

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of San Ramon
7000 Bollinger Canyon Rd.
San Ramon, CA 94583
Attn: Affordable Housing Program Manager

No fee for recording pursuant to
Government Code Section 27383

BUYER'S OCCUPANCY AND RESALE RESTRICTION AGREEMENT AND CITY'S
OPTION TO PURCHASE
(City of San Ramon Affordable Housing Program)

Owner:
<<OWNER NAME>>

Address of Residence:
<<ADDRESS>>

Original Purchase Price Paid for Residence by Owner:
<<ORIGINAL PURCHASE PRICE>>

Initial Appraised Value:
<<ORIGINAL APPRAISED VALUE>>

This Buyer's Occupancy and Resale Restriction Agreement and City's Option to Purchase (the "Resale Restriction") is entered into as of this _____ day of _____, 20____ by and between the City of San Ramon, a municipal corporation of the State of California (the "City") and _____ ("Owner").

RECITALS

A. The City is charged with the responsibility for improving, increasing, and maintaining the stock of affordable housing in the City of San Ramon. The City administers an Affordable Housing Program (the "Program") pursuant to the City of San Ramon Inclusionary Housing Ordinance, Ordinance Number 487 (the "Ordinance") to provide housing opportunities to households with moderate, low, or very low incomes to purchase homes at prices which are below market rates prevailing in the community. The intent of the City is to preserve and increase the number and availability of affordable homes in the Program.

B. Owner intends to purchase an Affordable Housing Unit ____ (the "Residence") of the City Village residential community located at 2400-2440 Camino Ramon in the City of San Ramon, County of Contra Costa, California (the "Project"). The Residence is legally described in Exhibit A attached hereto and incorporated herein.

C. The City and the former owner and developer of the Project SUMMERHILL CITY VILLAGE LLC, a California limited liability company (the "Developer") entered into an Affordable Housing Covenant Agreement, dated _____, 2022, under which the Developer covenanted and agreed that not less than twenty of the construction of twenty (20) residential townhomes within the Project shall be made available at affordable housing cost to very low, low and moderate-income households for a period of thirty (30) years following the initial close of escrow for the residential for-sale units (the "Affordable Units"). The Affordable Housing Covenant Agreement requires each purchaser of an Affordable Unit to enter into a resale restriction agreement to ensure that (1) the Affordable Unit remains affordable to _____ - income households for the duration of the thirty (30) year affordability term that is subject to a reset of the 30-year term upon transfer of ownership, as applicable, and (2) the Affordable Unit remains owner-occupied.

D. The Residence has been designated as a _____-income household Affordable Housing Unit of the Project and as such, the Owner is required to enter into this Resale Restriction to place adequate resale controls on the Owner's Residence, provide eligibility requirements for subsequent purchasers, and reserve to the City an option to purchase the Residence.

E. The Owner is an Eligible Household, as that term is defined in Section 1(m) hereof.

F. Owner has agreed to execute and comply with this Resale Restriction as a condition to the purchase of the Residence at a price which is below the fair market value of the Residence.

G. The purpose of this Resale Restriction is to place resale controls on the Residence, and ensure the Residence remains affordable pursuant to the Program.

H. Owner is receiving the following purchase money loans:

Name of Lender: <<NAME OF LENDER>>

Amount: <<AMOUNT OF LOAN>>

Date Deed of Trust Recorded: <<DATE DOT RECORDED>>

All purchase money loans are, collectively, the "First Lender Loan." All lenders of purchase money loans are, collectively, the "First Lender." The First Lender Loan is secured by <<NUMBER>> deed(s) of trust executed by the Owner in favor of the First Lender. This Resale Restriction shall be subordinate to the lien of that certain deed of trust executed by the Owner in favor of First Lender and recorded in the official records of Contra Costa County concurrently with this Resale Restriction (collectively, the "First Lender Deed of Trust").

I. This Resale Restriction shall be secured by a deed of trust on the Residence (the "City Deed of Trust"). This Resale Restriction and the City Deed of Trust shall be subordinate to the lien of the First Lender Deed of Trust.

J. This Resale Restriction is accompanied by a Notice of Affordability Restrictions on Transfer of Property in which City and the Buyer shall execute, acknowledge, and deposit into escrow for recordation against the Residence, in compliance with Health and Safety Code Sections 33334.3 and/or Section 33413, as amended, and be indexed against the City and the Buyer to serve as notice that the Residence is subject to specific restrictions.

NOW, THEREFORE, in consideration of the benefits received by the Owner, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be bound, the Owner and the City have entered into this Resale Restriction and agree as follows:

AGREEMENT

Section 1. Definitions. The following defined terms have the meanings indicated in this Section 1.

- (a) "Adjusted Value" has the meaning stated in Section 10(a).
- (b) "Affordable Price" means (1) a sales price for the Residence that is at an "affordable housing cost" (defined by Section 50052.5 of the Health and Safety Code, and calculated pursuant to 25 Cal. Code Regs. Section 6920) for an Eligible Household, less (2) the amount necessary to repair damages to the Residence, if any, and to place the Residence into saleable condition as reasonably determined by the City, including amounts attributed to cleaning, painting, replacing worn carpeting and draperies, making necessary structural, mechanical, electrical and plumbing repairs and repairing or replacing built-in appliances and fixtures.
- (c) "Affordable Rent" means a monthly rent (as determined pursuant to 25 Cal. Code Regs. Section 6918) that does not exceed one-twelfth of thirty percent (30%) of the maximum annual income of an Eligible Household.
- (d) "Affordability Period" means the period commencing on the date of recordation of this Resale Restriction and ending on _____, or thirty (30) years from the date of the initial close of escrow for the Residence. In the case where ownership of the Affordable Housing Unit is transferred during the Affordability Period, each change in ownership will require the Affordability Period to be reset and a new 30 year period beginning from the date of close of escrow be recorded upon the Affordable Housing Unit.

- (e) “Assignee” means the person or entity to whom the City assigns its Purchase Option as provided in this Resale Restriction.
- (f) “BMR Ownership Guide” means the City of San Ramon Below Market Rate (BMR) Ownership Program Application Guide, which may be amended from time to time.
- (g) “Business Day” means a day other than a Saturday or Sunday on which banks located in the County of Contra Costa are not required or authorized to remain closed.
- (h) “Capital Improvement” means an improvement to the Residence (1) that is a substantial structural or permanent fixed improvement that cannot be removed without substantial damage to the Residence or substantial or total loss of value of said improvements; (2) that is not a replacement of existing improvements needed as part of routine upkeep of the Residence; (3) that is approved in writing by the City Manager of the City or his or her designee in advance of its installation, and made following the issuance of all required permits; and (4) that cost at least two thousand dollars (\$2,000.00) or more. The written approval of the City Manager of the City, or his or her designee, of the Capital Improvements shall state the estimated useful life of the Capital Improvements.
- (i) “City” means the City of San Ramon, a municipal corporation of the State of California.
- (j) “City Response Notice” means the City’s written response to the Owner’s Notice of Intent to Transfer, as described in Section 10.
- (k) “Default by the Owner” has the meaning stated in Section 17.
- (l) “Domestic Partners” shall mean two unmarried people, at least 18 years of age, (i) who have lived together continuously for at least one year and who are jointly responsible for basic living expenses incurred during their domestic partnership; or (ii) who have registered as domestic partners with the State of California. Domestic Partners may not be persons related to each other by blood or adoption such that their marriage would be barred in the state of California. For purposes of this section, an individual shall be considered a Domestic Partner of Owner upon presentation of an affidavit, proof of registration, or other acceptable evidence by Owner to the City.
- (m) “Eligible Household” means a person or family of moderate-income, low-income or very low-income, as those terms are defined by Sections 50093 and 50105 of the Health and Safety Code.
- (n) “Excess Rental Proceeds” has the meaning stated in Section 6.
- (o) The term “including” or variants thereof shall mean “including without limitation.”

