BUYER'S OCCUPANCY AND RESALE RESTRICTION AGREEMENT
WITH OPTION TO PURCHASE

SONOMA COUNTY INCLUSIONARY HOUSING/DENSITY BONUS PROGRAM

ADMINISTRATIVE CHECKLIST

(Remove Upon Completion)

BLANK LINES: CHECKLIST

________ Name of Development, p. 1

________ Owner's Name, Address of Home Purchased, Income Category and Sales Price, p. 1

________ Date, p. 1, first paragraph

________ Owner's Name, p. 1, first paragraph

________ Affordability Level, p. 2, Recital A

_________ Affordability Level, p.2, Recital B.

________ Approved Lender Information, p. 2, Recital C

________ Approved Loan Amounts, p. 2, Recital C

_________ Affordability Level, p. 5, Section 4

_________ Affordability Level, p.7, Section 6

________ Owner's Initials, p. 22, Section 34D

________ Signatures, p. 23

________ Notary

________ Include Exhibit A, Home Description

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Sonoma County Community
Development Commission
P.O. Box 12025
Santa Rosa, CA 95406
Attn: Executive Director

No fee for recording pursuant to
Government Code Section 27383

(*Space above for Recorder's Use)*

BUYER'S OCCUPANCY AND RESALE RESTRICTION AGREEMENT
WITH OPTION TO PURCHASE

SONOMA COUNTY COMMUNITY DEVELOPMENT COMMISSION INCLUSIONARY
HOUSING/DENSITY BONUS PROGRAM

(**[insert name of development]**)

Owner:______________________________

Address of Home:______________________
____

Income Category of Buyer
(Lower Income or Moderate Income):
____

Sales Price at Original Purchase (Owner's
Base Price): _________

This Buyer's Occupancy and Resale Restriction Agreement with Option to Purchase (the "Agreement") is entered into as of this ___ day of ____________, 20__, by and between the Sonoma County Community Development Commission, a public body, corporate and politic (the "Commission") and ___________________________ (the "Owner").

RECITALS

A. Owner intends to purchase the property located at ___________ more particularly described in Exhibit A attached hereto and incorporated herein (the "Home"). The Home is a residential unit that must be purchased and occupied by a ____________**[Insert Low Income or Moderate Income]** Household in accordance with the restrictions set forth herein pursuant to the County of Sonoma Inclusionary Housing Ordinance, Section 26.89 of the Sonoma County Code and Government Code Section 65915 and Sonoma County Code Section 26.89.050 at the Purchase Price set forth above. The Purchase Price is affordable to Owner and below Fair Market value of the Home. The Owner has agreed to execute and comply with this Agreement on consideration for the Owner's purchase of the Home at the Purchase Price.

B. The purposes of this Agreement are: (i) to create an enforceable limit on the resale price for the Home; (ii) to ensure that subsequent buyers of the Home are Eligible Purchasers, as defined below; and (iii) to convey to the Commission an option to purchase the Home when the Owner proposes to transfer the Home or in the event of default of this Agreement and to provide other enforcement mechanisms to ensure that the Home remains affordable to ________________-Income Households. The terms and conditions of this Agreement are intended to provide the necessary use and resale restrictions to ensure that the Home is used, maintained, and preserved as housing affordable to Eligible Buyers. This Agreement is accompanied by a promissory note from the Owner to the Commission (the "Commission Note") pursuant to which the Owner agrees to pay any excess proceeds of sale or excess rental proceeds to the Commission.

C. The Owner is receiving the following purchase money loan(s):

Name of Lender	Amount
____________________	$__________________
____________________	$__________________
____________________	$__________________

Each purchase money loans listed in this Recital is an "Approved Loan." Each lender of the Approved Loan and its successors and assigns are each the "Approved Lender." Each Approved Loan is secured by a deed of trust executed by the Owner in favor of the Approved Lender and recorded in the County of Sonoma concurrently with this Agreement (the "Approved Deed of Trust").

D. This Agreement and the accompanying Commission Note shall be secured by a deed of trust on the Home (the "Commission Deed of Trust"). The Commission Deed of Trust shall be subordinate to the lien of the Approved Deed or Deeds of Trust.

NOW, THEREFORE, in consideration of the benefits received by the Owner and the Commission hereunder, the Owner and the Commission agree, as follows:

1. DEFINITIONS AND EXHIBITS

A. The following terms are specially defined for this Agreement and their definitions can be found in the sections indicated below:

(1) "Affordable Price" – Section 11A(3)

(2) "Affordable Rent" – Section 4

(3) "Agreement" - First sentence of the Agreement on page 1

(4) "Approved Deed of Trust" has the meaning stated in Recital C.

(5) “Approved Lender” has the meaning stated in Recital C.

(6) "Approved Loan" has the meaning stated in Recital C.

