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Page 1 of 10
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County of Riverside
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Assessor, County Clerk & Recorder

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HOUSING AUTHORITY OF THE
CITY OF RIVERSIDE
3900 Main Street, 5th Floor
Riverside, CA 92522
Attn: Michelle Davis

Parcel No. 233-233-010-1
TRA NO. 009-156

SPACE ABOVE THIS LINE
FOR RECORDING USE

DOCUMENTARY TRANSFER TAX \$-0-

D- 16826

**GRANT DEED AND DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS WITH AFFORDABILITY AND OWNER-OCCUPANCY
RESTRICTIONS**

For valuable consideration, receipt of which is hereby acknowledged, **THE HOUSING AUTHORITY OF THE CITY OF RIVERSIDE**, a public body, corporate and politic (the "Grantor"), hereby grants and conveys to **HABITAT FOR HUMANITY RIVERSIDE, INC.** a California non-profit benefit corporation (the "Grantee"), that certain real property (the "Property") commonly known as Assessor's Parcel No. 233-233-010, located within the City of Riverside, County of Riverside, State of California, as more particularly described in the legal description, and as depicted on the diagrams that are attached hereto and incorporated herein by reference as **Exhibit "A."**

RECITALS

A. This conveyance is in accordance with, and subject to, that certain Disposition and Development Agreement dated May 8, 2012 ("DDA") entered into by the Grantor and Grantee. The DDA and related documents are public records on file in the offices of the City Clerk of the City of Riverside located at 3900 Main Street, Riverside, California 92522. The DDA and related documents are herein incorporated by reference. Unless otherwise specified herein, all terms used in this Grant Deed shall have the meaning ascribed to them in the DDA.

B. The specific purpose of the DDA is to increase the amount of housing available at an affordable cost to lower income households within the City of Riverside. It is understood that the primary consideration for the Grantor in entering into the DDA is: (i) that the Grantee has committed to constructing one single-family residence, as more fully described herein, on the Property that will be conveyed at an Affordable Cost to a prospective owner who meets the requirements of Grantee's "housing development program" and who qualifies as a Lower Income Household; (ii) that Grantee has committed to restricting use of the Property such that it will remain available to Lower Income Households at an affordable cost for a period of fifty-five (55) years; (iii) that Grantee causes successors in interest to be bound by the covenants and

restrictions contained herein, including the Authority's right to participate in equity sharing as further provided herein; and (iv) the Grantee's commitment to construct one single-family residence will provide for the creation of decent, safe and sanitary owner-occupied single-family residences and therefore, promotes the safety and general welfare the City.

NOW, THEREFORE, Grantee covenants, agrees, and declares for itself, its successors, and its assigns that the Property shall be held, used, maintained, and transferred pursuant to the terms of the DDA and the conditions contained herein as follows.

COVENANTS AND RESTRICTIONS

1. **Restrictions Run With the Land.** The restrictions ("Restrictions") set forth herein are limitations on the ownership and use of the land as provided in Civil Code § 784. The Restrictions are made for the direct benefit of the Property, are appurtenant to the estate conveyed to the Grantee herein, and shall run with the land and be binding upon the Grantee as provided in Civil Code § 1460 through § 1468. These Restrictions benefit, and may be enforced by, the Grantor, the City of Riverside ("City"), and their respective successors or assigns. Grantee shall not challenge the Restrictions as set forth in this Grant Deed or any right of the Grantor or the City created under this Grant Deed or the DDA. Grantee expressly acknowledges and agrees that the Restrictions are reasonable restraints on Grantee's right to own, use, maintain, and transfer the Property and any estate or interest therein and are not and shall not be construed to be an unreasonable restraint on alienation.

2. **Provisions Run with the Land.** Grantee covenants and agrees for itself, its successors, and its assigns, that the provisions of the Grant Deed shall run with title to the Property and shall be binding upon the Grantee, its successors, and its assigns. The Grantee covenants and agrees, for itself, its successors, and its assigns that the provisions of this Grant Deed may be enforced by the Grantor or any successor or assign of the Grantor. These provisions shall remain in effect for fifty-five (55) years from the date this Grant Deed is recorded except for the nondiscrimination and nonsegregation provisions in Section 8 [Nondiscrimination and Nonsegregation Clauses] which shall remain in effect in perpetuity.