- (p) “Inheritance Notice” has the meaning stated in Section 8(d).
- (q) “Inheriting Owner” has the meaning stated in Section 8(d).
- (r) “Owner” means _____, and all heirs, successors, assigns and all successors in interest.
- (s) “Owner’s Notice of Intent to Transfer” means the notice to be delivered to the City pursuant to Section 9 when the Owner decides to Transfer the Residence.
- (t) “Original Purchase Price” means \$ _____, or the total amount that the Owner paid as the purchase price for the Residence.
- (u) “Prohibited Transfer” has the meaning stated in Section 8(b).
- (v) “Proposed Purchaser” means a buyer the Owner believes qualifies as an Eligible Household and that would like to purchase the Residence from the Owner.
- (w) “Purchase Option” means the option to purchase granted by the Owner, as optionor, to the City, as optionee, by this Resale Restriction.
- (x) “Resale Restriction” means this Buyer’s Occupancy and Resale Restriction Agreement and City’s Option to Purchase.
- (y) “Residence” means the real property described in Exhibit A, including all improvements and appurtenances.
- (z) “Transfer” has the meaning stated in Section 8(a).

Section 2. Exhibits. The following exhibits are attached to this Resale Restriction and are hereby incorporated by reference:

- Exhibit A: Legal Description of the Residence
- Exhibit B: Form of Certificate of Owner Occupancy
- Exhibit C: Form of Owner’s Notice of Intent to Transfer
- Exhibit D: Form of City Response Notice
- Exhibit E: Form of Owner and Proposed Purchaser Certification of Sale
- Exhibit F: Form of Owner Request to Refinance Notice

All recordings required by this Resale Restriction shall be in the official records of the Recorder of the County of Contra Costa.

Section 3. Description of the Residence.

- (a) The Residence which is the subject of this Resale Restriction has a street address of _____, Unit # _____, San Ramon, California, _____, and its legal description is _____

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set forth in Exhibit A attached hereto and incorporated in this Resale Restriction by reference. The Residence shall be subject to the terms and conditions herein set forth in this Resale Restriction.

- (b) **Original Purchase Price.** The original purchaser price paid by Owner for the Residence (the "Original Purchase Price") shall be inserted on page 1 of this Resale Restriction.
- (c) **Original Appraised Value.** Upon and in connection with the close of escrow of the original purchase of the Residence by Owner, the Owner shall obtain an appraisal to determine the Appraised Market Value of the Residence at the time of the original purchase (the "Original Appraised Value"). The Original Appraised Value shall be determined by a third party appraiser who regularly appraises residential real estate in Contra Costa County for institutional lenders. The Original Appraised Value shall be inserted in the space on page 1 of this Resale Restriction. Nothing in this Section shall preclude the Owner and the City from establishing an Original Appraised Value of the Residence by mutual agreement in lieu of an appraisal pursuant to this Section.

Section 4. Owner Representations, Warranties and Certification. The Owner represents, warrants and hereby certifies to the City that (a) the Owner is an Eligible Household and (b) the financial and other information previously provided to the City by the Owner for the purpose of qualifying to purchase the Residence was true and correct at the time it was given and remains true and correct as of the date of this Resale Restriction.

Section 5. Owner Occupancy Requirement and Maintenance Requirements.

(a) The Owner shall continuously occupy, use, and maintain the Residence as the Owner's principal place of residence for the entire Affordability Period. On or before February 1 of each year, the Owner shall provide an annual written certification to the City, in the form shown in Exhibit B, that the Owner is occupying the Residence as the Owner's principal place of residence and that the Owner is not renting the Residence to another party. Owner will fully cooperate with the City in promptly providing all information requested by the City to assist the City in monitoring Owner's compliance with this Resale Restriction. Owner shall not lease, sell or other transfer or convey the Residence to any other party except in accordance with Sections 6 and 8 of this Resale Restriction.

(b) The Owner shall maintain the Residence, including the landscaping, in good repair and in a neat, clean and orderly condition and in accordance with all applicable laws, rules, ordinances, orders and regulations of all federal, state, county, municipal and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials. Owner will not commit waste or permit deterioration of the Residence, and shall make all repairs and replacements necessary to keep the Residence in good condition and repair.

(c) The Owner shall maintain a standard all risk property insurance policy equal to the replacement value of the interior of the Residence (adjusted every five (5) years, if requested by City), naming the City as an additional insured. Additional insurance requirements are set forth in the City Deed of Trust. The Owner shall provide the City with evidence of required

insurance coverage upon request of the City. The homeowners' association shall provide insurance coverage for the structural and non-interior portions of the building.

(d) Owner shall continuously claim a homeowner's exemption for property taxes of the Residence with the Contra Costa County Assessor's Office. Failure to claim the homeowner's exemption shall be a Default under this Resale Restriction and the City Deed of Trust.

Section 6. Prohibition of Renting or Leasing of Residence.

(a) The Owner shall not rent or lease the Residence to another party, unless such rental or lease is in compliance with this Section 6. The Owner may request in writing the City's approval to rent or lease the Residence, which approval shall not be unreasonably denied, if all of the following conditions are met: (1) the term of the rental or lease is not greater than twelve (12) months and cannot be extended without City approval; (2) the Owner demonstrates to the City's reasonable satisfaction that the Owner will incur substantial hardship if they are not permitted to rent or lease the Residence to a third party; (3) the proposed tenant qualifies as an Eligible Household, as determined by the City; and (4) the rent for the Residence does not exceed the amount of rent that would be affordable to an Eligible Household (the "Affordable Rent"). Any rental or lease of the Residence in violation of this Resale Restriction is prohibited, shall constitute a Prohibited Transfer under Section 8 herein, and shall be a Default under Section 17 of this Resale Restriction and the City Deed of Trust.

(b) The Owner further agrees that in the event the Owner rents or leases the Residence to a third party in violation of this Section 6, any excess rents ("Excess Rental Proceeds") paid to the Owner by the lessee over the Affordable Rent plus a ten percent (10%) penalty on the amount of Excess Rental Proceeds shall be due and payable to the City immediately upon receipt thereof by the Owner. Any Excess Rental Proceeds shall be considered a recourse debt of Owner to the City, which the City may collect by legal action against Owner and/or by foreclosure under the City Deed of Trust.

(c) In the event the City provides written approval to Owner for the lease of the Residence to another party, the Owner shall provide a copy of the executed lease to the City prior to occupancy of the lessee.

(d) The Owner further agrees that the City may place a lien on the Residence to secure the payment of the penalties described in subsection (b) above, and that such penalties are in addition to those identified in Section 17 (Default and Remedies) of this Resale Restriction.

