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OFFICIAL BUSINESS

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Code Section 6103**

City of
San Buenaventura

AUG 16 2005

Economic Development
& Revitalization



20050627-0155764

Pages: 25 Fees: \$0.00

06/27/2005 08:00:00 AM

T20050054082 EA

Ventura County Recorder
Philip J. Schmit

Recording requested by, and
When recorded, return to:
The City of San Buenaventura
Community Development Department
P.O. Box 99
Ventura, CA 93002-0099
Attention: _____

Assessor's Identification Number: _____

**HOUSING DECLARATION AND AGREEMENT
BETWEEN
THE CITY OF SAN BUENAVENTURA
AND
GREYSTONE HOMES, INC.
(Melody Condominiums)**

THIS HOUSING DECLARATION AND AGREEMENT ("Agreement") is entered into by and between the CITY OF SAN BUENAVENTURA, a California charter city ("City"), and GREYSTONE HOMES, INC., a Delaware corporation ("Developer") as the fee owner of that certain real property ("Property") located in the City of San Buenaventura, County of Ventura, State of California, commonly known as "Melody Condominiums" and legally described in Exhibit A attached hereto and incorporated herein by this reference ("Project").

WHEREAS, Developer has improved or intends to improve the Property by constructing seventy-four (74) condominium units, and related improvements, in accordance with the Henderson and Saratoga Development Agreement No. DA-32 (Tentative Tract Map No. S-5417; Planned Development Permit No. PD-822) ("Development Agreement"), and Final Tract Map No. 5417, on file with the City; and

WHEREAS, pursuant to the Development Agreement, Developer must set aside seven (7) of the condominium units developed on the Property for the sole use and occupancy of moderate income households, in compliance with the requirements of the City's Affordable Housing Program ("AHP"), and consistent with the AHP as submitted by City Resolution No. 88-92;

NOW THEREFORE, in consideration of the mutual covenants and representations herein contained, the parties hereto covenant, represent and agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.1. "Advisory Agency" means the Director of the Community Development Department of the City as described in the City's Municipal Code.

Section 1.2. "Area Median Income" or "AMI" means the median income for the Ventura County Statistical Area on an annual basis, as adjusted for household size.

Section 1.3. "Buyer" means the purchaser of an Income Restricted Unit.

Section 1.4. "Certificate of Compliance" means a certificate issued by the City or its designee verifying that both the seller and the prospective buyer of an Income Restricted Unit have complied with all applicable requirements of the City's Affordable Housing Program, this Agreement and the Implementation Plan prior to a proposed sale of such Income Restricted Unit.

Section 1.5. "City" means the City of San Buenaventura or its designee.

Section 1.6. "City Council" means the City Council of the City.

Section 1.7. "Eligible Household" means a household whose income does not exceed one hundred ten percent (110%) of the Area Median Income, adjusted for family size. A Buyer must be an Eligible Household only at the time of opening of escrow for the purchase of the Income Restricted Unit; an increase in income after opening of escrow shall not disqualify such Buyer.

Section 1.8. "Household Income" means either:

(a) As the preferred method, the mean average of last three (3) years adjusted gross income as shown on income tax returns and, in the absence of a complete year, the average annual salary as determined by the two most recent pay stubs, or other documentation reasonably acceptable to the City; or

(b) Using a third party written verification form (sent through the mail), a projection of the verified income of the prospective buyer current as of the date of the verification for a twelve-month period.

Section 1.9. "Implementation Plan" means that certain plan for implementing the sale and resale of Income Restricted Units on file with the Advisory Agency, as modified from time to time. The initial Implementation Plan was submitted by Developer, dated June 20, 2005.

Section 1.10. "Income Restricted Unit" means a condominium unit on the Property which is reserved for sale to and occupancy by an Eligible Household during the Term. The Income Restricted Units are shown and described on Exhibit B hereto.

Section 1.11. "Initial Sale" means the sale of an Income Restricted Unit by Developer to an Eligible Household. The Initial Sale refers solely to the first sale by Developer and not to any subsequent sale of such Income Restricted Unit.

Section 1.12. "Maximum Allowable Sales Price" means the highest price for which an Income Restricted Unit may be sold in a Subsequent Sale. The Maximum Allowable Sales Price will be determined by the City in accordance with the formula used by the City to establish the Initial Sales Price for such Unit; provided, however, if the Maximum Allowable Sales Price is less than the purchase price paid by the seller of the Income Restricted Unit, then the purchase price paid by the seller of the Income Restricted Unit shall be deemed to be the Maximum Allowable Sales Price for which such Unit may be resold in such Subsequent Sale.

Section 1.13. "Maximum Initial Purchase Price" or "MIPP" shall mean the maximum purchase price which may be paid for an Income Restricted Unit in the Initial Sale, determined according to the formula established by the City in accordance with its Affordable Housing Program. For any sale in calendar year 2005, the MIPP shall be \$312,345.00. After 2005, the Maximum Initial Purchase Price is determined by the following formula: with a ten percent (10%) down payment, and the current 60-day interest rate established by FNMA for a thirty (30) year loan term, plus 0.125%, the Gross Monthly Housing Expense shall not exceed thirty percent (30%) of one hundred ten percent (110%) of the then current Ventura County Statistical Area median income level for a family of four persons, as adjusted for unit size.

Section 1.14. "Owner" means each person or entity holding fee title to an Income Restricted Unit, other than Developer.

Section 1.15. "Subsequent Sale" means any sale of an Income Restricted Unit after the Initial Sale.

Section 1.16. "Term" means with respect to each Income Restricted Unit a period of thirty (30) years from the date the first Resale Restriction Agreement encumbering such Unit is recorded in the Official Records of Ventura County in accordance with this Agreement.

ARTICLE 2

SALES RESTRICTIONS

Section 2.1. Initial Sales. No Income Restricted Unit will be sold by Developer except to an Eligible Household pursuant to the Implementation Plan and this Agreement.

Section 2.2. Subsequent Sales. Developer shall cause a Resale Restriction Agreement, in substantially the same form as shown on Exhibit C attached hereto, to be prepared and recorded against each Income Restricted Unit sold to an Eligible Household. After a valid Initial Sale of an Income Restricted Unit to an Eligible Household is accomplished, the City, and not Developer, is responsible for monitoring and enforcing compliance with the Resale Restriction Agreement for such Unit.