(7) "Commission" - First sentence of the Agreement on page 1

(8) "Commission" Deed of Trust" - Recital D

(9) "Commission Note" - Recital B

(10) "Commission Option" - Section 10

(11) "Commission Response Notice" - Section 8

(12) "Eligible Capital Improvements" – Section 11A

(13) "Eligible Purchaser" - Section 12B

(14) "Excess Rental Proceeds" – Section 4

(15) "Excess Sales Proceeds" - Section 13

(16) "Fair Market Value" - Section 11B

(17) "Home" - Recital B and Section 2

(18) "Household Income" means the gross income, as defined pursuant to Title 25 of the California Code of Regulations Section 6914, of every adult, 18 years or older, living in the Home.

(19) "Indexed Value" – Section 11A

(20) "Inheriting Owner" – Section 6B

(21) “Lower-Income Household” means households whose combined income for all adult household members does not exceed the lower-income limits applicable to Sonoma County as defined in California Health and Safety Code Section 50079.5 and published annually

pursuant to Title 25 of the California Code of Regulations, Section 6932 (or its successor provision) by the California Department of Housing and Community Development.

(22) "Maximum Restricted Resale Price" - Section 11

(23) "Median Income" – Section 11A

(24) "Moderate-Income Household" means households whose combined income for all adult household members does not exceed the moderate-income limits applicable to Sonoma County as defined in California Health and Safety Code Section 50093 and published annually pursuant to Title 25 of the California Code of Regulations, Section 6932 (or its successor provision) by the California Department of Housing and Community Development.

(25) "Owner" - First sentence of the Agreement on Page 1

(26) "Owner's Base Price" - Section 11A

(27) "Owner's Notice of Intent to Transfer Title" - Section 7

(28) "Transfer" - Section 6A

B. The following exhibits are attached to this Agreement:

(1) Exhibit A: Legal Description of the Home

(2) Exhibit B: Form of Owner Occupancy Certification

(3) Exhibit C: Form of Owner's Notice of Intent to Transfer

(4) Exhibit D: Form of Owner Acknowledgement of Commission Response Notice

(5) Exhibit E: Form of Owner Request for Commission Subordination to Refinance Approved Loan

2. DESCRIPTION OF PROPERTY

This Agreement concerns the real property in the County of Sonoma, State of California with the street address set forth on page 1 of this Agreement, which is more fully described in Exhibit A attached hereto and incorporated in this Agreement by reference (the "Home").

3. OWNER CERTIFICATIONS; OWNER OCCUPANCY REQUIREMENT

A. The Owner certifies that the financial and other information previously provided in order to qualify to purchase the Home is true and correct as of the date first written above.

B. The Owner shall occupy the Home as the Owner's principal place of residence. The Owner shall be considered as occupying the Home if the Owner is living in the unit for at least ten (10) months out of each calendar year. Annually, the Owner shall provide a written certification to the Commission in the form shown in Exhibit B that the Owner is occupying the Home as his or her principal place of residence, and that Owner is not renting the Home to another party.

C. The Owner agrees to fully cooperate with the Commission in promptly providing all other information requested by the Commission to assist the Commission in monitoring Owner's compliance with this Agreement.

D. Renting, leasing, or subleasing the Home or a portion of the Home is prohibited unless authorized by the Commission in writing as provided in Section 4 below.

E. If more than one person owns the Home as reflected on the title report, the Owners must own the Home as joint tenants or as community property with a right of survivorship. So long as there is more than one Owner of the Home and throughout the Term, co-owners must maintain the right of survivorship so that upon the death of one of the co-owners, the Home passes to the surviving co-owner without administration.

4. NO RENTING OR LEASING OF HOME

The Owner shall not rent or lease the Home to another party, unless such rental or lease is first approved in writing by the Commission. The Commission shall approve the renting or leasing of the Home only if all of the following conditions are met: (1) the term of the rental or lease is not greater than twelve (12) months and cannot be extended without Commission approval; (2) the Owner demonstrates to the Commission's reasonable satisfaction that the Owner will incur substantial hardship if he or she is not permitted to rent or lease the Home to a third party; (3) the tenant qualifies as a ______________________ **[Insert either Low Income Household or Moderate Income Household]**, as certified to the Commission, and (4) the rent for the Home does not exceed rent determined by the Commission to be affordable to an Income Eligible Household (the "Affordable Rent"). Any rental or lease of the Home in violation of this Agreement is prohibited, and shall be a default under this Agreement and the Commission Deed of Trust. The Owner further agrees that, in the event the Owner rents or leases the Home to a third party in violation of this Section 4, any excess rents ("Excess Rental Proceeds") paid to the Owner by the lessee over the "Affordable Rent" shall be due and payable to the Commission immediately upon receipt thereof by the Owner. Such Excess Rental Proceeds shall be considered a recourse debt of the Owner to the Commission, as evidenced by the Note, which the Commission may collect by legal action against the Owner, including by foreclosure under the Commission Deed of Trust.

5. MAINTENANCE AND INSURANCE REQUIREMENTS

A. Maintenance.

(1) The Owner shall maintain the Home, including landscaping, in good repair and in a neat, clean and orderly condition (and, as to landscaping, in a healthy condition) and in accordance with all applicable laws, rules, ordinances, orders and regulations of all federal, state,

county, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials, Owner will not commit waste or permit deterioration of the Home, and shall make all repairs and replacements necessary to keep the Home in good condition and repair. Failure by the Owner to maintain the Home shall constitute a default under this Agreement for which the Commission may exercise the Commission Option to purchase the Home pursuant to Section 16 below.

