

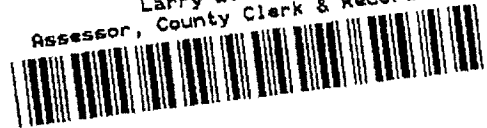
RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

CITY OF RIVERSIDE
3900 Main Street, 5th Floor
Riverside, CA 92522
Attn: Housing Manager

Project: Neighborhood Stabilization
Program
APN: 209-020-058

3359123-4

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Page 1 of 11
Recorded in Official Records
County of Riverside
Larry W. Ward
Assessor, County Clerk & Recorder



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AGREEMENT AND COVENANTS, CONDITIONS AND RESTRICTIONS
AFFECTING REAL PROPERTY INCLUDING
RESALE RESTRICTION, AFFORDABILITY EXIT FEE AND RIGHT OF FIRST REFUSAL,
AND OWNER OCCUPANCY REQUIREMENTS

THIS AGREEMENT AND COVENANTS, CONDITIONS AND RESTRICTIONS AFFECTING REAL PROPERTY INCLUDING RESALE RESTRICTION, AFFORDABILITY EXIT FEE, RIGHT OF FIRST REFUSAL AND OWNER OCCUPANCY REQUIREMENTS ("CCR's") is entered into this 28th day of October, 2009 (the "Effective Date"), by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation, ("City") and Lisa J. Ramirez, as a single woman ("Owners"), with reference to the following facts:

RECITALS

WHEREAS, the City is a California municipal corporation which has received funds from the United States Department of Housing and Urban Development pursuant to the federal Housing and Economic Recovery Act of 2008 and Neighborhood Stabilization Program for the purpose of redevelopment of abandoned and foreclosed homes and residential properties to provide decent, safe, sanitary and affordable housing for low and moderate income households in the City; and

WHEREAS, the City desires to increase, improve and preserve affordable homeownership opportunities available to low, moderate and middle income households within the City; and

WHEREAS, to promote this goal, the City has established the City of Riverside Neighborhood Stabilization Program (the "City NSP Program") pursuant to which the City will sell rehabilitated single-family homes to qualified low, moderate and middle income households; and

WHEREAS, the Owners are the initial owners of the certain real property known as 1710 Sonic Court, Riverside, CA 92501 (the "Property"), which is described on Exhibit A attached hereto and incorporated herein by reference, and recently rehabilitated through the City NSP Program; and

CIA 1098

WHEREAS, the City and the Owners have agreed to impose certain continuing obligations related to and on the Property; and

WHEREAS, the Owners agree for themselves, their successors and assigns, that the Property is to remain an owner-occupied residence for a period of fifty-five (55) years following the Effective Date; and

WHEREAS, the City has an interest in insuring that the Property funded by the Program is properly maintained and remains attractive.

NOW, THEREFORE, in consideration of the promises contained below and other good and sufficient consideration, the receipt of which is hereby acknowledged, the City and the Owners agree that the Property against which these covenants, conditions and restrictions are recorded shall be held, sold and conveyed subject to the following covenants, conditions and restrictions.

1. City of Riverside Supports Affordable Housing. The City supports Affordable Housing for low, moderate and middle-income residents within the City of Riverside as set forth in regulations published in 24 Code of Federal Regulations Part 92.

2. Definitions. For purposes of this Agreement, the following definitions shall apply:

(a) Low Income: A family whose income does not exceed fifty percent (50%) of the median family income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than fifty percent (50%) of the median income for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(b) Moderate Income: A family whose income does not exceed eighty percent (80%) of the median family income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than eighty percent (80%) of the median income for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(c) Middle Income: A family whose income does not exceed one hundred twenty percent (120%) of the median family income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than one hundred twenty percent (120%) of the median income for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(d) Eligible Household: A household whose annual income does not exceed one hundred twenty percent (120%) of area median income for Riverside County, adjusted for family size.

(e) Affordable Housing Cost: means no more than thirty-five percent (35%) of Annual Income. For purposes of determining Affordable Housing Cost, an estimate of the following housing costs for the upcoming twelve (12) months shall be included: i) principal and interest payments on the mortgage loan, including rehabilitation loans; ii) mortgage loan insurance fess; iii) property taxes and assessments; iv) fire and casualty insurance; and v) homeowner association fees.

(f) Owners: Means the current owners of the Property who have acquired the same from the City and any subsequent purchaser, successor, assigns or heirs.