Section 7. Purchase Option. The Owner hereby grants to the City an option to purchase the Residence on the terms and in the manner set forth in this Resale Restriction. The City shall have the right to exercise its option upon the occurrence of any of the following events:

(a) Receipt from the Owner of the Owner's Notice of Intent to Transfer pursuant to Section 9 below; or

- (b) The occurrence of any event of Default listed in Section 17 below.

The City may execute the purchase option under the above conditions unless the proposed sale is to a party or parties who meet all of the following criteria:

- (a) Related by blood, marriage or a Domestic Partner to Owner;
- (b) Meets criteria for Eligible Household; and
- (c) Otherwise conforms to the provisions of this Resale Restriction

The City may assign the Purchase Option to another governmental entity or to an Eligible Household. The City's right to exercise the Purchase Option shall survive any Transfer of the Residence by the Owner, and, as long as the Purchase Option exists, any actual or attempted Prohibited Transfer shall be voidable at the election of the City.

Section 8. Restrictions on Resale of the Residence. Any Transfer of the Residence will be subject to the provisions of this Resale Restriction. Any Transfer not in compliance with all provisions of this Resale Restriction is prohibited, and shall constitute a Default by the Owner under to Section 17 below.

(a) "Transfer" means any voluntary or involuntary sale, assignment or transfer of ownership of or any interest in the Residence, including a fee simple interest, tenancy in common, joint tenancy, community property, tenancy by the entireties, life estate, or other limited estate, leasehold interest or any rental of the Residence, or any interest evidenced by a land contract.

(b) "Prohibited Transfer" means any Transfer made without satisfaction of the conditions of this Resale Restriction and changing title of the Residence into the name of a Trust, Corporation, Partnership or other business entity.

(c) The following Transfers are not considered a Prohibited Transfer: (1) transfer of title by an Owner's death to a surviving joint tenant, tenant by entireties, a surviving spouse of community property, or a Domestic Partner; (2) transfer of title to a spouse or Domestic Partner as part of divorce or dissolution proceedings; or (3) transfer of a partial interest in the Residence to a spouse in conjunction with marriage, thereby creating a joint tenancy or tenancy in common; provided, however: (aa) that the transferee must be an Eligible Household and the covenants set forth in this Resale Restriction shall continue to run with the title to the Residence following said Transfers; (bb) all owners of the Residence shall continue to occupy the Residence as his or her principal place of residence; and (cc) that an instrument be executed, acknowledged and recorded by the transferee containing the following covenant: "This Residence is subject to the Buyer's Occupancy and Resale Restriction Agreement and City's Option to Purchase, and transferee, on behalf of transferee, and transferee's successors and assigns, covenants and agrees to be bound by and perform the Resale Restriction, and to include in any further Transfer of the Residence the covenant required by Section 8(c) of the Resale Restriction." A transferee who satisfies the conditions of this Section 8(c) shall then be the Owner. Prior to making any of the Transfers outlined in this Section 8(c)(2) or (3), the Owner shall provide to the City the Owner's Notice of Intent to Transfer pursuant to Section 9 herein.

- (d) Transfer by Inheritance. In the event a Transfer occurs by devise or

inheritance due to the death of the Owner and it is not a Transfer listed in Section 8(c)(1) above, the administrator of the Owner's estate or the person inheriting the Residence shall provide written notice to the City of the Owner's death within thirty (30) days of the date of death (the "Inheritance Notice"). The Inheritance Notice shall provide the City with the name and contact information of the person inheriting the Residence (the "Inheriting Owner") and the income information for the Inheriting Owner, so that the City may determine whether the Inheriting Owner is an Eligible Household.

If the Inheriting Owner qualifies as an Eligible Household, as determined by the City, they may assume the Owner's interest and obligations under this Resale Restriction and documents shall be executed between the Inheriting Owner and the City and recorded against the Residence, pursuant to which the Inheriting Owner shall agree to assume the obligations of the Owner under this Resale Restriction. If the Inheriting Owner fails to qualify as an Eligible Household or fails to assume the Owner's obligations under this Resale Restriction, the Inheriting Owner shall provide the Owner's Notice of Intent to Transfer to the City pursuant to Section 8 and proceed to Transfer the Residence pursuant to this Resale Restriction.

Failure of an Inheriting Owner to follow the procedures and notices described in this Section 8(d) shall constitute a Default by the Owner under this Resale Restriction, and the City may then exercise any of the remedies set forth in Section 17 below.

Section 9. Notice of Intent to Transfer. In the event that Owner intends to Transfer or vacate the Residence, Owner shall give the City written notice of such intent (the "Owner's Notice of Intent to Transfer") no later than forty-five (45) days before Owner Transfers or vacates the Residence. The Owner's Notice of Intent to Transfer shall be sent to the City by certified mail, return receipt requested, at the address provided in Section 30 of this Resale Restriction. An incomplete notice of such intent shall not be deemed an Owner's Notice of Intent to Transfer.

The Owner's Notice of Intent to Transfer shall include the information necessary for the City to determine the Adjusted Value of the Residence, and other information required by the form Owner's Notice of Intent to Transfer attached hereto as Exhibit C.

Within thirty (30) days of the date of the Owner's Notice of Intent to Transfer, the Owner shall allow the City, or its designee, to inspect the Residence to determine its physical condition, and, if requested by the City following such inspection, the Owner shall obtain and deliver to the City a home inspection report prepared by a licensed home inspector and/or a pest inspection report prepared by a licensed structural pest control operator.

Section 10. City Response Notice. Following the City's determination of a complete Owner's Notice of Intent to Transfer, the City shall have thirty (30) days to respond in writing (the "City Response Notice") to the Owner in the form of Exhibit D. Any response by the City to an incomplete Owner's Notice of Intent to Transfer shall not be considered a City Response Notice.

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Prior to issuing the City Response Notice, the City shall calculate both the Adjusted Value and the Affordable Price of the Residence, pursuant to this section. The City Response Notice shall state both the Adjusted Value and the Affordable Price.

(a) Calculation of Adjusted Value. The “Adjusted Value” of the Residence shall mean:

- (1) The Original Purchase Price of the Residence; plus
- (2) The value of any Capital Improvements made to the Residence by the Owner, adjusted by the original cost of the Capital Improvements depreciated in a straight-line basis based upon the estimated useful life of the Capital Improvements stated in the City’s prior written acceptance of said Capital Improvements; less
- (3) The amount necessary to repair damages to the Residence, if any, and to place the Residence into saleable condition as reasonably determined by the City, including amounts attributed to cleaning, painting, replacing worn carpeting and draperies, making necessary structural, mechanical, electrical and plumbing repairs and repairing or replacing built-in appliances and fixtures.

(b) Estimation of closing costs. The City Response Notice shall also estimate the reasonable closing costs to the Owner, including real estate commissions or sales administrative fees, real estate transfer taxes and escrow costs that would be incurred by reason of the Transfer of the Residence to an Eligible Household, which amount shall not include the costs of repair or rehabilitation of the unit for matters such as termite damage, appliance replacement and the like (“Estimated Owner’s Closing Costs”).

(c) The City Response Notice shall state the City’s determination regarding whether or not it will exercise its Purchase Option, including whether or not the City will assign the Purchase Option to an Assignee. If the City does not exercise the Purchase Option, the City Response Notice shall include the maximum qualifying income for an Eligible Household and the certifications required of an Eligible Household.