(2) In the event that the Owner breaches any of the covenants contained in this section and such default continues for a period of ten (10) days after written notice from the Commission with respect to graffiti, debris, waste material, and general maintenance or thirty (30) days after written notice from the Commission with respect to landscaping and building improvements, then the Commission, in addition to whatever other remedy it may have at law or in equity, shall have the right to enter the Home and perform or cause to be performed all such acts and work necessary to cure the default. Pursuant to such right of entry, the Commission shall be permitted (but is not required) to enter the Home and perform all acts and work necessary to protect, maintain, and preserve the improvements and landscaped areas, and to attach a lien on the Home, or to assess the Home, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the Commission and/or costs of such cure, which amount shall be promptly paid by the Owner to the Commission, plus an administrative charge equal to fifteen percent (15%) of the cost of such work upon demand.

B. Insurance. The Owner shall maintain a standard all risk property insurance policy equal to the replacement value of the Home (adjusted every five (5) years by appraisal, if requested by Commission), naming the Commission as an additional insured. Additional insurance requirements are set forth in Section 5 of the Commission Deed of Trust. The Owner shall provide the Commission with evidence of required insurance coverage upon request of the Commission.

6. RESTRICTIONS ON RESALE OR TRANSFER OF THE HOME

A. Transfer. Any Transfer of the Home will be subject to the provisions of this Agreement including, without limitation, the Commission Option described in Section 10 below. Transfer means any sale, assignment or transfer, voluntary or involuntary, of any interest in the Home, including, but not limited to, a fee simple interest, a joint tenancy interest, a life estate, a leasehold interest, an interest evidenced by a land contract by which possession of the Home is transferred and Owner retains title, or a deed of trust. Any Transfer without satisfaction of the provisions of this Agreement is prohibited and shall constitute a default by Owner for which the Commission may exercise the Commission Option pursuant to Section 16 below. A Transfer shall not include a transfer: (i) to an existing spouse or domestic partner; (ii) by an Owner to a spouse or domestic partner where the spouse or domestic partner becomes the co-owner of the Home; (iii) between spouses as part of a marriage dissolution proceeding; (iv) to an existing spouse or domestic partner of Owner by devise or inheritance following the death of Owner; (v) by Owner into a revocable living trust where the Owner serves as the trustee, settlor, and primary beneficiary and there is no impairment of the Commission's rights; or (vi) refinance of an Approved Loan meeting the requirements of Section 23 of the Resale Restriction Agreement; provided, however, that Owner shall provide written notice of all such transfers to Commission;

and Owner shall continue to occupy the Home as his or her principal place of residence (except where the transfer occurs pursuant to subsection (iii) or (iv) above, in which event the transferee shall owner-occupy the Home and affirmatively assume Owner's obligations under this Agreement, the Commission Note, and the Commission Deed of Trust). All other Transfers shall require written notice to the Commission pursuant to Section 7 below, shall be to a ________**[insert either Low Income Household or Moderate Income Household]**, and consideration received by the Owner for such Transfer shall not exceed the Maximum Restricted Resale Price defined in Section 11 below. For purposes of this section, "domestic partner" shall mean two unmarried people, at least eighteen (18) years of age, who have lived together continuously for at least one (1) year and who are jointly responsible for basic living expenses incurred during their domestic partnership. Domestic partners may not be persons related to each other by blood or adoption such that their marriage would be barred in the state of California. For purposes of this section, an individual shall be considered a domestic partner of Owner upon presentation of an affidavit or other acceptable evidence by Owner to the Commission.

B. Inheritance. In the event a Transfer occurs by devise or inheritance due to death of the Owner, the administrator of the Owner's estate or the person inheriting the Home shall provide written notice to the Commission of the Owner's death within thirty (30) days of the date of death and the following procedures shall apply:

(1) If the Inheriting Owner was previously a co-owner with a right of survivorship who was income qualified, or who obtained title through a Transfer permitted above, the Inheriting Owner continues to hold title.

(2) The Inheriting Owner, who was not previously a co-owner with a right of survivorship, shall provide Commission with income and other information, to be verified by Commission, so that Commission may determine if the Inheriting Owner qualifies as an Eligible Purchaser. If Commission determines that the Inheriting Owner is an Eligible Purchaser, such Inheriting Owner shall be permitted to take ownership of the Home provided that the Inheriting Owner shall enter into a new agreement, note, and deed of trust within 6 months of the death of the Owner in a form determined by Commission, for a new Term and comply with all obligations under those documents, including occupancy of the Home as their principal place of residence.