(g) Initial Equity: Means the difference between the Fair Market Value of the Property as determined by an FHA-style appraisal which for this Property appraised at \$195,000, and the final sales price amount of \$123,108, paid by the initial owners. As such, the initial equity for the Property is \$71,892.

3. Term: Affordability Period. The term and affordability period for these covenants, conditions and restrictions shall be effective for a period of fifty-five (55) years (the "Affordability Period") following the Effective Date.

4. Disclosure Requirements. Prior to the execution of a purchase and sale agreement between the Owner and any subsequent purchaser of the Property, and prior to the execution of a purchase and sale agreement between any subsequent owner of the Property and any subsequent purchasers, the then current Owners or its successor, or its assigns (as may be applicable) shall disclose, in writing, to each purchaser the fact that the Property is burdened by these certain "Covenants, Conditions and Restrictions Affecting Real Property Including Resale Restriction and Affordability Exit Fee" and that the requirements stated in these CCR's will remain in effect for the term described in Section 3.

5. Resale Restriction. Subject to the City's Right of First Refusal and the Affordability Exit Fee provision described in Paragraph 7 below, the Property may be sold by the Owners during the Affordability Period only to an Eligible Household at an Affordable Housing Cost.

6. Owner - Occupancy. Owners hereby agrees that Owners will occupy the Property as Owner's primary residence for a period of fifty-five (55) years following the Effective Date. Owner's attempt to rent or actual rental of the Property for any purpose during the fifty-five (55) year period of restriction shall be a material breach of these CCR's and shall entitle City to exercise all available legal and equitable remedies.

It is expressly understood, acknowledged, and covenanted by the Owners for itself, its successors and assigns, that the Property or any part thereof shall only be used and maintained for owner-occupied Single Family Residence. Therefore, the Owners, its successor or its assigns, shall not rent, lease, or sublease the Property (including any improvement or fixture thereto), or otherwise transfer or attempt to transfer a tenancy or leasehold interest in the Property (including any improvement or fixture thereto) or any part thereof.

City and Owners acknowledge that this owner-occupancy covenant is a condition to and consideration for Owners eligibility for the City NSP Program. In administering the City NSP Program, City is implementing the objective of increasing the ratio of decent, safe and sanitary owner-occupied single-family residences to rental property throughout the City. In furtherance of this public use and purpose, Owners for itself and its successors and assigns, also agrees not to rent, lease, license or otherwise permit a non-owner of the Property to take possession and control thereof. Owners and its successors in interest agree and consent that this owner-occupancy restriction may be enforced by the City through specific performance.

7. Affordability Exit Fee. If Owners elect to: i) sell the Property to a subsequent purchaser that does not qualify as an Eligible Household and/or at a Sales Price that exceeds Affordable Housing Cost (an "Ineligible Sale"); or ii) refinance any liens on the Property, the Owners shall pay to the City a percentage of the Initial Equity, as set forth in Paragraph 2(g) of these CCR's, and determined in accordance with the following schedule:

- (i) Between years 0 through 10, 100% of the Initial Equity shall be due to the City in the event of an Ineligible Sale;
- (ii) Between years 11 through 20, 80% of the Initial Equity shall be due to the City in the event of an Ineligible Sale;
- (iii) Between years 21 through 30, 60% of the Initial Equity shall be due to the City in the event of an Ineligible Sale;
- (iv) Between years 31 through 40, 40% of the Initial Equity shall be due to the City in the event of an Ineligible Sale;
- (v) Between years 41 through 50, 20% of the Initial Equity shall be due to the City in the event of an Ineligible Sale;
- (vi) Between years 51 through 55, 10% of the Initial Equity shall be due to the City in the event of an Ineligible Sale; and
- (vii) No Affordability Exit Fee shall be due upon any sale occurring after the expiration of the Affordability Period.

8. City Right of First Refusal. During the Affordability Period, City shall have the right of first refusal if Owners, its successor, or its assigns, elect to sell the Property regardless of whether the sale is to an Eligible Household.

9. Sale to Eligible Household at Affordable Housing Cost. If the Property is sold by the Owners during the Affordability Period to a Buyer who is an Eligible Household and the Sale Price does not exceed an Affordable Housing Cost, then no Affordability Exit Fee is due to the City upon such sale, but any outstanding loans due to and/or liens in favor of the City are still due and payable.

10. Monitoring by the City. On or about July 1st, of each calendar year, the City will mail a form to the record owner of the Property to confirm that the Property is owner occupied. The Owners of the Property shall complete the form and return it to the City within thirty (30) calendar days after receipt of the request from the City.