Section 11. Purchase Price on City Exercise of Purchase Option.

(a) If the Affordable Price is less than the sum of the Adjusted Value plus the Estimated Owner’s Closing Costs, the City shall state in the City Response Notice that it will either:

- (1) Exercise (or assign) the Purchase Option, will purchase the Residence for the Adjusted Value, and will pay that portion of the Owner’s closing costs in an amount not to exceed the difference between (a) the Adjusted Value plus the Estimated Owner’s Closing Costs and (b) the Affordable Price; or

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(2) Notify the Owner to proceed to sell the Residence to an Eligible Household at the Affordable Price pursuant to the terms of Section 13 below.

(b) If the Affordable Price is equal to or greater than the sum of the Adjusted Value plus the Estimated Owner's Closing Costs, the City shall state in the City Response Notice that it will either:

(1) Exercise (or assign) the Purchase Option and purchase the Residence for the Affordable Price; or

(2) Notify the Owner to proceed to sell the Residence to an Eligible Household for the Affordable Price pursuant to the terms of Section 13 below.

Section 12. Procedure on City Exercise of Purchase Option. If the City exercises or assigns the Purchase Option, the City shall designate a real estate agent to process the transaction, and shall open escrow concurrently with the delivery of the City Response Notice to the Owner, or as soon thereafter as possible. The Closing shall occur within forty-five (45) days of the opening of escrow.

Closing shall be through an escrow with a title insurance company issuing to the City an ALTA owner's residential title insurance policy, subject to its exclusions from coverage, special exceptions for current taxes and assessments not yet due and such matters (other than taxes, assessments and encumbrances created or suffered by the Owner and all those claiming by or through the Owner) which are exceptions to title on the date this Resale Restriction is recorded. The City shall pay the cost of the title insurance. Closing shall utilize the form of escrow agreement customarily used by such title company for residential transactions with the City, modified to the extent necessary to conform to this transaction. At the Closing, the Owner shall convey title to the City by grant deed or its equivalent.

Section 13. Transfer by Owner to Eligible Household at Affordable Price. If the City does not exercise the Purchase Option and the City Response Notice notifies the Owner to proceed to Transfer the Residence to an Eligible Household at a price not exceeding the Affordable Price, the Owner may proceed to sell the Residence in compliance with the following requirements:

(a) **Marketing.** Immediately following receipt of a City Response Notice informing the Owner that the City will not exercise the Purchase Option, the Owner shall request the City to refer to the Owner Eligible Households from any list maintained by the City of households seeking to purchase an affordable home. The Owner shall make every effort to sell the Residence to Eligible Households referred by the City. At the Owner's option, the Owner may also list the Residence on the multiple listing service. The Owner shall use bona fide good faith efforts to sell the Residence to an Eligible Household in compliance with this Section 13, including keeping the Residence in an orderly condition, making the Residence available to show to agents and prospective buyers, and providing buyers with Eligible Household requirements, including income qualifications and the City's form of disclosure statement summarizing the terms of the buyer's occupancy and resale restriction agreement with option to purchase. A

proposed purchaser ("Proposed Purchaser") who the Owner believes will qualify as an Eligible Household shall be referred to the City for an eligibility determination.

(b) Proposed Purchaser. An Eligible Household shall qualify as a "Proposed Purchaser" if they meet the following requirements, as determined by the City:

(1) Intent to Owner Occupy. The Proposed Purchaser shall certify that they will occupy the Residence as his or her principal place of residence throughout his or her ownership.

(2) Agreement to Sign Buyer's Resale Agreement and to Cooperate with City. The Proposed Purchaser shall agree to sign a buyer's occupancy and resale restriction agreement with option to purchase restricting future resale of the Residence in a form substantially the same as this Resale Restriction and shall agree to cooperate fully with the City in promptly providing all information requested by the City to assist the City in monitoring the Proposed Purchaser's compliance with the buyer's occupancy and resale agreement with option to purchase.

(3) Income Eligibility. The combined maximum income for all household members of the Proposed Purchaser shall not exceed the income level designated by the City in the City Response Notice.

(c) Costs of Eligible Household to Close Escrow. The actual and reasonable costs to the Eligible Household incurred by reason of the purchase of the Residence, including real estate commissions or sales administrative fees, real estate transfer taxes, and escrow costs, which shall not include the costs of repair or rehabilitation of the unit for matters such as termite damage, appliance replacement and the like, shall not exceed reasonable and customary buyers' closing costs in the County of Contra Costa.

(d) Disclosure and Submittals to City. The Owner and the Proposed Purchaser shall provide the following information and documents to the City:

(1) The name, address and telephone number in writing of the Proposed Purchaser.

(2) A signed financial statement of the Proposed Purchaser in a form reasonably acceptable to the City and any other supporting documentation requested by the City. The financial information shall be used by the City to determine the income eligibility of the Proposed Purchaser.

(3) The proposed sales contract and all other related documents which shall set forth all the terms of the sale of the Residence. Said documents shall include at least the following terms: (A) the sales price; and (B) the price to be paid by the Proposed Purchaser for the Owner's personal property, if any, for the services of the Owner, if any, and any credits, allowances or other consideration, if any.

(4) A written certification, from the Owner and the Proposed Purchaser in the form of Exhibit E (“Owner and Proposed Purchaser Certification of Sale”) that the sale shall be closed in accordance with the terms of the sales contract and other documents submitted to and reasonably approved by the City. The certification shall also provide that the Proposed Purchaser or any other party has not paid and will not pay to the Owner, and the Owner has not received and will not receive from the Proposed Purchaser or any other party, money or other consideration, including personal property, in addition to what is set forth in the sales contract and documents submitted to the City. The written certification shall also include a provision that in the event a Transfer is made in violation of the terms of this Resale Restriction or false or misleading statements are made in any documents or certification submitted to the City, the City shall have the right to exercise its Purchase Option or file an action at law or in equity as may be appropriate. In any event, any costs, liabilities or obligations incurred by the Owner and the Proposed Purchaser for the return of any moneys paid or received in violation of this Resale Restriction or for any of the Owner's and/or the Proposed Purchaser's costs and legal expenses, shall be borne by the Owner and/or the Proposed Purchaser and they shall hold the City and its designee harmless and reimburse the City's and its designee's expenses, legal fees and costs for any action they reasonably take in good faith in enforcing the terms of this Resale Restriction.

(5) An executed buyer's resale restriction agreement and option to purchase from the Proposed Purchaser, in a form substantially the same as this Resale Restriction. The recordation of the new buyer's resale restriction agreement and option to purchase shall be a condition of the City's approval of the proposed sale.

(6) The name of the title company escrow holder for the sale of the Residence, the escrow number, and name, address, and phone number of the escrow officer.

(7) Upon the close of the proposed sale, certified copies of the recorded buyer's resale restriction agreement and option to purchase, a copy of the final sales contract, settlement statement, escrow instructions, and any other documents which the City may reasonably request.

Section 14. Transfer by Owner at Market Value is Prohibited. The Residence may not be sold by Owner at its market value (a “Market Rate Transaction”), unless the market value is equal to or less than the Affordable Price. Any Market Rate Transaction shall be a Prohibited Transfer under Section 8 herein, and shall be a Default by the Owner under Section 17 below.