(3) If the Inheriting Owner fails to qualify as an Eligible Purchaser or does not provide Commission with information to determine if the Inheriting Owner is an Eligible Purchaser, he or she shall be required to initiate the Transfer the Home within 6 months of the death of the Owner to an Eligible Purchaser at a price not exceeding the Maximum Restricted Resale Price, or Commission may exercise the Commission Option; provided, that if the Inheriting Owner is a minor child, such Inheriting Owner and their legal guardian may occupy the Home for the time period prescribed by Probate Code Section 6500 without Commission determining that the legal guardian of any such Inheriting Owner is an Eligible Buyer.

(4) Failure of an Inheriting Owner to follow the procedures and file the notices described in this Section 6(C) shall constitute a Default under this Agreement.

7. NOTICE OF INTENDED TRANSFER; PREPARATION OF HOME FOR SALE

A. In the event the Owner intends to Transfer or vacate the Home, the Owner shall promptly give the Commission written notice of such intent (the "Owner's Notice of Intent to Transfer Title") in the form shown in Exhibit C attached to this Agreement. The Owner's Notice of Intent to Transfer Title shall be sent to the Commission by certified mail, return receipt requested at the address provided in Section 31 of this Agreement. The Owner's Notice of Intent to Transfer Title shall include the information necessary for the Commission to determine the Maximum Restricted Resale Price of the Home, including the following information:

(1) the address of the Home;

(2) the date of purchase of the Home by the Owner;

(3) the purchase price of the Home paid by the Owner at the time of his/her purchase;

(4) a copy of the HUD-1 Settlement Statement or equivalent document from the close of escrow on the Owner's purchase of the Home;

(5) if the Owner has made capital improvements to the Home that he/she wishes to include in the calculation of Maximum Restricted Resale Price, documentation that the improvements have been lawfully added during the time the Owner has owned the Home, and an appraisal from a licensed appraiser of the value of such capital improvements.

(6) the date on which the Owner intends to vacate the Home;

(7) the date the Home will be placed on the market; and

(8) the name and phone number of the person to contact to schedule inspection of the Home by the Commission.

B. **The Owner may not wish to contract with a real estate broker to sell the Home until the Owner has received the Commission Response Notice pursuant to Section 8 below, as the services of a broker will not be required if the Commission exercises the Commission Option to purchase the Home pursuant to Sections 8 and 10 below.**

C. Following delivery to the Commission of the Owner's Notice of Intent to Transfer Title, the Owner shall prepare the Home for sale, as follows:

(1) within thirty (30) days of delivery of the Owner's Notice of Intent to Transfer Title, the Owner shall obtain and deliver to the Commission a current written report of inspection of the Home by a licensed structural pest control operator;

(2) within the sooner of (a) sixty (60) days from the date of delivery of the Owner's Notice of Intent to Transfer Title, or (b) prior to close of escrow on the Transfer, the Owner shall repair all damage noted in the pest report including damage caused by infestation or infection by wood-destroying pests;

(3) within thirty (30) days of the date of the Owner's Notice of Intent to Transfer Title, the Owner shall allow the Commission, or its designee, to inspect the Home to determine its physical condition and, if requested by the Commission, following such inspection, the Owner shall obtain and deliver to the Commission a home inspection report prepared by a licensed home inspector; and

(4) if the Home is vacant, the Owner shall maintain utility connections until the close of escrow on the Transfer.

8. COMMISSION RESPONSE TO OWNER'S NOTICE OF INTENT TO TRANSFER TITLE

The Commission shall respond in writing (the "Commission Response Notice") to the Owner's Notice of Intent to Transfer Title within thirty (30) days of Commission receipt of a complete Owner's Notice of Intent to Transfer Title that includes all information required under Section 7 above, including Commission receipt of the pest control report and home inspection report (if any) required pursuant to Section 7C above. The Commission Response Notice shall inform the Owner of the Commission's election to proceed under one of the following two alternatives:

A. Commission Exercise of Commission Purchase Option. The Commission Response Notice may notify the Owner that the Commission or its assignee elects to exercise the Commission Option to purchase the Home, as granted in Section 10 below, and shall include the Commission's calculation of the Maximum Restricted Resale Price to be paid by the Commission or its assignee pursuant to Section 11 below and the Transaction Fee to be paid by the Owner pursuant to Section 10 below.

B. Owner Sale at Restricted Sale Price to Eligible Purchaser. Alternatively, the Commission Response Notice may notify the Owner that the Commission will not at this time exercise the Commission Option to purchase the Home and that the Owner may proceed to sell the Home to an Eligible Purchaser at a price not to exceed the Maximum Restricted Resale Price, pursuant to the procedure set forth in Section 12 below. In this event, the Commission Response Notice shall include the following information: (1) the maximum qualifying income for an Eligible Purchaser; (2) the certifications required of an Eligible Purchaser; (3) the Maximum Restricted Resale Price the Owner may receive for the Home, calculated by the Commission pursuant to Section 11 below; and (4) detailed instructions by the Commission outlining best practices for selling the Home. The Owner may then proceed to request referrals from the Commission pursuant to Section 12A below.

9. OWNER ACKNOWLEDGMENT OF COMMISSION RESPONSE NOTICE

No later than seven (7) days following the date of the Commission Response Notice, the Owner shall acknowledge in writing to the Commission, in the form shown in Exhibit D attached to this Agreement, that he/she has received the Commission Response Notice and still intends to Transfer the Home.