3. **Sale of Property.** Grantee covenants and agrees for itself, its successors, assigns and any successor in interest to the Property, or any portion thereof, to sell the Residence exclusively to persons and families whose household income that exceeds fifty-one percent (51%) but not eighty percent (80%) of the area median income, as defined in Section 92.2 of the HOME Regulations and as published by HUD for Riverside County, adjusted for family size ("Persons and Families of Low Income") so that their total monthly Housing Cost does not exceed an Affordable Housing Cost. The term "Affordable Housing Cost" means the cost to a Qualified Buyer to purchase an Affordable Unit which would result in an Affordable Monthly Housing Expense for Low Income Households including all of the following associated with the Affordable Unit, estimated or known as of the date of the proposed purchase of the Affordable Unit: (i) principal and interest payments on a mortgage loan(s) including any rehabilitation loans and any loan insurance fees associated therewith (a first lien mortgage loan is required hereunder to bear a fixed rate of interest and require level payments throughout its term); (ii) property taxes and assessments; (iii) fire and casualty insurance covering replacement value of property improvements; (iv) any homeowner association fees; and (v) a reasonable utility allowance, the product of thirty-five percent (35%) times eighty percent (80%) of AMI adjusted for family size appropriate to the Unit.

4. **Use Covenant.** The Property shall remain available at Affordable Cost to a Lower Income Household for a period of fifty-five (55) years commencing upon recordation of the Deed. During such period, the Property shall be used solely as a single-family residential dwelling occupied by the eligible low-income buyer. During such period, if the Property is sold or refinanced Grantee, its successor and assigns shall ensure that the Property continues to be available at an Affordable Cost to a Lower Income Household. Grantee covenants and agrees for itself, its successors and assigns and any successor-in-interest to the Property or part thereof, that it shall operate and maintain the Project in conformity with these covenants and restrictions; and all applicable federal, state, and local laws, rules, regulations, and ordinances, including, but not limited to, the Americans with Disabilities Act (42 U.S.C. § 12101 *et seq.*) and the California Fair Employment and Housing Act (Cal. Government Code § 12900 *et seq.*) as they may be applicable to the Project and as they exist on the date of the DDA or as they may thereafter be amended, repealed and reenacted, or otherwise modified.

5. **Owner-Occupancy Restriction.** The Property shall be occupied only by the owners thereof. Authority and Grantee acknowledge that this owner-occupancy covenant was a condition to and consideration for the sale and transfer of the Property to Grantee. In entering into the DDA to facilitate this Project, Authority 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, Grantee, for itself and its successors and its assigns, also agrees not to rent, lease, license or otherwise permit a non-owner of the property to take possession and control thereof. Grantee and its successors in interest agree and consent to annual monitoring by the Authority that will request confirmation that the Property is owner-occupied and Grantee shall respond thereto within thirty (30) days. Grantee and its successors in interest agree and consent that this owner-occupancy restriction may be enforced by the Authority through specific performance or order of sale to be issued by a court of competent jurisdiction. Grantee and subsequent owners hereby expressly agree that the court may make and enter an order of sale for violation of this covenant.

6. **Prohibition on Leasing.** Grantee, its successors and its assigns, shall not rent, lease, or sublease the Property (including any improvement or fixture thereto) or any part thereof, 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.

7. **Use of City of Riverside Utilities.** Grantee shall purchase from the City (including its constituent utility agencies) electrical service, and all other utility services, for the Property and any buildings, structures, fixtures, or equipment thereon, as are available for purchase from the City (including its constituent agencies).

