

*****NOTE: Standard terms and conditions in this form do not conform to City's standard and will not be updated when we make revisions to City's standard terms and conditions.*****

[DP – delete note above when completing this form.]

RECORDING REQUESTED BY AND
PLEASE RETURN TO:

Community Development Department
City Property Tax Rebate Program
City of Mountain View
P.O. Box 7540
Mountain View, CA 94039-7540
Attn: Housing and Neighborhood
Services Manager

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§ 6103, 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**MEMORANDUM OF OPTION
AND
NOTICE OF AFFORDABILITY RESTRICTIONS ON
TRANSFER OF PROPERTY AND RESTRICTIONS ON REFINANCING
AND RESALE PRICE**

This Memorandum of Option and Notice of Affordability Restrictions on Transfer of Property and Restrictions on Refinancing and Resale Price (this "Memorandum"), is entered into as of _____, 20__, by and between the CITY OF MOUNTAIN VIEW, a California charter city and municipal corporation ("CITY") and __[ALL CAPS]__ and __[ALL CAPS]__ (collectively, "OWNER"), (CITY and OWNER hereinafter collectively "Parties" or individually "Party").

NOTICE IS HEREBY GIVEN that CITY and the OWNER have entered into an Affordable Housing Resale Restriction Agreement and Option to Purchase dated as of _____, 20__ (the "Agreement") concerning the real property located in the City of Mountain View at _____ Street (Santa Clara County Assessor's Parcel No. _____) and more particularly described in Exhibit A attached hereto (the "Property"). The Property, including the home located thereon, is subject to the conditions, restrictions, reservations, and rights set forth in the Agreement, which [was recorded on _____, 20__ in the Official Records of Santa Clara County as Instrument No. _____] [will be recorded substantially concurrently with this Memorandum].

As more particularly set forth therein, the Agreement provides that:

1. **Resale Price Restriction.** For a period of fifty-five (55) years commencing upon the date of recordation of the Agreement, the Property is restricted for resale to CITY or its assignee, or to a Moderate-Income household as defined in the Agreement (i.e., a household whose gross household income does not exceed one hundred percent (100%) of the then-current Santa Clara County area median income, adjusted for household size) at a restricted affordable purchase price calculated in accordance with the Agreement.

2. **OWNER Occupancy Restriction.** The Property is restricted for occupancy as OWNER's principal residence. Unauthorized leasing or rental of the Property is a default under the Agreement.

3. **Restrictions on Transfer; Notice of Proposed Sale or Refinancing; CITY Option to Purchase.** Except as permitted by the Agreement, OWNER may not voluntarily or involuntarily make any sale, transfer, conveyance, assignment, lease, rental, refinancing, encumbrance, or hypothecation of the whole or any part of the Property without the prior written approval of CITY. OWNER must provide notice to CITY prior to the sale, refinancing, or other transfer of the Property or any interest therein. Upon receipt of notice of proposed sale of the Property, CITY has an option to purchase the Property at the restricted affordable purchase price.

4. **Restrictions on Refinancing and Encumbrance.** OWNER's right to pledge the Property as security for a debt (including, without limitation, the refinance of existing mortgages) is limited to an aggregate amount equal to ninety-five percent (95%) of the permitted restricted affordable resale price. Encumbrance of the Property in excess of such amount is a default under the Agreement, entitling CITY to exercise remedies, including, without limitation, the right to exercise CITY's option to purchase the Property at the restricted affordable resale price. Encumbrances and liens recorded against the Property in violation of the Agreement are voidable at CITY's election. Upon CITY's exercise of its purchase option, CITY shall acquire title to the Property free and clear of all unauthorized liens and encumbrances.

5. **Excess Sale Proceeds Payable to CITY.** If the Property is sold in violation of the Agreement, among other remedies, CITY is entitled to collect "Excess Sale Proceeds" equal to the amount by which the gross sale proceeds exceeds the restricted affordable resale price. Upon foreclosure of the Property, OWNER may only receive the amount that OWNER would be entitled to receive if the Property were sold to an eligible purchaser at the restricted affordable resale price, and CITY is entitled to receive any surplus sale proceeds.

6. **CITY Option to Purchase upon Default.** CITY has an option, but not the obligation, to purchase the Property upon the occurrence of certain defaults under the Agreement, including, without limitation: (i) OWNER's sale of the Property at a price exceeding the restricted affordable resale price specified in the Agreement; (ii) OWNER's sale or other transfer of the Property to a purchaser who is not an Eligible Purchaser as defined in the Agreement; and (iii) the unauthorized financing or refinancing of the Property in violation of the Agreement.

7. **Agreement Controls.** This Memorandum is intended to provide notice of documents that affect title to the Property. Reference should be made to the Agreement for a more detailed description of all matters described in this Memorandum. This Memorandum shall not be construed to alter, modify, amend, or supplement the Agreement. In the event of any inconsistency between the terms of this Memorandum and the terms of the Agreement, the Agreement shall prevail.

8. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which in the aggregate shall constitute one and the same instrument, and the Parties agree that signatures on this Agreement shall be sufficient to bind the Parties.

IN WITNESS WHEREOF, CITY and OWNER have executed this Notice as of the date first written above.

"CITY":
CITY OF MOUNTAIN VIEW,
a California charter city and municipal
corporation

"OWNER":
__[ALL CAPS]__ and __[ALL CAPS]__

By: _____
Name: _____
Title: _____

By: _____
Name: _____

APPROVED AS TO FORM:

By: _____
Name: _____

Name: _____
City Attorney

ATTACH ACKNOWLEDGEMENTS; SIGNATURES MUST BE NOTARIZED

Exhibit A

PROPERTY

(Attach Legal Description)