

## **PEP Housing Luxury Car Raffle Official Rules and Regulations**

PEP Housing, a tax exempt organization under Section 501(c)(3) of the United States Internal Revenue Code and Section 23701d of the California Revenue and Tax Code, is conducting this raffle pursuant to California Penal Code Section 320.5, et seq, to raise funds for ongoing charitable purposes. The Rules and Regulations of the PEP Housing raffle are set forth below. By purchasing a raffle ticket, the purchaser agrees to be bound by these rules and regulations. PEP Housing's interpretation and application of the rules and regulations shall be final.

### **DRAWING**

The Grand Prize Drawing for PEP Housing Luxury Car Raffle will be held on Saturday, September 18, 2008, at PEP Housing's 30<sup>th</sup> Anniversary Celebration event "Flying Into the Future." Tickets will not be sold after September 18, 2008. Tickets may sell out before that time. The winner does not need to be present to win.

### **ODDS**

Only 4,000 tickets will be sold. The chances of winning are based on that number. If fewer tickets are sold, the chances of winning the Grand Prize and other prizes improve. The IRS has taken the position that amounts paid for chances in raffles, lotteries, or similar drawings for valuable prizes are not gifts, and consequently do not qualify as deductible charitable contributions.

### **TAXES AND IRS RULES**

If the Car is chosen, the Grand Prize winner assumes all fees, local, state and federal taxes (including but not limited to income taxes based on the value of the Car) which must be paid when the Car is transferred to the winner. Likewise, there are federal taxes and there may be state and/or local tax consequences if the winner selects the alternate cash prize. (See Prizes section below.) These consequences may apply to other prizes as well. PEP Housing takes no responsibility for any tax liabilities. Consult your tax advisor. This offer is void where prohibited by law, and all federal, state and local laws and regulations apply.

### **WAIVER/LIMITATIONS OF LIABILITY**

By entering this raffle, entrants accept and agree (1) to be bound by all the rules, limitations and restrictions set forth here and (2) that their names and/or likenesses may be disclosed to and used by the news media and may otherwise be used by PEP Housing for publicity purposes and in lists of prize winners to be published in area newspapers and announced on the PEP Housing raffle website. Other rules and regulations may apply. Please contact PEP Housing if you have questions. PEP Housing's interpretation and application of the rules and regulations shall be final.

By entering this raffle, each participant releases PEP Housing, its directors, officers, employees and agents from any and all liability for injuries, losses, or damages of any kind caused by participating in the raffle or winning any prize or resulting from acceptance, possession, use or misuse of any prize, and each winner agrees to indemnify and hold PEP Housing harmless from any and all losses, damages, rights, claims and actions of any kind rising in connection with or as a result of participating in the raffle or the winner's acceptance or use of any prize.

Each participant hereby waives the provisions of civil code section 1542 which states the following: "a general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

### **TICKETS**

Tickets are \$50.00 each or three for \$125. Only one eligible person may be entered in the raffle per ticket sold. If the name of more than one person is submitted with a ticket purchase, and that ticket is selected as a winning ticket, then the person named first will be deemed the holder of record of that ticket and declared the winner. Division of prize by a group purchasing a ticket in common shall be to the sole responsibility of the person named as the holder of record of that ticket, should that ticket be selected as a winner. Ticket purchases will be included in up to three drawings.

PEP Housing reserves the right to reject any entry form that is submitted with payment that does not constitute "good funds." All defective or physically altered entry forms will be immediately disqualified by PEP Housing. Prior to the Grand Prize drawing, PEP Housing will make a reasonable effort to notify the individual and/or entity that submits such an entry form or one which has been rejected because the credit card or check did not clear that the entry has been rejected by attempting to make contact through the information provided at the time of submitting the purchase request. PEP Housing assumes no responsibility for lost, late, misdirected or non-delivered mail or fax messages, or any other failure to receive orders or deliver receipts prior to the drawing deadlines.

**A RAFFLE PARTICIPANT'S SOLE AND EXCLUSIVE REMEDY FOR PEP HOUSING'S BREACH SHALL BE LIMITED TO THE RETURN OF THE PURCHASE PRICE PAID FOR HIS OR HER RAFFLE TICKET(S). IN NO EVENT SHALL PEP HOUSING, ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR REPRESENTATIVES BE LIABLE TO ANY PARTY FOR ANY LOSS OR INJURIES TO EARNINGS, PROFITS OR GOODWILL, OR FOR ANY INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY PERSON OR ENTITY WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

### **HOW TO PURCHASE**

An individual can purchase as many tickets as he or she may wish, subject to availability. To purchase tickets: use the order form provided and fax the order form to 707-762-4657 or mail it to PEP Housing Luxury Car Raffle, 951 Petaluma Blvd. South, Petaluma, CA 94952 or call 707-762-2336 providing your name, address, phone number along with your credit card number, credit card security code and expiration date. Tickets cannot be purchased on the raffle website or by email. Any entry form submitted by email will be rejected.