Section 2.3. Non-Discrimination. Developer shall not discriminate against any person on the grounds of age, race, color, creed, religion, sex, ancestry, sexual preference, disability, marital

status, sexual orientation, or medical condition, including the actual or perceived affliction of AIDS or the HIV virus, or national origin in the selection or approval of prospective buyers or Eligible Households, in the provision of services, or in any other manner.

Section 2.4. Failure to Sell. If Developer is unable to effect a sale of an Income Restricted Unit to an Eligible Household within six (6) months after making all commercially reasonable efforts to first offer such Unit for sale in accordance with this Agreement and the Implementation Plan, Developer may notify City (the "Failure to Sell Notice"). Upon receipt of a Failure to Sell Notice, and such documentation as City may request evidencing Developer's efforts to sell the Unit to an Eligible Household, City may elect, in its sole and absolute discretion, to (i) purchase such Income Restricted Unit at the MIPP (the "City Purchase Option"), or (ii) locate a potential Eligible Household to purchase such Income Restricted Unit at the MIPP (the "City Assignment Option").

Section 2.5. City's Rights Upon Notification. Within three (3) months of receiving a Failure to Sell Notice, City shall notify Developer in writing whether City intends to exercise the City Purchase Option or the City Assignment Option.

(a) If City elects the City Assignment Option, City shall provide Developer with the name and contact information of the prospective buyer who has previously been determined by City to be income-qualified, and the Income Restricted Unit shall be sold to such prospective buyer in accordance with the procedures set forth in the Implementation Plan and Article 3 of this Agreement.

(b) If City elects the City Purchase Option, City and Developer shall promptly enter into an escrow at an escrow holder selected by City, which escrow shall close within thirty (30) days. All fees and costs of escrow, including transfer tax, recording costs and title insurance, shall be allocated and paid in accordance with the customary practice in Ventura County.

(c) If City notifies Developer in writing that City does not intend to exercise either the City Purchase Option or the City Assignment Option, or within three (3) months of receiving a Failure to Sell Notice, City fails to make an election, then (and only then) and notwithstanding any provision of this Agreement or the Housing Declaration to the contrary, Developer may offer the Income Restricted Unit for sale to a purchaser that is not an Eligible Household, but only for the Maximum Initial Purchase Price. Provided, however, subsequent transfers of the Income Restrict Unit during the Term must be to Eligible Households, and title to the Income Restrict Unit shall be subject to all the conditions, limitations and restrictions provided for in this Agreement.

ARTICLE 3 GENERAL OBLIGATIONS

Section 3.1. Maintenance. Developer shall keep and maintain the Income Restricted Units in good condition and repair prior to conveyance to an Eligible Household, in compliance with all applicable City codes.

Section 3.2. Inspection Rights. The City may inspect any Income Restricted Unit and any documents or records relating thereto, at any reasonable time, to determine Developer's compliance with this Agreement. The City shall have the right but not the duty to inspect any Income Restricted Unit, prior to close of escrow for the sale of such Unit to an Eligible Household, to determine whether the Unit is in a decent, safe and sanitary condition.

Section 3.3. Qualification of Eligible Households. In accordance with the Implementation Plan, Developer shall preliminarily determine whether a prospective buyer is an Eligible Household. Upon completion of this preliminary qualification by Developer, all documentation relating to the preliminary determination of eligibility shall be forwarded to City by Developer so that City may determine if the prospective Eligible Household is income-qualified.

Section 3.4. Requirement for Certificate of Compliance. Following City's determination that a prospective buyer is income-qualified and City's receipt and approval of all other documentation required by the Implementation Plan and after qualification by a lending institution, the prospective Eligible Household shall be deemed to be an Eligible Household. Upon City's determination that the prospective Eligible Household is an Eligible Household in accordance with the Implementation Plan, City or its designee shall issue a Certificate of Compliance and forward it to the escrow company. No escrow for the sale of an Income Restricted Unit shall close until a Certificate of Compliance is issued by City.

Section 3.5. Reporting. Beginning on the date the first sales contract is executed by Developer for an Income Restricted Unit and continuing until the last Income Restricted Unit is sold as an Initial Sale to an Eligible Household, Developer shall submit to the City monthly reports on the current sales status of all Income Restricted Units, as provided in the Implementation Plan. The City may periodically monitor/audit Developer's records concerning the Income Restricted Units and qualification of Eligible Households.

Section 3.6. Review of Agreements and Disclosure. Prior to executing a binding sales contract for an Income Restricted Unit, Developer shall disclose, provide copies of and fully explain to the potential Buyer, the provisions of this Agreement and the Resale Restriction Agreement and obtain written acknowledgment thereof from that potential Buyer.

Section 3.7. Covenants Running. Except as provided by the terms herein, the provisions of this Agreement shall constitute covenants which will run with the Income Restricted Units and shall be binding upon Developer and its successors, transferees and assignees, and all parties having or acquiring any right, title, or interest in any Income Restricted Unit. Any attempt to transfer title to, or any interest in, an Income Restricted Unit in violation of this Agreement shall be void.

Section 3.8. Replacement of Units. If for any reason prior to the Initial Sale of an Income Restricted Unit, such Unit becomes unavailable for use for moderate income residential purposes, it shall be replaced in kind prior to issuance of any building permit for which application is made relating to the Project.

Section 3.9. Implementation Plan. Developer, on behalf of itself and its heirs, successors, transferees and assignees, and all parties having or acquiring any right, title, or interest in any Income Restricted Unit, expressly acknowledges and agrees that the Implementation Plan may be

amended by the City from time to time in the sole and reasonable discretion of the City as the City determines to be necessary or desirable to promote or achieve consistency with the City's Affordable Housing Program, the Housing Element of the City's General Plan, and applicable law in effect from time to time.

ARTICLE 4 REMEDIES

Section 4.1. Default. If Developer breaches this Agreement, Developer shall have thirty (30) days after service upon it of written notice of such default or breach in which to cure such breach; provided, however, that for any such breach resulting from circumstances beyond Developer's reasonable control which cannot reasonably be remedied within thirty (30) days, Developer shall commence performance within thirty (30) days after service of written notice and diligently work thereafter to render full and complete performance.