Section 15. Default and Foreclosure. A request for notice of default and any notice of sale under any deed of trust or mortgage with power of sale encumbering the Residence shall be recorded by the City. Any notice of default given pursuant to Civil Code Section 2924b, as amended, shall constitute Owner’s Notice of Intent to Transfer under Section 9 of this Resale Restriction, and the City may exercise any of its remedies pursuant to the provisions of this Resale Restriction; provided, however, that, notwithstanding any language contained in this Resale Restriction to the contrary with regard to the rights of the lienholder, the City must complete any such actions no later than the end of the period established by California Civil

Code Section 2924(c) for reinstatement of a monetary default under the deed of trust or mortgage.

In the event of default and foreclosure, the City shall have the same right as the Owner to cure defaults and redeem the Residence prior to foreclosure sale. Such redemption shall be subject to the same fees, charges and penalties that would otherwise be assessed against the Owner. Nothing herein shall be construed as creating any obligation on the part of the City to cure any such default, nor shall this right to cure and redeem operate to extend any time limitations in the default provisions of the underlying deed of trust or mortgage.

In the event a foreclosure sale is consummated, any surplus proceeds to which the Owner may be entitled following foreclosure under California state law shall be paid as follows: After any required payment of encumbrances, that portion of surplus, if any, up to but not exceeding the net amount that the Owner would have received had the City exercised the Purchase Option on the date of the foreclosure sale shall be paid to the Owner on the date of the foreclosure sale; the balance of the surplus, if any, shall be paid to the City.

Section 16. Advances by City. In the event the City advances any amounts for the payment of mortgages, including the curing of defaults on senior liens and redeeming the Residence prior to a lien sale, taxes, assessments, insurance premiums, homeowner's fees and/or associated late fees, costs, interest, attorneys' fees, pest inspections, resale inspections and other expenses related to the Residence, which Owner has failed to pay or has permitted to become delinquent, the City shall be entitled to a lien against the Residence in the amount of all costs and expenses incurred by the City.

Section 17. Defaults and Remedies.

(a) The following events shall constitute a "Default by the Owner" under this Resale Restriction:

(1) The City determines that the Owner has made a misrepresentation to obtain the benefits of purchasing the Residence, or in connection with its obligations under this Resale Restriction;

(2) The Owner fails to occupy the Residence, as required pursuant to Section 4 above, and such failure continues following written notice by the City and thirty (30) days opportunity to cure following the date of such notice;

(3) The Owner rents or leases the Residence in violation of Section 6 above, and such failure continues following written notice by the City and thirty (30) days opportunity to cure following the date of such notice;

(4) The Owner fails to provide information to the City necessary to determine Owner's compliance with the requirements of this Resale Restriction;

(5) The Owner fails to pay property taxes or maintain the proper insurance coverage for the Residence;

(6) The Owner fails to claim a homeowner's exemption for property taxes, as required pursuant to this Resale Restriction;

(7) The Owner fails to maintain the Residence pursuant to adopted City codes and standards;

(8) The Owner places a mortgage on the Residence in violation of Section 23;

(9) Any actual, attempted or pending Prohibited Transfer of the Residence or of any estate or interest therein that is not in accordance with this Resale Restriction;

(10) Recordation of a notice of default and/or notice of sale pursuant to California Civil Code Section 2924 (or successor provisions) under any deed of trust or mortgage with a power of sale encumbering the Residence;

(11) Commencement of a judicial foreclosure proceeding regarding the Residence;

(12) Execution by Owner of a deed in lieu of foreclosure transferring ownership of the Residence;

(13) Commencement of a proceeding or action in bankruptcy, whether voluntary or involuntary, pursuant to Title 11 of the United States Code or other bankruptcy statute, or any other insolvency, reorganization, arrangement, assignment for the benefit of creditors, receivership or trusteeship, concerning the Owner; or

(14) Any other default or breach of any covenant, warranty, promise or representation under this Resale Restriction or the City Deed of Trust.

(b) Upon a Default by the Owner under this Resale Restriction, the City shall give written notice pursuant to Section 30 to the Owner specifying the nature of the violation. If the violation is not corrected to the satisfaction of the City within a reasonable period of time, not longer than thirty (30) days after the date the notice is mailed, or within such further time as the City determines is necessary to correct the violation, the City may declare a default under this Resale Restriction.

(c) The City may exercise any remedies at law or in equity, including without limitation, any or all of the following, none of which shall be an exclusive remedy:

(1) Declare all Excess Rental Proceeds immediately due and payable without further demand;

(2) Exercise the Purchase Option granted to the City;

(3) Apply to a court of competent jurisdiction for specific performance of this Resale Restriction, for an injunction prohibiting a proposed Transfer in violation of this Resale Restriction, for a declaration that a Transfer in violation of this Resale Restriction is void, for the acceleration of all amounts due under this Resale Restriction and for subsequent termination of this Resale Restriction, or for any such other relief at law or in equity as may be appropriate;

(4) Invoke the power of sale under the City Deed of Trust;

(5) Apply to a court of competent jurisdiction for such relief at law or in equity as may be appropriate; and/or

(6) Take such enforcement action as is authorized under the Ordinance.

(d) The City shall notify the First Lender if the City has declared a Default under this Resale Restriction or the City Deed of Trust.

(e) The Owner shall cause the requests for notice of default and any notice of sale under any deed of trust or mortgage with power of sale encumbering the Residence to be recorded in the Office of the Recorder of Contra Costa County for the benefit of the City.

Section 18. Distribution of Insurance and Condemnation Proceeds. In the event that the Residence is condemned or destroyed (or in the event that the Residence consists of a unit in a condominium project and the condominium project is destroyed and insurance proceeds are distributed to the Owner, instead of being used to rebuild, or in the event of condemnation, if proceeds thereof are distributed to the Owner, or in the event of the termination and liquidation of the condominium association and distribution of the assets of the association to the members thereof, including the Owner), any surplus proceeds from insurance or condemnation so distributed remaining after payment of encumbrances on the Residence shall be distributed as follows:

That portion of the surplus up to but not to exceed the net amount that Owner would have received had the City exercised the Purchase Option on the date of destruction, condemnation valuation date, or date of liquidation, as applicable, shall be distributed to the Owner, and the balance of such surplus, if any, shall be distributed to the City.

Section 19. Attorneys' Fees and Costs. If any action is brought to enforce the terms of this Resale Restriction, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

Section 20. Controlling Agreement. The Owner covenants that the Owner has not executed, and will not execute any other agreement with provisions contradictory to or in

opposition to the provisions hereof, and that in any event, the Owner understands and agrees that this Resale Restriction shall control the rights and obligations between and among the parties.

Section 21. Non-Liability of the City; Indemnity. In no event shall the City become liable or obligated to the Owner or to any successor to the Owner by reason of the City's Purchase Option, set forth in Section 7 herein, nor shall the City become obligated or liable to the Owner or to any successor to the Owner for any failure to exercise the City's Purchase Option.