8. **Maintenance of the Property.** Grantee covenants and agrees for itself, its successors and assigns, and any successor-in-interest to the Property, or part thereof, that it will, at its sole cost and expense: (i) maintain the appearance and safety of the Property (including all improvements, fixtures, and landscaping) in good order, condition, and repair, and free from the accumulation of trash, waste materials, and other debris; (ii) remove all graffiti placed upon the Property (including all improvements, fixtures, and landscaping) within seventy-two (72) hours of its appearance; (iii) maintain in good order, condition and repair, properly functioning landscape irrigation systems on the Property; and (iv) remove and promptly replace all dead or diseased landscaping material on the Property. In the event of a default of this Covenant and of a failure to cure the default within fifteen (15) days after service of a written notice by Grantor

and/or the City, Grantor and/or the City or their agents, employees and contractors shall have the right to enter upon the Property without further notice and to take such actions as are necessary to cure the default. Grantee shall reimburse Grantor and/or the City for all costs associated with cure of the default (including but not limited to, staff services, administrative costs, legal services, and third party costs), within fifteen (15) days after service of a written notice by Grantor and/or City. If Grantee fails to pay within the time provided, such costs shall be a lien upon the Property, as provided by California Civil Code § 2881. The Grantor may enforce and foreclose such lien in any manner legally allowed.

9. **Nondiscrimination in Employment.** Grantee covenants and agrees for itself, its successors and assigns and any successor-in-interest to the Property or part thereof, that all persons employed by or applying for employment by it, its affiliates, subsidiaries, or holding companies, and all subcontractors, bidders and vendors, are and will be treated equally by it without regard to, or because of race, color, religion, ancestry, national origin, sex, age, pregnancy, childbirth, or related medical condition, medical condition (cancer related) or physical or mental disability, and in compliance with Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 200, *et seq.*, the Federal Equal Pay Act of 1963, 29 U.S.C. § 206(d), the Age Discrimination in Employment Act of 1967, 29 U.S.C. § 621, *et seq.*, the Immigration Discrimination in Employment Act of 1967, 29 U.S.C. § 621, *et seq.*, the Immigration Reform and Control Act of 1986, 8 U.S.C. § 1324b, *et seq.*, 42 U.S.C. § 1981, the California Fair Employment and Housing Act, California Government Code § 12900, *et seq.*, the California Equal Pay Law, California Labor Code § 1197.5, California Government Code § 11135, the Americans with Disabilities Act, 42 U.S.C. § 12101, *et seq.*, and all other anti-discrimination laws and regulations for the United States and the State of California as they now exist or may hereafter be amended.

10. **Nondiscrimination and Nonsegregation Clauses.** Any deeds or contracts which are proposed to be, or which are, entered into with respect to the sale, transfer, development, occupancy, tenure, or enjoyment of the Property (including improvements and fixtures) (or party thereof), shall be subject to, and shall expressly contain, nondiscrimination or nonsegregation clauses in substantially the following form:

10.1 **In Deeds.** "The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that it shall comply with the applicable anti-discrimination provisions of the Americans with Disabilities Act (42 U.S.C. § 12101, *et seq.*) and the California Fair Employment and Housing Act (Cal. Government Code § 12900, *et seq.*), as they currently exist or as they may thereafter be amended, repealed and reenacted, or otherwise modified, and that there shall be no discrimination against or segregation of, any person or group or persons on account of race, color, creed, religion, sex, marital status, ancestry, national origin, familial status, physical disability, mental disability, or medical condition (including, but not limited to, Acquired Immune Deficiency Syndrome (AIDS), the Human Immune Deficiency Virus (HIV), or condition related thereto) in the rental, sale, lease, sublease, transfer, use, occupancy, tenure of the land herein conveyed, nor shall the grantee itself or any person claiming under or through it, establish or permit any such practice or practices or discrimination or segregation with reference to the selection, location, number, use or occupancy or tenants, lessees, subtenants, sublessees, or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