Section 4.2. Enforcement. Developer or the City may enforce any of the terms, covenants or conditions contained in this Agreement through any proceedings at law or in equity. The parties may commence and maintain actions for damages or specific performance, or to restrain and enjoin any actual or threatened breach of any provision of this Agreement.

Section 4.3. Cumulative Remedies. Any remedy provided for herein shall not be exclusive or preclude Developer or the City from exercising any other remedy available under this Agreement, or under provisions of law, nor shall any action taken in the exercise of any remedy be deemed a waiver of any other rights or remedies available to such parties.

Section 4.4. No Waiver. It is understood and agreed that no waiver of a breach of any of the provisions of this Agreement shall be construed as a waiver of any other breach; nor shall failure to enforce any portion of this Agreement be construed as a waiver of any of the conditions of this Agreement.

ARTICLE 5 MISCELLANEOUS PROVISIONS

Section 5.1. Headings. Headings used in this Agreement are for convenience only and are not to be used to interpret the meaning of any of the provisions of this Agreement.

Section 5.2. Severability. The provisions of this Agreement are independent and severable, and the invalidity or partial invalidity, or un-enforceability of any provision or provisions shall not invalidate any other provision.

Section 5.3. Construction. The provisions of this Agreement shall be liberally construed to effectuate its purpose. The singular shall include the plural and the plural the singular, unless the context requires the contrary. The masculine, feminine and neuter shall each include the genders not used.

Section 5.4. No Warranty. The City does not in any manner warrant that the Income Restricted Units meet requirement of the City's Municipal Code.

Section 5.5. Notices.

(a) All notices to be given to the City shall be in writing, and delivered or mailed first-class postage prepaid to the City at the following address:

Community Development Director
City of San Buenaventura
501 Poli Street, Room 121
Ventura, CA 93002

(b) All notices to be given to Developer shall be in writing and delivered or mailed first-class postage prepaid to Developer at the following address:

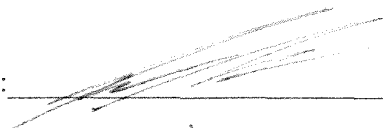
Greystone Homes, Inc.
25129 The Old Road, Suite 100
Stevenson Ranch, CA 91381

Section 5.6. Inconsistencies. If there is an inconsistency between any of the provisions of this Agreement and any exhibits hereto, the inconsistency shall be resolved by giving precedence to this Agreement; provided, however, the provisions of the Development Agreement and the City's Affordable Housing Program as set forth in City Resolution No. 88-92, as it may be amended from time to time, shall control over the provisions of this Agreement.

IN WITNESS WHEREOF, the City of San Buenaventura and the Developer have caused this Agreement to be executed by their duly authorized representatives.

DEVELOPER:

GREYSTONE HOMES, INC.,
a Delaware corporation

By: 

Its: Vice President

[Signatures Continued on Next Page]

APPROVED AS TO FORM:

CITY OF SAN BUENAVENTURA


City Attorney

By: _____

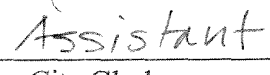
Date: _____

Its: _____

ATTEST:

Authority: Ordinance 2004-010 approving
Development Agreement No. DA-32

_____
City Clerk

By: _____
Assistant
City Clerk

[SIGNATURES MUST BE NOTARIZED]

STATE OF CALIFORNIA)

COUNTY OF Los Angeles)

SS.

On 6/17, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared Andrew Metzger personally known to me or ~~proved to me on the basis of satisfactory evidence~~ to be the person(s) who executed the within instrument, and acknowledged to me that (he)(she)(they) executed the same in (his)(her)(their) authorized capacity(y)(ies) and that by (his)(her)(their) signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

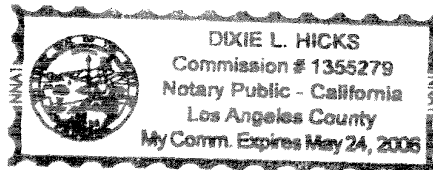
WITNESS my hand and official seal.

Dixie L. Hicks

Signature of Notary Public

STATE OF CALIFORNIA)

COUNTY OF _____)



SS.

On _____, 200__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ and _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument, and acknowledged to me that (he)(she)(they) executed the same in (his)(her)(their) authorized capacity(y)(ies) and that by (his)(her)(their) signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary Public

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Ventura

On June 21, 2005

Date

before me,

ss.

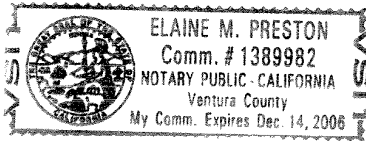
Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared

Name(s) of Signer(s)

☒ personally known to me

☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document:

Document Date:

Number of Pages:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name:

☒ Individual

☐ Corporate Officer --- Title(s):

☐ Partner --- ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other:

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer Is Representing:

Signer's Name:

☐ Individual

☐ Corporate Officer --- Title(s):

☐ Partner --- ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other:

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer Is Representing:

EXHIBIT A
LEGAL DESCRIPTION OF REAL PROPERTY

Lot 1 of Tract 5417, as per Map recorded in Book 153, pages 51-56, of
Miscellaneous Records (Maps) in the Office of the County Recorder of Ventura County
California.

EXHIBIT B
INCOME-RESTRICTED UNITS

SARATOGA (MELODY), TRACT 5417

<u>BUILDING NO.</u>	<u>UNIT NO.</u>	<u>PLAN TYPE</u>	<u>ADDRESS</u>
1	101	B2/2 bedroom	5321 Basie Street
4	401	B2/2 bedroom	5322 Basie Street
6	601	B2/2 bedroom	1038 Holiday Avenue
7	701	B2/2 bedroom	5335 Gillespie Street
9	901	B2/2 bedroom	5326 Gillespie Street
10	1001	B2/2 bedroom	5390 Gillespie Street
10	1004	B2/2 bedroom	5384 Gillespie Street

EXHIBIT C
RESALE RESTRICTION AGREEMENT

OFFICIAL BUSINESS

**Document entitled to free
Recording per Government
Code Section 6103**

Recording requested by, and
When recorded, return to:
The City of San Buenaventura
Community Development Department
P.O. Box 99
Ventura, CA 93002-0099
Attention: _____

Assessor's Identification Number: _____

**RESALE RESTRICTION AGREEMENT
SECURED BY DEED OF TRUST
(Melody Unit _____)**

THIS RESALE RESTRICTION AGREEMENT (this "Agreement") is entered into as of this _____ day of _____, 200____, between the City of San Buenaventura, a California charter city ("City"), and _____

("Owner").