Owner acknowledges, understands and agrees that the relationship between Owner and the City is solely that of an owner and an administrator of a municipal below market rate housing program, and that the City does not undertake or assume any responsibility for or duty to Owner to select, review, inspect, supervise, pass judgment on, or inform Owner of the quality, adequacy or suitability of the Residence or any other matter. The City owes no duty of care to protect Owner against negligent, faulty, inadequate or defective building or construction or any condition of the Residence and Owner agrees that neither Owner, or Owners' heirs, successors or assigns shall ever claim, have or assert any right or action against the City for any loss, damage or other matter arising out of or resulting from any condition of the Residence and will hold the City harmless from any liability, loss or damage for these things. Nothing contained herein shall be deemed to create or be construed to create a partnership, joint venture or any relationship other than that of an owner and an administrator of a municipal below market rate housing program.

Owner agrees to defend, indemnify, and hold the City harmless from all losses, damages, liabilities, claims, actions, judgments, costs and reasonable attorneys' fees that the City may incur as a direct or indirect consequence of: (1) Owner's default, performance or failure to perform any obligations as and when required by this Resale Restriction or the City Deed of Trust; (2) the failure at any time of any of Owner's representations to the City to be true and correct; or (3) Owner's purchase or ownership of the Residence.

Section 22. Subordination. This Resale Restriction and City Deed of Trust shall be subordinate only to the lien of a first deed of trust against the Residence, and shall not impair the rights of any institutional lender which is the maker of a loan secured by such first deed of trust, or such lender's assignee or successor in interest, to exercise its remedies under the deed of trust in the event of default under the first deed of trust by the Owner. Such remedies under the first deed of trust include the right of foreclosure or acceptance of a deed or assignment in lieu of foreclosure. After such foreclosure or acceptance of a deed in lieu of foreclosure, this Resale Restriction shall be forever terminated and shall have no further effect as to the Residence or any transferee thereafter; provided, however, if the holder of such deed of trust acquired title to the Residence pursuant to a deed or assignment in lieu of foreclosure, this Resale Restriction shall automatically terminate upon such acquisition of title, provided that (a) the City has been given written notice of a default under such first deed of trust, and (b) provided such notice, the City shall not have cured the default under such first deed of trust within the sixty (60) day period or commenced to cure and given its firm commitment to complete the cure in form and substance acceptable to the first lender, or (c) the City shall not have exercised the Purchase Option. Any subordination agreement to be executed by the City shall include notice and cure rights for the

City regarding any defaults in the mortgage to which this Resale Restriction will be subordinate. Owner requesting a subordination is required to pay the current Subordination Fee as stated in the City's Fee Resolution. The City is under no obligation to execute a subordination unless and until the Subordination Fee is tendered to the City.

Section 23. Restrictions on Financing Secured by Residence; Refinancing. The Owner shall not permit any mortgage, deed of trust or other security instrument to be recorded against the Residence other than the following: (a) a fixed rate conventional mortgage; (b) other loan products approved by the City in writing; and (c) encumbrances permitted pursuant to this Section 23. Owner acknowledges that violation of the provisions of this Section 23 shall constitute a Default by the Owner under Section 17 of this Resale Restriction.

- a. **City Consent Required.** Any refinancing of the first mortgage on the Residence shall not be permitted unless expressly approved by the City in writing, at the City's reasonable discretion, pursuant to the provisions of this Section 23. Owner covenants and agrees not to place any additional mortgage or deed of trust, including any line of credit, on the Residence without obtaining prior written consent of the City. In the event Owner desires to refinance the First Lender Loan or borrow a mortgage loan or equity line of credit junior in lien priority to this Resale Restriction, Owner shall submit to the City the Owner Request to Refinance Notice attached as Exhibit F to this Resale Restriction.
- b. **Refinance Subject to Conditions.** The Owner may refinance the existing mortgage debt to (a) reduce the Owner's interest rate and monthly payments of principal and interest or (b) to obtain "cash out" to finance Capital Improvements. The City's consent to the refinancing of existing mortgage debt shall be subject to the following conditions: (a) the refinancing will not result in the Owner's monthly housing cost (as defined by 25 Cal. Code Regs. 6920) exceeding thirty percent (30%) of the Owner's monthly gross income (as defined by 25 Cal. Code Regs. 6914); and (b) the combined loan-to-value ratio of the Residence, calculated by comparing the total of all debt secured by a lien on the Residence and the Affordable Price, shall not exceed 95 percent. Proceeds of the refinancing for the installation of Capital Improvements shall be deposited into an escrow account and shall only be disbursed to pay the costs of purchasing and installing the Capital Improvements. The Owner may request that the City approve an alternative disbursement mechanism reasonably calculated to provide assurance to the City that the refinancing funds are actually used to finance the Capital Improvements.
- c. **Junior Loans and Equity Lines of Credit.** After the Original sale of the Residence to Owner, mortgage loans or equity lines of credit junior in lien priority to this Resale Restriction and the City Deed of Trust are not permitted. However, the City may approve a junior mortgage that is not an equity line of credit if Owner is not in Default under or otherwise in violation of this Resale Restriction. The City shall only approve junior mortgage loans after the Original sale of the Residence to Owner if such loans will not cause the total of all debt secured by the Residence to exceed the Permitted Encumbrance Amount. The City will not approve any mortgage loan which includes negative amortization, or a mortgage loan with interest only payments or balloon payments.

- d. Request for Notice of Default. As a condition for subordination of the City Deed of Trust, Owner shall cause a request for notice of default and notice of sale regarding the refinanced First Lender Loan to be recorded in the Office of the Recorder of Contra Costa County for the benefit of the City.
- e. Purpose of Restrictions. The City and Owner agree that the requirements of this Section 23 are necessary to ensure the continued affordability of the Residence to Owner and to minimize the risk of loss of the Residence by Owner through default and foreclosure of mortgage loans. Owner further acknowledges that violation of the provisions of this Section 23 shall constitute a Default under this Resale Restriction.

Section 24. Restrictions on Foreclosure Proceeds. If a creditor acquires title to the Residence through a deed in lieu of foreclosure, a trustee's deed upon sale, or otherwise, Owner shall not be entitled to the proceeds of sale to the extent that such proceeds otherwise payable to Owner when added to the proceeds paid or credited to the creditor exceed the Original Purchase Price. Owner shall instruct the holder of such excess proceeds to pay such proceeds to the City (in addition to any other amounts due the City from Owner pursuant to this Resale Restriction), in consideration of the benefits received by Owner through purchase of the Residence at a price below fair market value.

Section 25. Nondiscrimination. The Owner covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code in the sale, transfer, use, occupancy, tenure or enjoyment of the Residence, nor shall the Owner or any person claiming under or through the Owner establish any such practice or practices of discrimination or segregation with reference to the use, occupancy, or transfer of the Residence. The foregoing covenant shall run with the land.

Section 26. Severability. If any one or more of the provisions contained in this Resale Restriction shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Resale Restriction, and this Resale Restriction shall be construed as if such invalid, illegal, or unenforceable provision(s) had never been contained herein.

Section 27. Time of the Essence. Time is of the essence of this entire Resale Restriction. Whenever under the terms of this Resale Restriction the time for performance falls on a day which is not a business day, such time for performance shall be on the next day that is a business day.

Section 28. Controlling Law. The terms of this Resale Restriction shall be interpreted under the laws of the State of California. The venue for any legal action pertaining to this Resale Restriction shall be Contra Costa County, California.