10. COMMISSION PURCHASE OPTION

The Owner agrees that the Commission shall have the option to purchase the Home (the "Commission Option") for the Maximum Restricted Resale Price, calculated pursuant to Section 11 of this Agreement. The Commission may, instead of purchasing the Home itself, assign its right to purchase the Home pursuant to the Commission Option to another public agency, a nonprofit corporation, or to an Eligible Purchaser. If the Commission assigns its purchase option, the assignee shall sign the Commission Response Notice and shall thereby be bound to purchase the Home pursuant to the terms of the Commission Option as set forth in this Agreement. The Owner may be required to pay the Commission a transaction fee equal to three percent (3%) of the sales price if the Commission (or its assignee) exercises the Commission Option and purchases the Home. The Commission Option may be exercised by the Commission or its assignee in the Commission Response Notice, as described in Section 8 above, to be sent by the Commission to the Owner within thirty (30) days of the Commission's receipt of a complete Owner's Notice of Intent to Transfer. If the Commission Response Notice notifies the Owner that the Commission or its assignee will exercise the Commission Option to purchase, the Commission or its assignee shall purchase the Home within ninety (90) days of the date of the Commission Response Notice. In the event of exercise of the Commission Option and purchase of the Home by the Commission or its assignee, the Owner shall permit a final walk-through of the Home by the Commission or its assignee in the final three (3) days prior to close of escrow on the Transfer.

11. DETERMINATION OF MAXIMUM SALES PRICE FOR COMMISSION PURCHASE OR RESTRICTED SALE

If the Commission (or its assignee) exercises the Commission Option, or if Owner sells to an Eligible Purchaser, the maximum sales price (the "Maximum Restricted Resale Price") that the Owner shall receive from the Commission or the Eligible Purchaser for purchase of the Home shall be the lesser of (i) the Indexed Value of the Home; or (ii) the Fair Market Value of the Home.

A. Indexed Value. The Indexed Value of the Home means the sales price of the Home at the time of purchase by the Owner, as set forth on page 1 of this Agreement (the "Owner's Base Price"), multiplied by one plus the percentage of increase in the Consumer Price Index from the date that the Owner purchased the Home to the date of receipt by the Commission of the Owner's Notice of Intent to Transfer, and, where applicable, adjusted pursuant to subsection (1) to reflect Owner's capital improvements to the Home. "Consumer Price Index" shall mean the all items Consumer Price Index published by the United States Bureau of Labor Statistics ("BLS") for San Francisco-Oakland-Hayward, or, in the event such index is no longer published by the BLS, or has not been updated for a period of at least eighteen

(18) months, the Commission may use or develop such other reasonable method as it may choose in order to determine the annual inflationary rate for Sonoma County.

(1) Capital Improvements. If the Owner has made capital improvements to the Home which materially add to the value of the Home and has provided an appraisal from a licensed appraiser appraising the value of such improvements ("Eligible Capital Improvements") the Index Value of the Home may be adjusted to reflect the depreciated value of the Eligible Capital Improvements. The amount of the adjustment shall equal the original cost of any Eligible Capital Improvements depreciated in a straight-line basis based upon the estimated useful life of the Eligible Capital Improvement.

(2) Affordability Cap. The adjustments for Eligible Capital Improvements set forth in subsections (1) above of this Section 11A shall only be made to the extent they do not cause the Indexed Price to exceed the Affordable Price of the Home. The "Affordable Price" of the Home means a purchase price that is affordable to an Eligible Purchaser as such price is calculated by the Commission using the maximum affordability standards set forth in the Inclusionary Housing Ordinance and any Rules and Regulations adopted by the Commission in effect at the time of the calculation.

B. Fair Market Value. In certain circumstances it may be necessary to determine the fair market value of the Home (the "Fair Market Value"). These circumstances include: (1) where the parties wish to determine if the Indexed Value exceeds the Fair Market Value in order to determine the Maximum Restricted Resale Price pursuant to this Section 11; and (2) where the Owner wishes to refinance an Approved Loan as described in Section 23 below. If it is necessary to determine the Fair Market Value of the Home, it shall be determined by a qualified real estate appraiser approved in advance by the Commission. If possible, the appraisal shall be based upon the sales prices of comparable properties sold in the market area during the preceding three (3)-month period. The cost of the appraisal shall be shared equally by the Commission and the Owner, unless the appraisal is obtained from a new purchaser, or unless the appraisal is necessary because the Owner wishes to refinance an Approved Loan pursuant to Section 23 below, in which event the Owner shall pay the cost of the appraisal. Nothing in this section shall preclude the Owner and the Commission from establishing the Fair Market Value of the Home by mutual agreement in lieu of an appraisal pursuant to this section.