RECITALS:

WHEREAS, Owner is concurrently herewith acquiring that certain real property (the "Property") located in the City of San Buenaventura, County of Ventura, California, described as Unit _____ of the Melody Condominiums Project (Tract 5417), and more particularly described on **Exhibit A** attached hereto.

WHEREAS, to increase the supply of affordable housing in the City, the City has attached conditions to the development of the Melody Condominiums Project setting aside certain of the condominium units for the sole use and occupancy of moderate income households, in compliance with the requirements of the City's Affordable Housing Program.

WHEREAS, seven (7) of the condominium units in the Melody Condominiums Project have been set aside for the sole use and occupancy of moderate income households, consistent with the City's Affordable Housing Program and City Resolution

No. 88-92, and a Housing Declaration and Agreement has been recorded to restrict ownership of such units to moderate income households.

WHEREAS, the Property is one of the seven (7) condominium units set aside for the sole use and occupancy of moderate income households.

WHEREAS, Owner has represented that Owner's household qualifies as an "Eligible Household", as defined below.

NOW THEREFORE, in consideration of the mutual covenants and representations herein contained, the parties hereto covenant, represent and agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.1. "Advisory Agency" means the Director of the Community Development Department of the City as described in the City's Municipal Code.

Section 1.2. "Area Median Income" or "AMI" means the median income for the Ventura County Statistical Area on an annual basis, as adjusted for household size.

Section 1.3. "Buyer" means the purchaser of an Income Restricted Unit.

Section 1.4. "Certificate of Compliance" means a certificate issued by City or its designee verifying that both the seller and the prospective buyer of an Income Restricted Unit have complied with all applicable requirements of the City's Affordable Housing Program, this Agreement, and the Implementation Plan, prior to a proposed sale of such Income Restricted Unit.

Section 1.5. "City" means the City of San Buenaventura or its designee.

Section 1.6. "Eligible Household" means a household whose income does not exceed one hundred ten percent (110%) of the Area Median Income. A Buyer must be an Eligible Household only at the time of opening of escrow for the purchase of the Income Restricted Unit; an increase in income after opening of escrow shall not disqualify such Buyer.

Section 1.7. "Implementation Plan" means that certain plan for implementing the sale and resale of Income Restricted Units on file with the Advisory Agency, as modified from time to time.

Section 1.8. "Income Restricted Unit" means a condominium unit in the Project which is reserved for sale to and occupancy by an Eligible Household during the Term.

Section 1.9. "Maximum Allowable Sales Price" means the highest price for which an Income Restricted Unit may be sold in a Subsequent Sale. The Maximum Allowable Sales Price will be determined by the City in accordance with the formula established by

the City in accordance with its Affordable Housing Program. The initial sales price of the Unit was determined by the following formula: with a ten percent (10%) down payment, and the current 60-day interest rate established by FNMA for a thirty (30) year loan term, plus 0.125%, the Gross Monthly Housing Expense shall not exceed thirty percent (30%) of one hundred ten percent (110%) of the then current Ventura County Statistical Area median income level for a family of four persons, as adjusted for unit size. Notwithstanding the preceding sentence, if the Maximum Allowable Sales Price is less than the purchase price paid by the seller of the Income Restricted Unit, then the purchase price paid by the seller of the Income Restricted Unit shall be deemed to be the Maximum Allowable Sales Price for which such Unit may be resold in such Subsequent Sale.

Section 1.10. "Owner" means each person or entity holding fee title to an Income Restricted Unit.

Section 1.11. "Subsequent Sale" means any sale of an Income Restricted Unit after the initial sale of the Unit.

Section 1.12. "Term" means with respect to the Property a period of thirty (30) years from the date of recordation of the first Resale Restriction Agreement encumbering the Property.

ARTICLE 2 SALES RESTRICTIONS

Section 2.1. Subsequent Sales. Owner, by taking title to the Property, which is an Income Restricted Unit, agrees not to sell the Property, or any interest in the Property, or enter into any Agreement to transfer the Property, or any interest in the Property, during the Term except in compliance with this Agreement and the Implementation Plan, and pursuant to the following general requirements:

(a) Prior to offering the Property for sale, the Owner shall notify the City's Community Development Director of Owner's intent to sell, in such form and accompanied by such information as is required by the Implementation Plan provided by the City.

(b) Upon receipt of written notification from the City to proceed (the "Notice to Proceed"), the Property shall be offered for sale at an amount no greater than the Maximum Allowable Sales Price established by the City pursuant to this Agreement, and only to prospective buyers who certify to Seller that they meet the eligibility requirements for an Eligible Household, and all sales agreements shall be contingent upon certification by City that the prospective buyer qualifies as an Eligible Household in accordance with the Implementation Plan. Seller or listing agent shall disclose, provide copies of and fully explain to the prospective buyer the provisions of this Resale Restriction Agreement and obtain written acknowledgment thereof from the prospective buyer, including acknowledgment that such buyer will be required to enter into a similar Resale Restriction Agreement and Deed of Trust upon close of escrow for purchase of the

Property.

(c) Promptly after opening escrow with a prospective buyer, the buyer or the listing agent should contact City to determine the information and other documentation required by City to determine whether the prospective buyer is income-qualified and qualified by a lending institution.

(d) Owner shall provide such information as is required in the Implementation Plan provided by the City to Owner, to enable the City to determine the eligibility of any prospective buyer.

Section 2.2. Certification of Eligible Households. Upon City's determination that the prospective buyer is qualified as an Eligible Household in accordance with this Agreement and the Implementation Plan, City or its designee shall issue a Certificate of Compliance and forward it to the escrow company. No escrow for the sale of the Property shall close until a Certificate of Compliance is issued by City.

Section 2.3. Non-Discrimination. Owner shall not discriminate against any person on the grounds of age, race, color, creed, religion, sex, ancestry, sexual preference, disability, marital status, sexual orientation, or medical condition, including the actual or perceived affliction of AIDS or the HIV virus, or national origin in the selection or approval of prospective buyers or Eligible Households, in the provision of services, or in any other manner.