11. Binding on the Successors in Interest. The Owners hereby covenant and agree that their heirs, successors and assigns, and every successor in interest to the Property, or any part thereof, shall comply with each and every term, covenant, condition and restriction contained herein. These CCR's shall run with the land, any other provision of law notwithstanding, and shall be enforceable by the City in an action for specific performance against the Owners and their successors and assigns.

12. Maintenance of Property.

(a) The Owners agree, for itself, its successors and assigns, that they shall maintain the Property, dwelling unit, improvements, landscaping and fixtures in good repair and shall keep the Property free from any accumulation of debris or waste materials, consistent with the customary practice and so as not to create a nuisance, or violate any provision of the City of Riverside Municipal Code.

(b) All exterior painted surfaces shall be maintained at all times in a clean and presentable manner, free from chipping, cracking and defacing marks. Any such defacing marks shall be cleaned or removed within the time as set forth in subparagraph (d) below.

(c) The Owners shall at all times maintain the front exterior, visible side exteriors and yard in a clean, safe and presentable manner, free from defacing marks or any disrepair. The Owners shall maintain and/or repair the front exterior or rear or visible side yard and exterior of the dwelling unit.

(d) : All graffiti and defacement of any type, including marks, words and pictures, must be removed and any necessary painting or repair completed within one (1) week of their creation or within one (1) week after notice to Owners.

(e) All driveways must be paved and maintained with impervious material in accordance with the City Municipal Code.

13. Remedies for Breach. Upon breach of any of these CCR's, the City may exercise any and all remedies available to it at law or equity. These remedies include, without limitation, an action for injunctive relief or specific performance.

In the event of a breach of the covenant regarding maintenance of the Property, as set forth in Section 8 of this Agreement, the City Manager, or his or her designee, shall give written notice to the Property Owners (as listed on the last equalized tax assessment roll) describing the conditions constituting the breach, demanding that such conditions be corrected, and notifying the Owners of the City's intention to enter upon the Property to correct such conditions. At any time within fifteen (15) calendar days following the giving of the notice described in the previous sentence, the Owners

may request, in writing, a hearing to determine whether the conditions of the Property or the dwelling unit constitute a breach of Section 12 of this Agreement. This hearing shall be held within thirty (30) calendar days following the City's receipt of written request from the Owners and shall be held before the City Manager, or his or her designee. At this hearing, the Owners shall be allowed to introduce evidence in support of his or her position and shall have the right to question those witnesses and evidence against him or her. A transcript or electronic recording of the hearing may be made. At the end of this hearing, the City Manager, or his or her designee, shall make a finding, based upon substantial evidence in the record of the hearing, as to whether the conditions of the dwelling unit or Property constitute a breach of the terms of Section 12 of this Agreement. The decision of the City Manager shall be final and there shall be no right of appeal to the City Council.

If the City Manager or his or her designee finds that the conditions of the dwelling unit or the Property constitute a breach of Section 12 of this Agreement, then the City shall so notify the Owners in writing and the Owners shall have five (5) calendar days following this written notice to correct or abate such breach. If the conditions are not corrected to the reasonable satisfaction of the City Manager, then the City, its employees or its agents may enter upon the Property to remedy and abate the conditions creating the breach. The City shall be entitled to recover its costs of remedying the conditions creating the breach, including, without limitation, administrative, overhead, and engineering costs. Such costs shall become a lien upon the Property pursuant to Civil Code section 2881, immediately due and payable, and the City may collect such costs through the appropriate civil proceedings.

The provisions of this Section 13 are supplemental to all other legal rights and remedies available to either the City.

14. City as Beneficiary. The City is the beneficiary of the terms and provisions of these CCR's running with the land, both for and in its own right, and for the purposes of protecting the interests of the community and other parties, public or private, for whose benefit these CCRs running with the land have been provided. These CCR's shall run in favor of the City without regard to whether the City has been, remains, or is an owner or has any interest in the Property or in any other parcel in the City. The City shall have the right, but not the obligation, to exercise all rights and remedies and to maintain any actions at law or in equity or any other proceedings to enforce these CCR's.

15. Nonwaiver. The failure of City to enforce any one or more of the covenants, conditions or restrictions contained herein on any one or more occasions shall not constitute a waiver of the City's right to enforce the covenants, conditions and restrictions in the future.