12. SALE OF HOME BY OWNER IF COMMISSION DOES NOT EXERCISE OPTION TO PURCHASE

In the event the Commission Response Notice notifies the Owner to proceed to sell the Home to an Eligible Purchaser at a price not exceeding the Maximum Restricted Resale Price, the Owner may proceed to sell the Home in compliance with the following requirements:

A. Marketing. The Owner shall use bona fide good faith efforts to sell the Home to an Eligible Purchaser in compliance with this Section 12, complying with applicable fair housing laws in the marketing and sale of the Home, keeping the Home in an orderly condition, making the Home available to show to agents and prospective buyers, and providing buyers with Eligible Purchaser requirements, including income qualifications and Commission's current disclosure statement. If the Commission refers an Eligible Purchaser to the Owner, the Owner shall make every effort to sell the Home to Eligible Purchasers referred by the Commission. The Commission will provide the Owner with protocols for the sale of the home including, but not limited to, income qualifications and the Commission's form of disclosure statement summarizing the terms of the buyer's occupancy and resale restriction agreement with option to purchase, which sales protocols will be updated from time to time. A proposed purchaser ("Proposed Purchaser") who the Owner believes will qualify as an Eligible Purchaser shall be referred to the Commission for an eligibility determination.

B. Eligible Purchaser. A Proposed Purchaser shall qualify as an "Eligible Purchaser" if he or she meets the following requirements, as determined by the Commission:

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

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

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

C. Maximize Sales Price and Closing Costs. The purchase price for the sale of the Home by the Owner to the Eligible Purchaser shall not exceed the Maximum Restricted Resale Price calculated by the Commission pursuant to Section 3(a) of the Inclusionary Housing Ordinance and Section 11 above, as set forth in the Commission Response Notice. The Maximum Restricted Resale Price shall not include closing costs paid by the Eligible Purchaser. The closing costs paid by the Eligible Purchaser shall not exceed reasonable and customary buyers' closing costs in the County of Sonoma.

D. Disclosure and Submittals. The Owner and the Proposed Purchaser shall provide the following information and documents to the Commission:

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

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

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

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

(5) An executed buyer's occupancy and resale restriction agreement and option to purchase, an executed promissory note to the Commission, and an executed deed of trust from the Proposed Purchaser, all in forms provided by the Commission. The recordation of the new deed of trust and buyer's occupancy and resale restriction agreement with option to purchase shall be a condition of the Commission's approval of the proposed sale.

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

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

13. PAYMENT TO COMMISSION OF EXCESS SALES PROCEEDS

If the Owner makes a Transfer in violation of this Agreement, the Owner shall pay the Excess Sales Proceeds to the Commission. For purposes of this Agreement, "Excess Sales Proceeds" shall mean the amount by which the gross sales proceeds received by the Owner from the new purchaser exceed the Maximum Restricted Resale Price for the Home (in the amount that was stated in the Commission Response Notice). This amount shall be a debt of the Owner to the Commission, further evidenced by the Commission Note, and secured by the Commission

Deed of Trust. The Owner acknowledges that the Commission shall have no obligation to cause reconveyance of this Agreement or of the Commission Deed of Trust until the Excess Sales Proceeds are paid to the Commission. The Commission shall utilize the Excess Sales Proceeds for Commission affordable housing programs. The Owner and the Commission acknowledge that the formula for calculation of the amount of Excess Sales Proceeds due from the Owner to the Commission is that which causes the Owner to receive the same or fewer net sales proceeds from sale of the Home at an unrestricted price to a market purchaser (in violation of this Agreement) as the Owner would receive from sale of the Home to the Commission or to an Eligible Purchaser at the Maximum Restricted Resale Price.

14. DEFAULTS

A. The following events shall constitute a Default by the Owner under this Agreement:

(1) The Commission determines that the Owner has made a misrepresentation to obtain the benefits of purchase of the Home or in connection with its obligations under this Agreement;

(2) The Owner fails to owner occupy the Home, as required pursuant to Section 3 above, and such failure continues following written notice by the Commission and sixty (60) days opportunity to cure following the date of such notice.

(3) The Owner rents the Home in violation of Section 4 above, and such failure continues following written notice by the Commission and sixty (60) days opportunity to cure.

(4) The Owner fails to provide information to the Commission necessary to determine Owner's compliance with the requirements of this Agreement.

(5) The Owner makes a Transfer in violation of this Agreement;

(6) The Owner otherwise fails to comply with the requirements of this Agreement and such violation is not corrected to the satisfaction of the Commission within thirty (30) days after the date of written notice by the Commission to the Owner of such violation; or

(7) A notice of default is issued under an Approved Loan or other financing secured by the Home.

(8) A lien is recorded against the Home other than the lien of a bone fide mortgage loan.

(9) Owner places a mortgage on the Home in violation of Section 23 below.

(10) Owner declares bankruptcy or makes an assignment of assets for the benefit of creditors.

B. Upon a declaration of Default by the Commission under this Agreement, the Commission may exercise any remedies at law or in equity, including without limitation, any or all of the following, none of which shall be an exclusive remedy:

(1) Declare all Excess Sales Proceeds and/or Excess Rental Proceeds immediately due and payable without further demand, accelerate payments due under the Commission Note;

(2) Invoke the power of sale under the Commission Deed of Trust;

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

(4) Take such enforcement action as is authorized under the Sonoma County Code;

(5) Declare a Default under the Commission Note and the Commission Deed of Trust and pursue all Commission remedies under the Commission Note and the Commission Deed of Trust; and

(6) Enter the Home to correct maintenance failures, and place a lien upon the Property to collect Commission costs to remedy maintenance failures, pursuant to Section 5(a)(2) above.