Section 2.4. Failure to Sell. If Owner is unable, after diligent good faith efforts, to obtain a Certificate of Compliance with respect to a prospective buyer of the Property within six (6) months after Owner receives the Notice to Proceed from the City, Owner may notify City (the "Failure to Sell Notice"). Upon receipt of a Failure to Sell Notice, and such documentation as City may request evidencing Owner's efforts to sell the Property to an Eligible Household, City may elect, in its sole and absolute discretion, to (i) purchase the Property at the Maximum Allowable Sale Price (the "City Purchase Option"), or (ii) locate a potential Eligible Household to purchase the Property at the Maximum Allowable Sales Price (the "City Assignment Option").

Section 2.5. City's Rights Upon Notification. Within three (3) months of receiving a Failure to Sell Notice, City shall notify Owner in writing whether City intends to exercise the City Purchase Option or the City Assignment Option.

(a) If City elects the City Assignment Option, City shall provide Owner with the name and contact information of the prospective buyer who has previously been determined by City to be income-qualified, and the Income Restricted Unit shall be sold to such prospective buyer in accordance with the procedures set forth in the Implementation Plan and this Agreement.

(b) If City elects the City Purchase Option, City and Owner shall promptly enter into an escrow at an escrow holder selected by City, which escrow shall close within thirty (30) days. All fees and costs of escrow, including transfer tax, recording costs and

title insurance, shall be allocated and paid in accordance with the customary practice in Ventura County.

(c) If City notifies Owner in writing that City does not intend to exercise either the City Purchase Option or the City Assignment Option, or within three (3) months of receiving a Failure to Sell Notice, City fails to make an election, then (and only then) and notwithstanding any provision of this Agreement or the Housing Declaration to the contrary, Owner may offer the Property for sale to a purchaser that is not an Eligible Household, but only for the Maximum Allowable Purchase Price. Provided, however, subsequent transfers of the Property during the Term must be to Eligible Households, and title to the Property shall be subject to all the conditions, limitations and restrictions provided for in this Agreement.

ARTICLE 3 OWNER OCCUPANCY

Section 3.1. Principal Residence. Owner shall use and occupy the Property as Owner's principal place of residence.

Section 3.2. No Rental. Owner is expressly prohibited from leasing or renting the Property unless the City has given its prior written consent to such lease or rental on the basis of a demonstrated hardship by the Owner.

Section 3.3. Annual Report. Continuing occupancy of the Property by Owner shall be verified by Owner to the reasonable satisfaction of City by means of a written report by Owner to City setting forth the income and family size of the occupants of the Property. Such report shall be submitted to City annually on or about June 30th of each year. Owner shall not be deemed to be in default of this Agreement for any failure to deliver such annual report until thirty (30) days after receipt by Owner of written notice from City requesting such report. City shall have the option of establishing the type of form to be used for the report.

ARTICLE 4 GENERAL OBLIGATIONS

Section 4.1. Maintenance. Owner shall keep and maintain the Property in good condition and repair throughout the Term, in compliance with all applicable City codes.

Section 4.2. Inspection Rights. City may inspect the Property and any documents or records relating thereto, at any reasonable time, to determine Owner's compliance with this Agreement. City shall have the right but not the duty to inspect the Property, prior to close of escrow for the sale of the Property to an Eligible Household, to determine whether the Property is in a decent, safe and sanitary condition.

Section 4.3. Covenants Running. Except as provided by the terms herein, the provisions of this Agreement shall constitute covenants which will run with the land and shall be binding upon each Owner of the Property, and their heirs, executors, administrators, successors, transferees, assignees, and all parties having or acquiring any

right, title, or interest in the Property. Any attempt to transfer title to, or any interest in, the Property in violation of this Agreement shall be void.

Section 4.4. No Modification of Units. Owner shall not make any structural changes or additions to the Property without City's prior written consent. City will not consent to any change if (a) such change would impair the value of the Property, or adversely affect the use of the Property for moderate income residential purposes.

Section 4.5. Permitted Transfers. Unless expressly allowed by Article 2 of this Agreement, only the following transfers of the Property are permitted:

- (a) Sale to an Eligible Household;
- (b) Transfer by gift, devise or inheritance to Owner's spouse;
- (c) Taking of title by surviving joint tenant;
- (d) Transfer of title to a spouse as party of divorce or dissolution proceedings, or acquisition of title in conjunction with marriage;
- (e) Transfer in trust in connection with a first position deed of trust securing a purchase money loan;

Section 4.6. Refinancing; Junior Trust Deeds.

(a) Owner may refinance any first trust deed encumbering the Property if City determines that (i) the interest, terms and conditions of the refinance are reasonable at the time, (ii) the principal amount thereof does not exceed the original principal amount of the loan secured by the first trust deed being refinanced (plus reasonable loan fees and costs), and (iii) the subordination provisions under Section 4.7 below are complied with.

(b) A loan to be secured by a junior trust deed encumbering the Property may be permitted by City if City determines that (i) the proceeds of the loan are only to be used to pay for repairs or the construction of improvements to the Property, (ii) the loan is sufficient to pay for all of the proposed repairs or improvements as well as loan fees and loan costs, (iii) the loan is made by an institutional lender, (iv) the interest rate and payment terms thereon are reasonable and Owner is capable of meeting the monthly payments.

Section 4.7. Subordination; Foreclosure. If a deed of trust on the Property is foreclosed, the person or entity acquiring the Property through foreclosure of such deed of trust or by a deed in lieu of foreclosure need not be an Eligible Household. If the lender who is the holder of the deed of trust acquires the Property, such acquiring lender is not required to sell the Property to an Eligible Household, and the sales price for the Property shall be an amount not exceeding the greater of (i) the total unpaid amount secured by the lender's deed of trust when the lender acquired the Property, or (ii) the Maximum Allowable Sales Price. Except for other transfers permitted under Section 4.5 above, all subsequent transfers of the Property during the Term must be to Eligible

Households, and otherwise in accordance with all the conditions, limitations and restrictions provided for in this Agreement.

Section 4.8. Request for Notice. Owner agrees to cause a request for notice of default and notice of sale under any deed of trust encumbering the Property, specifying that any such notice shall be mailed to the City to the attention of the City's Community Development Director.