Section 29. No Waiver. No delay or omission in the exercise of any right or remedy of City upon any default by Owner shall impair such right or remedy or be construed as a waiver. The City's failure to insist in any one or more instance upon the strict observance of the terms of this Resale Restriction shall not be considered a waiver of the City's right thereafter to enforce the provisions of the Resale Restriction. The City shall not waive its rights to enforce any provision of this Resale Restriction unless it does so in writing, signed by an authorized agent of the City.

Section 30. Notices. All notices required herein shall be in writing and shall be sent by certified mail, return receipt requested or express delivery service with a delivery receipt and shall be deemed to be effective as of the date received or the date delivery was refused as indicated on the return receipt as follows:

If to City: City Clerk
City of San Ramon
7000 Bollinger Canyon Rd.
San Ramon, CA 94583

With a Copy to: Community Development Director
City of San Ramon
7000 Bollinger Canyon Rd.
San Ramon, CA 94583

If to Owner: At the address of the Residence.

If to the First Lender: <<FIRST LENDER>>
<<ADDRESS>>

The address of a party for notices may be changed by that party's written designation to all other parties of the new address in accordance with this Section 30.

Section 31. Covenants as to Use of and Title to the Residence. The Owner covenants and agrees with the City that the Owner will use and maintain the Residence as a single family residence and will perform all obligations of any consensual lien encumbering the Residence, until a permitted Transfer or termination of this Resale Restriction.

Section 32. Captions and Pronouns. The captions and headings of the various Sections of this Resale Restriction are for convenience only, and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular, and masculine, feminine, and neuter shall be freely interchangeable.

Section 33. Running of Benefits and Burdens. All provisions of this Resale Restriction, including the benefits and burdens, run with the land described in Exhibit A and are binding upon the heirs, successors, assigns, and personal representatives of the parties hereto and inure to the benefit of the heirs, personal representatives, and permitted successors and assigns of

the parties hereto for the entire Affordability Period. Each and every contract, deed, lease, or other instrument covering, conveying, or otherwise transferring the Residence or any interest therein, as the case may be, shall conclusively be held to have been executed, delivered, and accepted subject to this Resale Restriction regardless of whether the other party or parties to such contract have actual knowledge of this Resale Restriction.

Owner and the City hereby declare their understanding and intent that: (i) the covenants and restrictions contained in this Resale Restriction shall be construed as covenants running with the land pursuant to California Civil Code Section 1468 and not as conditions which might result in forfeiture of title by Owner; (ii) the burden of the covenants and restrictions set forth in this Resale Restriction touch and concern the Residence in that Owner's legal interest in the Residence may be rendered less valuable thereby; and (iii) the benefit of the covenants and restrictions set forth in this Resale Restriction touch and concern the land by enhancing and increasing the enjoyment and use of the Residence by Owner, the intended beneficiaries of such covenants and restrictions.

All covenants and restrictions contained herein without regard to technical classification or designation shall be binding upon Owner for the benefit of the City and such covenants and restrictions shall run in favor of such parties for the entire period during which such covenants and restrictions shall be in force and effect, without regard to whether the City is an owner of any land or interest therein to which such covenants and restrictions relate.

Section 34. Superiority of Resale Restriction. The Owner covenants that they have not, and will not, execute any other agreement with provisions contradictory to or in opposition to the provisions hereof and that, in any event, this Resale Restriction is controlling as to the rights and obligations between and among the Owner, the City and their respective successors.

Section 35. Construction. The rule of strict construction does not apply to this Resale Restriction. This Resale Restriction shall be given a reasonable construction so that the intention of the parties, to create a valid and enforceable Purchase Option, to prevent any Prohibited Transfer or any use of the Residence in violation of this Resale Restriction and to ensure to the extent possible that the sales price and mortgage payments for the Residence remain affordable to Eligible Households, is carried out.

Section 36. Termination. This Resale Restriction shall not terminate and remains in effect for the entire Affordability Period except termination may be allowed for the following situations: (1) City exercises its option to purchase in compliance with Section 12; or (2) Owner transfers to an Eligible Household at the Affordable Price in compliance with Section 13. Upon termination of this Resale Restriction, on request of the Owner of the fee title to the Residence, the City shall execute, acknowledge, and record a termination and release of this Resale Restriction.

Section 37. Owner's Acknowledgment of Resale Restriction. Owner hereby specifically acknowledges and agrees that:

(a) Owner subjects the Residence to certain restrictions and limits the price for which Owner may sell the Residence and the persons to whom Owner may sell the Residence. The resale price limitation, and other provisions contained in this Resale Restriction, restrict the full benefits of owning the Residence. Owner may not enjoy the same economic or other benefits from owning the Residence that Owner would enjoy if this Resale Restriction did not exist.

(b) Absent the provisions of this Resale Restriction, the Residence could not be made available to Eligible Households, including Owner, at an affordable housing cost.

(c) Owner understands that the determination of the Affordable Price of the Residence to an Eligible Household can be made only at the time of the proposed Transfer, taking into consideration increases in median income, mortgage interest rates, property taxes and other factors that cannot be accurately predicted and that the sales price permitted under this Resale Restriction may not increase or decrease in the same manner as other similar real property which is not encumbered by this Resale Restriction. Owner further understands that at all times in setting the sales price of the Residence, the primary objective of the City and this Resale Restriction is to provide housing to Eligible Households at an affordable housing cost. The Affordable Price will almost certainly be less than other similar properties that have no such restrictions.

(d) Owner understands all of the provisions of this Resale Restriction. In recognition of the acknowledgements and agreements stated in this Section 37, Owner accepts and agrees to the provisions of this Resale Restriction with the understanding that this Resale Restriction will remain in full force and effect as to the Residence following any Transfer of the Residence throughout the term of this Resale Restriction.

(Owners' Initials)

IN WITNESS WHEREOF, the parties have executed this Resale Restriction on or as of the date first written above.

CITY:

City of San Ramon

By: _____

Name: _____

Its: _____

OWNER:

<<BUYER NAME>>

<<BUYER NAME2>>

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF CONTRA COSTA)

On _____, 20__, before me, _____, Notary Public, personally appeared, _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF CONTRA COSTA)

On _____, 20__, before me, _____, Notary Public, personally appeared, _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(seal)

EXHIBIT A

Legal Description of the Residence

EXHIBIT B
Form of Certificate of Owner Occupancy

TO: City of San Ramon

FROM: [State names of Owners]

Address of Residence: _____

Date: _____

By signature below, I _____ [insert name or names of Owner] hereby certify to the City under penalty of perjury that I/we occupy the home located at _____ [insert address] (the "Residence") as my/our principal place of residence and that I/we have occupied the Residence for _____ () [insert number] months of the calendar year _____ [insert previous calendar year]. Attached to this letter is a copy of _____ [insert utility bill or driver's license] showing the Residence as my place of residence.

I also certify that I have not leased part or all of the Residence to a third party.

This Certificate of Owner Occupancy is signed on _____, 20__.

By: _____
Owner [type name]

By: _____
Owner [type name]

Due Date: February 1 of each calendar year.

Attach copy of utility bill or driver's license showing address of Residence and proof of property insurance (hazard).

EXHIBIT C
Form of Owner's Notice of Intent to Transfer

To: City of San Ramon ("City")

From: _____ ("Owner")

Residence Address: _____ ("Residence")

Date: _____

Please be notified that Owner intends to transfer the Residence listed above.