10.2 **In Contracts.** "There shall be no discrimination against or segregation of, any person or group or persons on account of race, color, creed, religion, sex, marital status, ancestry, national origin, familial status, physical disability, mental disability, or medical condition (including, but not limited to, Acquired Immune Deficiency Syndrome (AIDS), the Human Immune Deficiency Virus (HIV), or condition related thereto) in the rental, sale, lease, sublease, transfer, use, occupancy, tenure of the land or premises affected by this instrument, nor shall the contracting or subcontracting party or parties, or other transferees under this instrument or any person claiming under or through it, violated the applicable anti-discrimination provisions of the Americans with Disabilities Act (42 U.S.C. § 12101, *et seq.*), and the California Fair Employment and Housing Act (Cal. Gov. Code § 12900, *et seq.*) as they currently exist or as they may thereafter be amended, repealed and reenacted, or otherwise modified, nor establish or permit any such practice or practices or discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the land. This provision shall obligate the contracting and subcontracting party or parties, and other transferees under this instrument or any person claiming under or through it."

11. **Taxes and Encumbrances.** Grantee shall pay, when due: (i) all *ad valorem* property taxes imposed on the Property under Article XIII A of the California Constitution; (ii) all special taxes imposed on the Property; (iii) all special assessments imposed on the Property; and (iv) all other taxes, assessments, fees, exactions, or charges any portion of which are allocated to, or received by, the City or the Grantor and which are imposed due to the ownership, use, or possession of the Property or interest therein or due to the construction or operation of the Project. Upon failure to so pay, Grantee shall remove any lien, levy, or encumbrance made on the Property within ninety (90) days of the attachment of such. Grantee hereby waives any right it may have to contest the imposition of such taxes, assessments, fees, exactions, or charges against the Property or upon the construction or operation of the Project which are levied by the City, the Grantor, the County of Riverside, or the State of California, or any special district of any of the foregoing.

12. **Right of Reverter.** If after conveyance of the Property, Grantee fails to meet the Schedule of Performance within the time required under Section 4.2 of the DDA, provided that the Grantee has not obtained an extension or postponement to which the Grantee may be entitled pursuant to the DDA, upon recordation of a notice of exercise of reverter title shall automatically revert in the Grantor and the Grantor may reenter and take possession of the Property or any portion thereof with all improvements thereon and terminate any estate the Grantee may have in the Property.

12.1. **Limitations of Right of Reverter.** The right to reenter, repossess, terminate, and revert shall be subject to and be limited by and shall not defeat, render invalid, or limit:

a. Any mortgage, deed of trust, or other security interests approved by the Grantor under the DDA; or

b. Any rights or interests provided in the DDA for the protection of the holders of such permitted Security Financing.

12.2 **Revesting of Property to Grantor.** Upon the reverting in the Grantor of title of the Property, or any part thereof, as provided in this Section 12 [Right of Reverter], the Grantor shall use its best efforts to release, or resell the Property, as the case may be, or any part

thereof, as soon and in such manner as the Grantor shall find feasible and consistent with the objectives of such law to a qualified and responsible party or parties (as determined by the Grantor), who will assume the obligation of making or completing the improvements, or such other improvements in their stead, as shall be satisfactory to the Grantor and in accordance with the uses specified for the Property, or any part thereof. Grantor shall have no obligation to sell the Property for fair market value. Grantor may sell the Property for fair reuse value. In the event of a resale, the proceeds, if any, thereof shall be applied as follows:

a. First, to reimburse the Grantor on its own behalf or on behalf of the City for all costs and expenses incurred by the Grantor, including but not limited to, salaries to personnel, legal costs and attorneys' fees, and all other contractual expenses in connection with the recapture, management, and resale of the Property (but less any income derived by the Grantor from the Property or part thereof in connection with such management); all taxes, assessments and water and sewer charges with respect to the Property (or, in the event the Property is exempt from taxation or assessment or such charges during the period of ownership, then such taxes, assessments, or charges, as determined by the City, as would have been payable if the Property were not so exempt); any payments made or necessary to be made to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations incurred with respect to the making or completion of the agreed improvements or any part thereof on the Property or part thereof; and amounts otherwise owing the Grantor by the Grantee, its successors, or transferees; and

b. Second, to reimburse the Grantee, its successor or transferee, up to the amount equal to (i) the sum of the Purchase Price paid to the Grantor by the Grantee for the Property, (ii) the costs incurred for the development of the Property and for the agreed improvements existing on the Property at the time of the reentry and repossession, less (iii) any gains or income withdrawn or made by the Grantee from the Property or the improvements thereon.

c. Any balance remaining after such reimbursements shall be retained by the Grantor as its property.