ARTICLE 5 REMEDIES

Section 5.1. Enforcement. Owner or the City may enforce any of the terms, covenants or conditions contained in this Agreement through any proceedings at law or in equity. The parties may commence and maintain actions for damages or specific performance, or to restrain and enjoin any actual or threatened breach of any provision of this Agreement.

Section 5.2. Cumulative Remedies. Any remedy provided for herein shall not be exclusive or preclude Owner or City from exercising any other remedy available under this Agreement, or under provisions of law, nor shall any action taken in the exercise of any remedy be deemed a waiver of any other rights or remedies available to such parties.

Section 5.3. No Waiver. It is understood and agreed that no waiver of a breach of any of the provisions of this Agreement shall be construed as a waiver of any other breach; nor shall failure to enforce any portion of this Agreement be construed as a waiver of any of the conditions of this Agreement.

ARTICLE 6 MISCELLANEOUS PROVISIONS

Section 6.1. Headings. Headings used in this Agreement are for convenience only and are not to be used to interpret the meaning of any of the provisions of this Agreement.

Section 6.2. Severability. The provisions of this Agreement are independent and severable, and the invalidity or partial invalidity, or un-enforceability of any provision or provisions shall not invalidate any other provision.

Section 6.3. Construction. The provisions of this Agreement shall be liberally construed to effectuate its purpose. The singular shall include the plural and the plural the singular, unless the context requires the contrary. The masculine, feminine and neuter shall each include the genders not used.

Section 6.4. No Warranty. City does not in any manner warrant that the Property meets the requirements of the City's Municipal Code.

Section 6.5. Notices.

(a) All notices to be given to City shall be in writing, and delivered or mailed first-class postage prepaid to City at the following address:

Community Development Director
City of San Buenaventura
501 Poli Street, Room 121
Ventura, CA 93002

(b) All notices to be given to Owner shall be in writing and delivered or mailed first-class postage prepaid to Owner at the address of the Property, as follows:

Section 6.6. Inconsistencies. If there is an inconsistency between any of the provisions of this Agreement and any exhibits hereto, the inconsistency shall be resolved by giving precedence to this Agreement; provided, however, the provisions of the Development Agreement and City's Affordable Housing Program as submitted by City Resolution No. 88-92, shall control over the provisions of this Agreement.

IN WITNESS WHEREOF, the City of San Buenaventura and Owner have caused this Agreement to be executed by their duly authorized representatives.

CITY OF SAN BUENAVENTURA

By: _____

Its: _____

OWNER:

(Print Name)

(Print Name)

[SIGNATURES MUST BE NOTARIZED]

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 200__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ and _____ personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument, and acknowledged to me that (he)(she)(they) executed the same in (his)(her)(their) authorized capacity(y)(ies) and that by (his)(her)(their) signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary Public

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 200__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ and _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument, and acknowledged to me that (he)(she)(they) executed the same in (his)(her)(their) authorized capacity(y)(ies) and that by (his)(her)(their) signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary Public

EXHIBIT A
(Legal Description of Unit)

AFFORDABLE HOUSING IMPLEMENTATION PLAN

MELODY (Tr. No. 5417)
HARMONY (Tr. No. 5313)
(DA – 32)

AFFORDABLE HOUSING IMPLEMENTATION PLAN

MELODY (Tr. No. 5417) HARMONY (Tr. No. 5313) (DA – 32)

1. **PURPOSE.** The purpose of this Implementation Plan is to set forth the procedures and requirements for qualifying potential buyers, and governing the sale and resale, of seven (7) income-restricted units in the Melody condominium development (Tract 5417) and ten (10) income-restricted units in the Harmony condominium development (Tract 5313), in accordance with DA-32. In order to qualify for this program a purchaser MUST meet the following requirement:

family income of purchaser is 110% or less of the County Area Median Income, adjusted for family size.

Sales and resales of the income-restricted units will be governed by this Affordable Housing Implementation Plan including any revisions made by the City of San Buenaventura ("City").

2. DEVELOPER'S PRESALE PROGRAM.

2.1 Notice of Intent to Sell. No less than five (5) days before offering income-restricted units for sale, Greystone Homes, Inc. ("Developer") will provide the City written notification of the beginning of the sales program. This notification will include the price for the income-restricted units, and designation of the address and location of each income-restricted unit.

2.2 Maximum Initial Purchase Price. The Maximum Initial Purchase Price which may be paid for an income-restricted unit in the initial sale by Developer will be determined by the City in accordance with its Affordable Housing Program. For any sale of an income-restricted unit in calendar year 2005, the Maximum Initial Purchase Price shall be \$312,345.00. After 2005, the Maximum Initial Purchase Price is determined by the City on an annual basis, upon publication of Area Median Income data by the Department of Housing & Urban Development (HUD), using the following formula:

A 10% down payment, a maximum loan payment such that principal and interest do not exceed 25% of 110% of the then current Ventura County Statistical median income level for a family of four persons, as adjusted for family size relative to the number of bedrooms in an income restricted unit The interest rate is calculated using the 60 day interest rate established by FNMA for a 30 year loan term, plus a margin of 0.125% in effect on the date of publication of the Ventura County Area Median Income by HUD.

2.3 Identification of Lender. Developer has identified the following mortgage lender (“Designated Mortgage Lender”) who will assist in qualifying prospective purchasers of the income-restricted units: Universal American Mortgage Company, 25129 The Old Road, Stevenson Ranch, Ca. 91381 (Larry Urbanski, Branch Manager). The Designated Mortgage Lender will use the City’s Affordable Housing Program Buyer Information Sheet for qualifying prospective purchasers.

2.4 Identification of Escrow Holder. The escrow holder for the sales of income-restricted units will be LandAmerica Lawyers Title Company, 1701 Solar Drive, Suite 250, Oxnard, Ca. 93030 (Attn: Jackie Hayashi). Developer will provide the escrow holder with copies of all documents relating to the sale of the income-restricted units, including this Implementation Plan, the recorded Housing Declarations for Melody and Harmony, samples of the Resale Restriction Agreements for Melody and Harmony, samples of the Deed of Trust securing the Resale Restriction Agreements, and the recorded Declarations of Covenants, Conditions and Restrictions for Melody and Harmony.