16. Noncompliance. In the event of noncompliance with any provision under these CCR's, the City may take any and all enforcement actions provided for by any provision of the Riverside Municipal Code, or exercise any other remedy under the law to which the City may be entitled. Should the City bring an action to enforce the terms of these CCR's, the prevailing party shall be entitled to costs of suit, including reasonable attorneys' fees.

17. Deemed Consent. Any person who now or hereafter owns or acquires any right, title or interest in or to the Property shall be deemed to have consented and agreed to every covenant,

condition and restriction contained herein whether or not any reference to these CCR's is contained in the instrument by which such person acquired an interest in the Property.

18. Counterparts. These CCR's may be executed in two (2) or more identical counterparts. If so executed, each of such counterparts shall, collectively, constitute one original CCR's. In making proof of these CCR's, it shall not be necessary to produce or account for more than one such counterpart.

19. Authority. The individuals executing these CCR's and the instruments referenced herein on behalf of Owners each represent and warrant that they have the legal power, right and actual authority to bind Owners to the terms and conditions hereof and thereof.

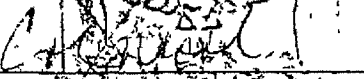
IN WITNESS WHEREOF, the parties have caused these CCR's to be executed as of the day and year first written above.

CITY:

CITY OF RIVERSIDE,
a California charter city and
municipal corporation

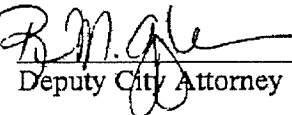
By: 
Development Director

Attest:

By: 
City Clerk

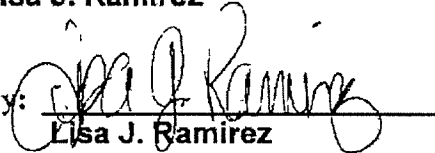


APPROVED AS TO FORM:

By: 
Deputy City Attorney

OWNERS:

Lisa J. Ramirez

By: 
Lisa J. Ramirez

By: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }
COUNTY OF Riverside } S.S.

On 10/19/2009, before me, Lori Hower, Notary Public, personally appeared Lisa J. Ramirez who 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.

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 Lori Hower (Seal)



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)

- INDIVIDUAL
CORPORATE OFFICER(S)
PARTNER(S)- LIMITED GENERAL
ATTORNEY-IN-FACT
TRUSTEE(S)
GUARDIAN OR CONSERVATOR
OTHER

Right Thumbprint Of Signer
Top of thumb here

- INDIVIDUAL
CORPORATE OFFICER(S)
PARTNER(S)- LIMITED GENERAL
ATTORNEY-IN-FACT
TRUSTEE(S)
GUARDIAN OR CONSERVATOR
OTHER

Right Thumbprint of Signer
Top of thumb here

SIGNER IS REPRESENTING:

Horizontal lines for signature representation.

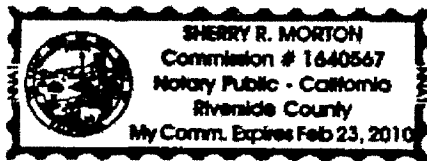
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Riverside

On November 4, 2009 before me, Sherry R. Morton, Notary Public

personally appeared Colleen J. Nicol



who 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.

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 Sherry R. Morton
Signature of Notary Public

Place Notary Seal Above

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.

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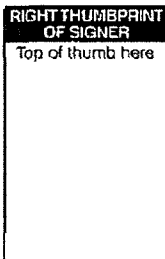
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: Deanna Lorson

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: _____



Signer Is Representing: _____

Signer's Name: _____

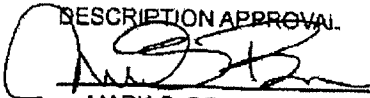
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Exhibit "A"
Legal Description

LOT 9 OF TRACT MAP NO. 34077, IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 412, PAGES 41 AND 42 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

DESCRIPTION APPROVAL

MARK S. BROWN
CITY SURVEYOR
10/24/09
DATE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California.

County of Riverside

On 10/27/09 before me, Lisa Andresen, Notary Public,
Date Here Insert Name and Title of the Officer

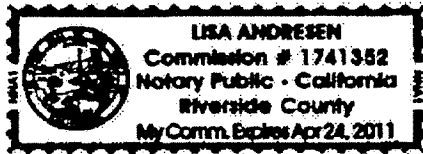
personally appeared Deanna Lorson
Name(s) of Signer(s)

who 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.

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 Lisa Andresen
Signature of Notary Public



Place Notary Seal Above

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: _____

C/A 1098