(7) Exercise the Commission Purchase Option Upon Default as described in Section 16 below.

15. <u>NOTICE OF DEFAULT AND FORECLOSURE</u>

A request for notice of default and any notice of sale under any deed of trust or mortgage with power of sale encumbering the Home shall be recorded by the Commission in the Office of the Recorder of the County of Sonoma. The Commission may declare a Default under this Agreement upon receipt of any notice given to the Commission pursuant to Civil Code Section 2924b, and may exercise its rights as provided in Sections 14 and 16.

In the event of default and foreclosure on an Approved Loan, the Commission shall have the same right as the Owner to cure defaults and redeem the Home prior to the foreclosure sale. Nothing herein shall be construed as creating any obligation of the Commission to cure any such default, nor shall this right to cure and redeem operate to extend any time limitations in the default provisions of the underlying deed of trust or mortgage.

If the Commission failed to file the request for notice of default, the Commission's right to purchase the Home shall commence from the date a notice of default is given by the Commission to the Owner.

16. <u>PURCHASE OPTION UPON DEFAULT</u>

Notwithstanding, and in addition to, the remedies provided the Commission in Section 14, and the Commission Option provided to the Commission in Section 10, the Owner hereby grants to the Commission the option to purchase the Home following written notice by the Commission to the Owner of the declaration of a Default by the Commission under this Agreement. This option to purchase is given in consideration of the economic benefits received by the Owner resulting from ownership of the Home made possible by the Commission's Affordable Housing Program.

The Commission shall have forty-five (45) days after a Default is declared to notify the Owner and the Approved Lender of its decision to exercise its option to purchase under this Section 16. Not later than ninety (90) days after the notice is given by the Commission to the Owner of the Commission's intent to exercise its option under this Section 16, the Commission shall purchase the Home for the Maximum Restricted Resale Price calculated in the manner set forth in Section 11.

17. NONLIABILITY OF THE COMMISSION

A. No Obligation to Exercise Option. The Commission shall have no obligation to exercise any option granted it under this Agreement. In no event shall the Commission become in any way liable or obligated to the Owner or any successor-in-interest to the Owner by reason of its option to purchase under Sections 10 and 16 nor shall the Commission be in any way obligated or liable to the Owner or any successor-in-interest to the Owner for any failure to exercise its option to purchase.

B. Nonliability for Negligence, Loss, or Damage. Owner acknowledges, understands and agrees that the relationship between Owner and the Commission is solely that of an owner and an administrator of a Commission affordable housing program, and that the Commission does not undertake or assume any responsibility for or duty to Owner to select, review, inspect, supervise, pass judgment on, or inform Owner of the quality, adequacy or suitability of the Home or any other matter. The Commission owes no duty of care to protect Owner against negligent, faulty, inadequate or defective building or construction or any condition of the Home and Owner agrees that neither Owner, or Owner's heirs, successors or assigns shall ever claim, have or assert any right or action against the Commission for any loss, damage or other matter arising out of or resulting from any condition of the Home and will hold the Commission harmless from any liability, loss or damage for these things.

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

18. RESTRICTIONS ON FORECLOSURE PROCEEDS

If a creditor acquires title to the Home through a deed in lieu of foreclosure, a trustee's deed upon sale, or otherwise, the Owner shall not be entitled to the proceeds of sale to the extent that such proceeds otherwise payable to the Owner when added to the proceeds paid or credited to the creditor exceed the Maximum Restricted Resale Price. The Commission shall instruct the holder of such excess proceeds to pay such proceeds to the Commission in consideration of the benefits received by the Owner through purchase of the Home under the Commission's Inclusionary Housing Ordinance.

19. RESTRICTION ON INSURANCE PROCEEDS

If the Home is damaged or destroyed and the Owner elects not to rebuild or repair the Home, subject to the rights of any Approved Lender, the Owner shall pay the Commission the portion of any insurance proceeds received by the Owner for such destruction or damage which is in excess of the Maximum Restricted Resale Price calculated pursuant to Section 11 above.

20. TERM OF AGREEMENT

All the provisions of this Agreement, including the benefits and burdens, run with the land and the Home and this Agreement shall bind, and the benefit hereof shall inure to, the Owner, his or her heirs, legal representatives, executors, successors in interest and assigns, and to the Commission and its successors in perpetuity; provided, however, if the Home is destroyed or demolished by forces of nature without action by Owner (or irreparably damaged by forces of nature and then demolished by Owner) and such destruction or demolition occurs at least forty-five (45) years following the date of this Agreement, this Agreement shall terminate upon such destruction or demolition.