3. DEVELOPER’S MARKETING PROGRAM.

3.1 Sales Program. Developer will provide an on-site sales office, a toll-free telephone number (888-514.9392), and a website (LennarMelody.com) for information purposes. Prospective purchasers of the income-restricted units will be able to fill out an interest and prequalification form interactively on the website. The number and location of the income-restricted units, as well as the criteria for purchasing an income-restricted unit, will be available at all times in the sales office and on the website, as well as included in all sales materials.

3.2 Advertising. If determined to be necessary by the City, an ad campaign consisting of newspaper and/or radio advertising shall be conducted by Developer for a period not less than sixty (60) days.

3.3 Non-Discrimination. Developer hereby confirms that its marketing program will not discriminate against any person on the grounds of age, race, color, creed, religion, sex, ancestry, sexual preference, disability, marital status, sexual orientation, or medical condition.

4. METHOD OF ELIGIBLE HOUSEHOLD QUALIFICATION.

4.1 Initial Priority and Interview. Developer will prioritize prequalification forms submitted by prospective purchasers of income-restricted units based on the date (and time) of receipt. Once Developer announces the beginning of the sales of the income-restricted units, Developer’s sales staff will begin interviewing prospective purchasers in the order of priority established above, to explain the affordable housing program to each prospective purchaser, including the Maximum Initial Purchase Price and income limitations, owner-occupancy requirements, and the provisions of the Resale Restriction Agreement each purchaser of an income-restricted unit will be required to sign.

4.2 Lender Qualification. After the initial interview, Developer will refer prospective purchasers of income-restricted units to the Designated Mortgage Lender for loan prequalification.

4.3 City Certification Requirement. All sales agreements entered into between Developer and a prospective purchaser of an income-restricted unit shall be contingent upon certification by the City that the prospective purchaser qualifies as an Eligible Household.

(a) Developer shall obtain the following from each prospective purchaser as verification of income for all adults in the purchaser's household:

(i) Most recent pay stubs for all adult wage earners of the household, regardless of who will be showing on title.

(ii) Copies of tax returns and W-2's (federal tax returns are preferred) for the previous two (2) years. (If a buyer is self-employed, three (3) copies of the most recent federal income tax returns, including all corresponding Schedules and forms will be required.)

(iii) Lenders Underwriting Analysis (HUD form 1008).

(b) Each prospective purchaser shall provide such additional information as is required by the City to enable the City to determine such prospective purchaser's eligibility.

(c) Within five (5) days of opening escrow on each income-restricted unit, notice shall be provided to the City in the form of a completed signed original Buyer Information Sheet and Household Composition Sheet (on forms designated by the City), and a preliminary income statement.

(d) Within fifteen (15) days of opening escrow on each income-restricted unit copies of the following will be provided to the City,

(i) All income documentation;

(ii) Signed Purchase and Sale Agreement;

(iii) Escrow instructions and amendments;

(iv) Lender's 1008 form;

(v) Buyers vesting interest;

(vi) Checklist of all documents provided to the prospective purchaser signed by the sales agent and the prospective purchaser.

- (e) All documents to be provided to the City will be sent to:

City of San Buenaventura,
Community Development Department
Affordable Housing Programs
501 Poli Street
Ventura, Ca. 93001
Attn: Bill Hatcher

4.4 Certification of Eligible Households. Within ten (10) working days after receiving all required information, the City will determine whether a prospective purchaser is qualified as an Eligible Household. Upon the City's determination that the prospective purchaser is qualified as an Eligible Household in accordance with the Affordable Housing Program, the City or its designee shall issue a Certificate of Compliance. The Certificate of Compliance, along with a Notice of Delinquencies Form to be signed by such prospective purchaser, will be delivered to the escrow holder, with a copy to Developer. No escrow for the sale of an income-restricted unit shall close until a Certificate of Compliance is issued by the City and the City receives the signed Notice of Delinquencies Form signed by the purchaser.

5. **ESCROW CLOSING**

5.1 Recording Documents. Escrow holder shall record all affordable housing documents, including the Resale Restriction Agreement and Deed of Trust, and exhibits as part of escrow closing.

5.2 Delivery of Documents. Within five (5) working days after close of escrow, the following documents shall be delivered by escrow holder to the City:

- (a) Conformed copy of recorded Resale Restriction Agreement;
- (b) Conformed copy of recorded Deed of Trust securing Resale Restriction Agreement;
- (c) Copies of final escrow Settlement Statements;
- (d) Notice of Delinquencies Form filled out and signed by purchaser.

6. **DEVELOPER'S FAILURE TO SELL.** If Developer is unable, after diligent good faith efforts, to obtain a Certificate of Compliance with respect to a prospective purchaser of an income-restricted unit within six (6) months making all commercially reasonable efforts to first offer such unit for sale in accordance with the Housing Declarations and this Implementation Plan, Developer may notify the City in accordance with Section 2.4 of the Housing Declarations, and the City shall have the rights set forth in Section 2.5 of the Housing Declarations with respect to such unit.

7. **SUBSEQUENT SALES.** Any sale of an income-restricted unit after the initial sale by Developer of such unit is a "subsequent sale." In order for any subsequent sale of

an income-restricted unit to be completed, the sale must be transacted in the manner prescribed by the City in its Affordable Housing Program (“AHP”) and all rules and regulations promulgated thereunder, and the City must approve the prospective purchaser and issue a Certificate of Compliance. Any sale of an income-restricted unit conducted without the prior issuance of a Certificate of Compliance by the City is void.

7.1 Notice of Intent to Sell. The current owner of the income-restricted unit (“Seller”) must give the City a Notice of Intent to Sell and all required information listed below BEFORE the income-restricted unit is offered for sale. The Notice of Intent to Sell shall contain the following information:

- (i) State Seller’s intent to sell.
- (ii) The address of the unit for sale.
- (iii) Legal name(s) of Seller.
- (iv) The date escrow closed when Seller purchased the unit.
- (v) The price paid by Seller when Seller purchased the unit.
- (vi) The number of bedrooms.
- (vii) Signature(s) of Seller.

A copy of the escrow settlement statement, or tax report, shall be attached to the Letter of Intent to Sell as supporting documentation of the above facts.