13. **Compliance with Laws.** Grantee covenants and agrees for itself, its successors and assigns and any successor-in-interest to the Property or part thereof, that it shall operate and maintain the Project in conformity with all Local Regulations, and all applicable state and federal laws including all applicable labor standards, disabled and handicapped access requirements, including, without limitation, the Americans with Disabilities Act, 42 U.S.C. § 12101, *et seq.* and the Unruh Civil Rights Act, California Civil Code § 51, *et seq.*

14. **Speculation in Land Prohibited.** Grantee covenants and agrees for itself, its successors, and its assigns, that Grantee, its successors and its assigns shall use, maintain, and transfer the Property in such a manner as to prevent speculation and/or excess profit taking in the Property within the meaning of California Health and Safety Code § 33437.5 as that section exists on the date of the DDA or as it may thereafter be amended, repealed and reenacted, or otherwise modified.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Grantor and the Grantee have caused this instrument to be executed by themselves or by their respective officers duly authorized this 31st day of May, 2012, ~~2014~~.

GRANTOR
HOUSING AUTHORITY OF THE CITY OF
RIVERSIDE, a public body, corporate and politic

By: Deanna Lorson
Executive Director,
Deanna Lorson

ATTEST

By: Colleen J. Nicol
Authority Secretary
Colleen J. Nicol
APPROVED AS TO FORM

By: R. M. G. [Signature]
Authority General Counsel
for

The Grantee hereby accepts the Property and approves each of the Restrictions set forth in this Grant Deed.

GRANTEE

HABITAT FOR HUMANITY RIVERSIDE, INC.
a California non-profit public benefit corporation

[Requires Notarization]

By: John Terrell
John Terrell, President

[Requires Notarization]

By: Debbie Bagley
Debbie Bagley, Secretary

ACKNOWLEDGMENT

State of California
County of Riverside

On 05/14/2012 before me, Erica M. Tyrrell-Herrera, NOTARY PUBLIC
(here insert name and title of the officer)

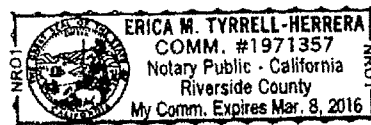
personally appeared John Terell and Debbie Bagley

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 Erica M. Tyrrell-Herrera



(Seal)

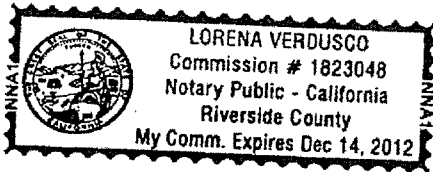
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Riverside

On May 31, 2012 before me, Lorena Verdusco, Notary Public

personally appeared Deanna Lorson and 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 Lorena Verdusco
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: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name: _____

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

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

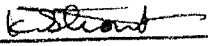
EXHIBIT A

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF RIVERSIDE,
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

THOSE PORTIONS OF LOT B (ARAPAHOE STREET, VACATED) AND LOT D
(MENTONE PLACE, VACATED) OF AMBERWOOD TRACT UNIT NO. 3, AS SHOWN ON
MAP ON FILE IN BOOK 37 PAGES 69 AND 70 OF MAPS, RECORDS OF SAID COUNTY,
LYING NORTHEASTERLY OF A LINE THAT IS PARALLEL AND 33.00 FEET
NORTHEASTERLY, AS MEASURED AT RIGHT ANGLES, FROM THE CENTERLINE OF
ARAPAHOE STREET AS SHOWN ON SAID TRACT MAP.

ASSESSOR'S PARCEL NUMBER: 233-233-010

DESCRIPTION APPROVAL:

BY:  7/13/2012
DATE

FOR: MARK S. BROWN
CITY SURVEYOR