A. The following information is provided to the City pursuant to Section 9 of the Buyer's Occupancy and Resale Restriction Agreement and City's Option to Purchase (the "Resale Restriction"):

1. Address of the Residence: _____
2. Date Owner purchased Residence: _____
3. Purchase Price paid by Owner when Residence was purchased: _____
4. Original Appraised Value of the Residence when purchased: _____
5. Date Owner intends to vacate Residence: _____
6. Date Residence will be placed on market: _____
7. Name and phone number of person for City to contact to schedule inspection:
_____ (name) and _____ (phone number)

B. As required by Section 9 of the Resale Restriction, the following documents are attached to this Notice:

1. Copy of HUD-1 Settlement Statement from Owner's purchase of the Residence

C. I agree to prepare the Residence for sale by doing all of the following:

1. Obtaining a pest control report within 30 days of the date of this notice.
2. Allowing the City or its designee to inspect the Residence within 30 days of this notice.

3. If requested by the City following the City's inspection, I will obtain a home inspection report from a licensed home inspector.
4. Maintaining utility connections until the Home is transferred.

This Owner's Notice of Intent to Transfer is certified by Owner to be true and correct and is signed on _____ <<DATE>> under penalty of perjury.

By: _____
Owner

By: _____
Owner

EXHIBIT D
Form of City Response Notice

To: _____ ("Owner")

From: City of San Ramon ("City")

Address of Residence: _____ ("Home")

Date: _____

A. The following information is provided to the Owner pursuant to Section 10 of the Buyer's Occupancy and Resale Restriction Agreement and City's Option to Purchase (the "Resale Restriction") and will serve as notice to the Owner:

1. Date of City's Determination of a complete Owner's Notice of Intent to Transfer:

2. Adjusted Value of Residence: _____

3. Affordable Price of Residence: _____

4. Estimated Owner's Closing Costs: _____

5. The City will will not exercise its Purchase Option.

6. The City will will not assign the Purchase Option to an Assignee.

a. Name of Assignee (if applicable): _____

7. Maximum qualifying income for an Eligible Household: _____

Eligible Household must meet eligibility requirements of the City of San Ramon's Below Market Rate (BMR) Ownership Program Application Guide.

B. If City elects to exercise or assign its Purchase Option, the City will follow Section 11 of the Resale Restriction to determine the Purchase Price.

C. If City does not elect to exercise or assign its Purchase Option, the City will follow Section 13 of the Resale Restriction to notify Owner to proceed to Transfer the Residence to an Eligible Household.

By: _____
City of San Ramon

EXHIBIT E

Form of Owner and Proposed Purchaser Certification of Sale

To: City of San Ramon ("City")

From: _____ ("Owner")
_____ ("Proposed Purchaser")

Home Address: _____ ("Home")

Date: _____

A. The following information is provided to the City pursuant to Section 8 of the Buyer's Occupancy and Resale Restriction Agreement and City's Option to Purchase (the "Resale Restriction"):

1. Name of the Proposed Purchaser: _____
2. Address of the Proposed Purchaser: _____
3. Proposed sales price for Home: _____
4. Amount paid by the Proposed Purchaser for Owner's personal property, if any: _____
5. Amount paid by the Proposed Purchaser for the services of Owner, if any: _____
6. Amount paid by the Proposed Purchaser for any credits, allowances, or other consideration, if any: _____

B. As required by Section 8 of the Resale Restriction, the following documents are attached to this Notice:

1. Copy of final sales contract for the Home.
2. Copy of the appraisal for the Home.
3. All other related documents which shall set forth all the terms of the sale of the Home, including a HUD-1 Settlement Statement.

C. Owner and the Proposed Purchaser agree to all of the following:

1. The proposed sale of the Home shall be closed in accordance with the terms of the sales contract and other documents submitted to and approved by the City.

2. The Proposed Purchaser or any other party has not paid and will not pay to Owner, and Owner has not received and will not receive from the Proposed Purchaser or any other party, money or other consideration, including personal property, in addition to what is set forth in the sales contract and documents submitted to the City.

3. If the proposed sale is made in violation of the terms of this Resale Restriction, or false or misleading statements are made in any documents or certification submitted to the City, the City shall have the right to foreclose on the Home or file an action at law or in equity as may be appropriate. Any costs, liabilities, or obligations incurred by Owner and the Proposed Purchaser for the return of any moneys paid or received in violation of the Resale Restriction, or for any costs and legal expenses, shall be borne by Owner and/or the Proposed Purchaser. Owner and the Proposed Purchaser shall hold the City harmless and reimburse its expenses, legal fees, and costs for any action it reasonably takes in good faith in enforcing the terms of the Resale Restriction.

D. Upon the close of the proposed sale, Owner shall provide to the City a copy of the final sales contract, HUD-1 Settlement Statement, escrow instructions, and any other documents which the City may reasonably request.

This Owner and Proposed Purchaser Certification of Sale is certified by Owner to be true and correct and is signed on _____ <<DATE>> under penalty of perjury.

By: _____
Owner

This Owner and Proposed Purchaser Certification of Sale is certified by the Proposed Purchaser to be true and correct and is signed on _____ <<DATE>> under penalty of perjury.

By: _____
Proposed Purchaser

EXHIBIT F

Form of Owner Request to Refinance Notice

To: City of San Ramon ("City")
From: _____ ("Owner")
Home Address: _____ ("Home")
Date: _____

A. For Propose Refinance of First Lender Loan

Owner hereby requests the City to approve the Owner's refinance of the existing First Lender Loan (first mortgage loan) on the Home. Owner provides the following information and documentation which it certifies to be true and correct:

1. Copy of a HUD -1 Settlement Statement
2. Copy of new First Lender Loan documents, including escrow instructions
3. Contact information for proposed new First Lender

Phone Number: _____

Contact Person: _____

4. Anticipated closing date of new First Lender Loan: _____
5. Copy of recent preliminary title report for the Home
6. Copy of existing First Lender Loan documents and any other loan documents secured by a deed of trust that has been recorded against the Home.
7. Monthly Housing Payment on First Lender Loan: _____
8. Monthly Housing Payment on all other loans secured by a deed of trust that has been recorded against the Home: _____
9. Contact Information for Title Company

Name: _____

Address: _____

Phone Number: _____

Contact Person: _____

B. For Proposed Junior Loan

Owner hereby requests the City to approve the Owner's proposed junior financing. Owner also provides the following information and documentation which it certifies to be true and correct:

1. Copy of a HUD -1 Settlement Statement
2. Copy of new junior loan documents, including escrow instructions
3. Contact information for proposed new junior lender

Phone Number: _____

Contact Person: _____

4. Anticipated closing date of new junior loan: _____
5. Copy of recent preliminary title report for the Home
6. Copy of existing First Lender Loan documents and any other loan documents secured by a deed of trust that has been recorded against the Home.
7. Monthly Housing Payment on First Lender Loan: _____
8. Monthly Housing Payment on all other loans secured by a deed of trust that has been recorded against the Home: _____
9. Contact Information for Title Company

Name: _____

Address: _____

Phone Number: _____

Contact Person: _____

Owner hereby certifies the above information is true and correct and this Owner Request to Refinance Notice is executed under penalty of perjury on _____ <<DATE>>.

By: _____
Owner

By: _____
Owner