing.

Publicity: Each person named on a winning raffle ticket agrees that his or her name, likeness, voice and city of residence may be used - without notice or payment of compensation - in any print, audio, or visual media for any promotional or other purposes, including without limitation any purposes related to this or any other raffle involving Kadima Academy.

Taxes And Withholding: All prize winners are solely responsible for paying and reporting, as and when required by law, all income or sales taxes and any other taxes, fees and expenses associated with or attributable to the prize, whether or not Kadima Academy takes any withholding for taxes from that amount, and each winner authorizes Kadima Academy to withhold from any prize any and all amounts required to be withheld by applicable law and shall indemnify, defend, protect and hold harmless Kadima Academy against all claims relating to such taxes and expenses.

WINNING THE HOME

Minimum Ticket Sales Required: A minimum of 15,000 raffle tickets must be sold by the ticket sales deadline in order for the Grand Prize Winner to have the choice of the home or the alternative cash prize. If fewer than 15,000 raffle tickets are sold the raffle will be held as scheduled and all final drawing cash prizes will be awarded; however, the Grand Prize will not be the home or the alternative cash amount advertised. Instead, the Grand Prize Winner (GPW) will be awarded a cash prize computed as 50% of net raffle proceeds. For the purpose of these rules, 'net proceeds' are defined as the balance of ticket sales revenue remaining after awarding of all other prizes and all raffle-related expenses. The net proceeds will then be divided equally between Kadima Academy and the GPW based on Kadima Academy's accounting, which shall be final and conclusive with respect to the GPW.

Grand Prize Choice Procedure: For the GPW(s) to receive the home (subject to the prior paragraph), the winner(s) must elect to receive the home and any specified furnishings and **not** the cash Alternate Grand Prize. This must be done by delivering written notice of the election to Kadima Academy by 3:00 p.m. on the seventeenth day after the date the Grand Prize Drawing occurs. This notice must be signed by any and all individuals named on the winning ticket.

- If Kadima Academy does not receive that notice of election by the above-specified date and time, the GPW(s) will be declared by Kadima Academy to have elected not to receive the home and to have elected by default to receive the cash Alternate Grand Prize.
- If the GPW(s) elect(s) to receive the home pursuant to these Rules, and if after doing so fail(s) to deliver to Kadima Academy the required withholding amounts prior to the delivery of the home or such other items or amounts as are necessary to complete the transfer of the home, as determined in Kadima Academy's discretion, then Kadima Academy may award the cash Alternate Grand Prize instead of the Grand Prize home.
- If the GPW receive the home, the home will be transferred to the GPW(s) through an escrow in its as-is, where-is condition and Kadima Academy will thereupon be released from any liability relating to the home.
- If the GPW properly elect to receive the home, then the winner agrees to sign and deliver an agreement of purchase and sale and related escrow instructions within 7 calendar days after these documents are provided to the GPW, and to reasonably cooperate in the escrow process, and to promptly sign and deliver such documents as are customary for acquiring residential real estate.

Winner Obligations Upon Receiving the Home: Upon receiving the home, the GPW(s) shall be solely responsible for reporting and paying all applicable income taxes, property taxes, and other taxes and costs entailed in receiving or owning the home, including without limitation any required withholding amounts, as and when required by law. The GPW(s) agree(s) to be solely responsible for paying when due all applicable escrow and title insurance charges, homeowner's association dues and assessments, transfer taxes and all other charges imposed on the winner by the agreement of sale and/or related escrow instructions. Escrow shall be 45 days or less. Furnishings will be included as specified by Kadima Academy in writing.

Valuation Of The Home: Kadima Academy and the seller of the home do not provide any guarantee, agreement, representation or warranty, express or implied, in connection with the home. Kadima Academy and the seller of the home have no liability or responsibility regarding the condition of the home or its location. Kadima Academy and the seller of the home do not make any guarantee, agreement, representation, or warranty as to the value of the home, or that the recipient(s) of the home will be able to sell it for any certain price, including without limitation its initial list price or taxable value, or within any given time period. The GPW(s) acknowledge(s) that government authorities may place a different value on the home than its initial or current list price in determining any income, property, transfer, or other taxes or fees that may be attributable to the Grand Prize.

HOLD-HARMLESS AGREEMENT:

Each person who purchases a raffle ticket and/or whose name appears on a raffle ticket: (a) agrees that Kadima Academy, its directors, officers, employees, agents, representatives and the seller of the home are not responsible for any injuries, losses or damages of any kind arising in connection with, or as a result of, this raffle and/or that person's failure to win or redeem any prize, or that person's award of, acceptance of, or use of, any prize; and (b) releases and agrees to indemnify, defend, protect, and hold harmless Kadima Academy and the seller of the home and each of its respective officers, directors, shareholders, employees, agents, contractors, insurers, attorneys and affiliated entities from and against all losses, damages, rights, claims and actions of any kind arising in connection with, or as a result of, this raffle and/or that person's failure to win or redeem any prize; and (c) represents and warrants to Kadima Academy that he/she has read and understands these Rules and agrees to be bound by these Rules and Kadima Academy's decisions, which will be final. In the event that, in Kadima Academy's judgment, insufficient

tickets are sold by August 23, 2007 to cover cash prize payout totals, Kadima Academy may in its discretion fully refund all ticket sales to date, void those tickets, and close the raffle without further notice.