7.2 Notice to Proceed. Upon receipt by Seller of a Notice to Proceed from the City, Seller may offer the income-restricted unit for sale at an amount no greater than the Maximum Allowable Sales Price established by the City pursuant to the Resale Restriction Agreement between Seller and the City, and only to prospective buyers who certify to Seller that they meet the eligibility requirements for an Eligible Household, and all sales agreements shall be contingent upon receipt by Seller and prospective purchaser of a Certificate of Compliance issued by the City that the prospective buyer qualifies as an Eligible Household. Seller or Seller’s listing agent shall disclose, provide copies of and fully explain to the prospective buyer the provisions of the Resale Restriction Agreement and obtain written acknowledgment thereof from the prospective buyer, including acknowledgment that such buyer will be required to enter into a similar Resale Restriction Agreement and Deed of Trust upon close of escrow for purchase of the income-restricted unit.

7.3 Minimum Requirements for Issuance of Certificate of Compliance. The following are the minimum conditions that must be met before the City will issue a Certificate of Compliance with respect to a subsequent sale:

(a) Seller has provided the City with completed Supplemental Certification Regarding Maximum Selling Price (on City's form) signed by both the Seller and Seller's listing agent.

(b) The prospective purchaser has provided the City with a completed Affordable Housing Program Buyer Information Sheet and Household Composition Sheet within five (5) working days after escrow has opened. These forms can be obtained from the City's website "www.cityofventura.net."

(c) The prospective purchaser has provided the City with proof of purchaser's household income within ten (10) days after escrow has opened, consisting of the following documentation:

(i) Most recent pay stubs for all adult wage earners of the household, regardless of who will be showing on title.

(ii) Copies of tax returns and W-2's (federal tax returns are preferred) for the previous two (2) years. (If a buyer is self-employed, three (3) copies of the most recent federal income tax returns, including all corresponding Schedules and forms will be required.)

(iii) Lenders Underwriting Analysis (HUD form 1008).

(d) City has verified that the prospective purchaser meets the income eligibility requirements.

(e) City has received a copy of the purchase agreement signed by Seller and the prospective purchaser, and any amendments, escrow instructions, and Buyer's Vesting Interest in Property from the escrow company, all showing that the purchase price for the unit does not exceed the Maximum Allowable Sales Price.

7.4 Delivery of Documents. All documents to be provided to the City will be sent to:

City of San Buenaventura,
Community Development Department
Affordable Housing Programs
501 Poli Street
Ventura, Ca. 93001
Attn: Bill Hatcher

7.5 Issuance of Certificate of Compliance. Within ten (10) working days after receiving all required information, the City will determine whether a prospective purchaser is qualified as an Eligible Household. Upon the City's determination that the prospective purchaser is qualified as an Eligible Household in accordance with the Affordable Housing Program, the City or its designee shall issue a Certificate of Compliance. The Certificate of Compliance, along with a Notice of Delinquencies Form to be signed by such prospective purchaser, will be delivered to the escrow holder, with a

copy to Seller. No escrow for the sale of an income-restricted unit shall close until a Certificate of Compliance is issued by the City and the City receives the signed Notice of Delinquencies Form signed by the purchaser.

8. ESCROW CLOSING

8.1 Recording Documents. Escrow holder shall record all affordable housing documents, including the Resale Restriction Agreement between the purchaser and the City, and the Deed of Trust securing it, as part of escrow closing.

8.2 Delivery of Documents. Within five (5) working days after close of escrow, the following documents shall be delivered by escrow holder to the City:

- (a) Conformed copy of recorded Resale Restriction Agreement;
- (b) Conformed copy of recorded Deed of Trust;
- (c) Copies of final escrow Settlement Statements;
- (d) Notice of Delinquencies Form filled out and signed by purchaser

9. **FAILURE TO SELL**. If Seller is unable, after diligent good faith efforts, to obtain a Certificate of Compliance with respect to a prospective purchaser of Seller's income-restricted unit within six (6) months after Seller receives the Notice to Proceed from the City, Seller may notify City (the "Failure to Sell Notice"). Upon receipt of a Failure to Sell Notice, and such documentation as the City may request evidencing Seller's efforts to sell the unit to an Eligible Household, the City may elect, in its sole and absolute discretion, to (i) purchase the income-restricted unit at the Maximum Allowable Sale Price (the "City Purchase Option"), or (ii) locate a potential Eligible Household to purchase the income-restricted unit at the Maximum Allowable Sales Price (the "City Assignment Option").

9.1 City's Rights Upon Notification. Within three (3) months of receiving a Failure to Sell Notice, the City shall notify Seller in writing whether the City intends to exercise the City Purchase Option or the City Assignment Option.

(a) If the City elects the City Assignment Option, the City shall provide Seller with the name and contact information of the prospective buyer who has previously been determined by City to be income-qualified, and the income-restricted unit shall be sold to such prospective buyer in accordance with the procedures set forth in this Implementation Plan.

(b) If the City elects the City Purchase Option, the City and Seller shall promptly enter into an escrow at an escrow holder selected by the City, which escrow shall close within thirty (30) days. All fees and costs of escrow, including transfer tax, recording costs and title insurance, shall be allocated and paid in accordance with the customary practice in Ventura County.

(c) If the City notifies Seller in writing that the City does not intend to exercise either the City Purchase Option or the City Assignment Option, or within three (3) months of receiving a Failure to Sell Notice, the City fails to make an election, then (and only then), Seller may offer the income-restricted unit for sale to a purchaser that is not an Eligible Household, but only for the Maximum Allowable Purchase Price, and the purchaser will be required to sign a Resale Restriction Agreement and Deed of Trust to be recorded as part of the close of escrow.

THE CITY MAY MODIFY TERMS AND CONDITIONS OF THIS IMPLEMENTATION PLAN AT ANY TIME. IT IS THE RESPONSIBILITY OF THE OWNER OF AN INCOME-RESTRICTED UNIT TO CONTACT THE CITY TO DETERMINE RULES OF THE AFFORDABLE HOUSING PROGRAM IN FORCE AT TIME OF ANY SUBSEQUENT SALE.

I/WE ACKNOWLEDGE RECEIPT OF THE IMPLEMENTATION PLAN
DATED _____.

Date: _____
(Signature)

(Print Name)

Date: _____
(Signature)

(Print Name)