All entries must include payment by check, money order, or credit card. PEP Housing reserves the right to reject any entry form that is submitted with payment that does not constitute "good funds." No refunds will be made except under the following circumstances: any ticket order with payment received after 4,000 tickets have been sold or after September 18, 2008, will be

returned. No other refunds are available except at the exclusive discretion of PEP Housing. PEP Housing assumes no responsibility for lost, late, misdirected or non-delivered mail or fax messages, or any other failure to receive orders or deliver receipts prior to the drawing deadlines.

### **SELECTION OF WINNERS**

The PEP Housing Luxury Car raffle drawing will be held on September 18, 2008 from all eligible raffle tickets. Winners need not be present to win. Winners will be notified according to the contact information provided to PEP Housing at the time of ticket purchase. If the grand prize winner cannot be located by 5:00 p.m., September 26, 2008, after attempting to make contact through the information provided at the time of purchasing the ticket, such winner will be deemed to have elected the cash alternate prize and another winner will not be selected for such prize. In addition to the list of winners posted on the PEP Housing raffle web site, a list of winners may be obtained from PEP Housing or by sending a self-address, stamped envelope to PEP Housing Luxury Car Raffle, 951 Petaluma Blvd. South, Petaluma, CA 94952 within one week of the drawing.

In order to collect his or her prize, a ticket winner must sign and deliver to PEP Housing: (a) such written information as is required by any applicable tax laws, including without limitation his or her Social Security Number; (b) proof of identity in forms satisfactory to the PEP Housing showing that the person claiming the prize is the same person who is named on the winning raffle ticket.; and (c) the winning ticket stub. Winners of prizes of \$600 or more may be required to submit a W-2G, Form 5754 or similar tax form (provided by PEP Housing) for tax withholding purposes.

### **ELIGIBILITY**

Anyone 18 years of age or older may enter. Employees and members of the Board of Directors of PEP Housing, employees of their agents, their spouses and children living in the same household are excluded from participating and are not eligible to win a prize. All federal, state, and local laws and regulations apply. The raffle is void where prohibited or restricted by law.

### **PRIZES**

The Grand Prize is a Mercedes-Benz C300, MSRP \$34,125, provided by R.A.B. Motors of San Rafael, CA. Alternatively, the Grand Prize winner may elect to receive a cash prize of \$20,000 (except as stated below). The Grand Prize winner must make an election in writing between the Car and the cash alternate prize no later than 4:00 p.m. September 26, 2008. A minimum of 2,000 tickets must be sold by 4:00 p.m., August 18, 2008, for the Grand Prize winner to have a choice of the Car or the \$20,000 cash alternate prize. If fewer than 2,000 tickets are sold by 4:00 p.m. Wednesday, August 18, 2008, the raffle will be held as scheduled, and prizes will be awarded as advertised with the exception that the Grand Prize winner will receive a sum equal to 50% of the net raffle proceeds, less 10% expenses, but not to exceed \$20,000. Net proceeds will be divided equally between PEP Housing and the Grand Prize Winner based on PEP Housing accounting, which shall be final and conclusive with respect to the Grand Prize Winner. For these purposes, net proceeds are defined as the balance of funds left after paying all other prizes and raffle expenses up to 10%. At the option of PEP Housing, the drawing date for the grand prize may take place earlier if all raffle tickets have been sold.

**Grand Prize:** Mercedes-Benz C300, MSRP \$34,125, or \$20,000 cash\*  
**2nd Prize:** \$2,500 cash  
**3rd Prize:** \$1,500 cash

*\* except as stated above*

**GENERAL TERMS AND CONDITIONS:**

Value of the vehicles is based upon MSRP provided by R.A.B. Motors. Grand Prize winner assumes full responsibility for all federal and state income taxes based on the value of the Car, an MSRP of \$34,125. The Grand Prize winner is responsible for all fees and taxes, including transportation, license, and registration fees. Because the Mercedes-Benz C300n is in high demand and may be in short supply at the time of the drawing, delivery of the car will be made to the Grand Prize winner as soon as practical; however, there may be a delay in delivery due of the availability of the vehicle.

At the time of the prize disbursement, federal and state income taxes will be due from the Grand Prize winner. If the Grand Prize winner selects the cash alternate award of \$20,000 instead of the Car, all appropriate and required federal and state taxes will be withheld by PEP Housing in accordance with federal and state law and PEP Housing will remit the balance of the cash prizes to the winner. PEP Housing makes no guarantee that the Grand Prize winner will be able to sell the Car for the value of \$34,125, nor is there any guarantee that the Internal Revenue Service (IRS) will accept that value of the Car for the purpose of determining any income tax that may be due from the winner. PEP Housing takes no responsibility for any tax liabilities. Consult your tax advisor.

**REGISTRATION WITH THE STATE OF CALIFORNIA**

By letter from the Attorney General's office, PEP Housing has registered with the Department of Justice under Raffle Registration Number R-4130 and is authorized to conduct raffles in California pursuant to the provisions of Penal Code section 320.5 for the raffle period which begins April 26, 2008 and ends September 18, 2008.