21. SUPERIORITY OF AGREEMENT

The Owner covenants that he or she has not, and will not, execute any other agreement with provisions contradictory to or in opposition to the provisions hereof, and that, in any event, this Agreement is controlling as to the rights and obligations between and among the Owner, the Commission and their respective successors.

22. SUBORDINATION

Notwithstanding any provision herein, this Agreement shall not diminish or affect the rights of the Approved Lender under the Approved Deed of Trust or any subsequent Approved Lender deeds of trust hereafter recorded against the Home in compliance with Section 23 of this Agreement and shall not impair any Approved Lender's right to foreclose under any Approved Loan.

Notwithstanding any other provision hereof, the provisions of this Agreement shall not be subordinate to the lien of the Approved Deed of Trust and shall remain in full force and effect after any foreclosure or deed in lieu of foreclosure of the Approved Deed of Trust.

23. REFINANCE OF APPROVED LOAN

Owner may refinance in order to obtain a new senior mortgage loan with a fixed interest rate lower than the interest rate on the Approved Loan. The principal amount of any refinanced loan shall not exceed the original principal amount of the Approved Loan plus the Owner's share of closing costs associated with the refinancing. Except for purposes of making improvements to the Home to correct health, safety and code violations, Owner shall not receive any cash as a result of any refinancing or home equity loans. The Owner must obtain the Commission's written approval for any refinancing or home equity loans involving cash distributions to the Owner including approval for the scope of work and cost of improvements to be funded with the cash out refinancing and any cash proceeds from a refinancing or home equity loan will be deposited into an escrow account approved by the Commission and disbursed for direct payment to vendors performing work on the Home after approval of each disbursement by the Commission. The Commission and the Owner agree that the requirements of this Section 23 are necessary to ensure the continued affordability of the Home to Owner and to minimize the risk of loss of the Home by Owner through default and foreclosure of a mortgage loans. Owner further acknowledges that violation of the provisions of this Section 23 shall constitute a Default under this Agreement. In no case shall the Commission Deed of Trust and this Agreement be in lower than third lien position on the Home. Any subordination agreement to be executed by the Commission shall include notice and cure rights for the Commission regarding any defaults in the mortgage to which the Commission is subordinating. A form for use by the Owner in requesting Commission subordination to a refinanced first mortgage loan is attached as Exhibit E to this Agreement.

24. NONDISCRIMINATION

The Owner covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, age, disability, sex, sexual orientation, marital status, ancestry or national origin in the sale, transfer, use, occupancy, tenure or enjoyment of the Home, nor shall the Owner or any person claiming under or through the Owner establish or permit any such practice or practices of discrimination or segregation with reference to the use, occupancy, or transfer of the Home. The foregoing covenant shall run with the land.

25. MONITORING AND INSPECTION BY COMMISSION

A. The Commission (or its designee) may enter the Home for inspection following two (2) business days advance written notice.

B. The Commission shall monitor Owner's compliance with the requirements of this Agreement and the Inclusionary Ordinance on an annual basis. Owner shall cooperate with Commission monitoring and provide required certifications and other information required by the Commission to determine compliance within ten (10) days of receipt of a written request by the Commission.

26. RIGHTS OF BENEFICIARIES UNDER DEEDS OF TRUSTS

This Agreement shall not diminish or affect the rights of the Commission under the Commission Deed of Trust.

27. HUD FORBEARANCE RELIEF

Notwithstanding other provisions of this Agreement, the Commission Option on Default pursuant to Section 16 above shall not be exercised by the Commission when a deed of trust insured by HUD is secured by the Home, and: (i) the Owner is undergoing consideration by HUD for assignment forbearance relief; or (ii) the Owner is undergoing consideration for relief under HUD's Temporary Mortgage Assistance Payment (TMAP) program.

28. INVALID PROVISIONS

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

29. CONTROLLING LAW

The terms of this Agreement shall be interpreted under the laws of the State of California. The venue for any legal action pertaining to this Agreement shall be Sonoma County, California.

30. NO WAIVER

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

31. NOTICES

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

To the Owner:
At the address of the Home.

To the Commission:
Sonoma County Community
Development Commission
P.O. Box 12025
Santa Rosa, CA 95406
Attn: Executive Director

The parties may subsequently change addresses by providing written notice of the change in address to the other parties in accordance with this section.

32. INTERPRETATION OF AGREEMENT

The terms of this Agreement shall be interpreted so as to avoid speculation on the Home and to ensure to the extent possible that its sales price and mortgage payments remain affordable to Eligible Purchasers.

33. COVENANTS RUNNING WITH THE LAND

A. Owner hereby subjects the Home to the covenants and restrictions set forth in this Agreement. Owner hereby declares its express intent that the covenants and restrictions set forth herein shall be deemed covenants running with the land in perpetuity and shall pass to and be binding upon all parties having any interest in the Home throughout the term of this Agreement set forth in Section 20. Each and every contract, deed, lease or other instrument covering, conveying or otherwise transferring the Home or any interest therein, as the case may be, shall conclusively be held to have been executed, delivered and accepted subject to this Agreement regardless of whether the other party or parties to such contract have actual knowledge of this Agreement.

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

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

34. OWNER'S ACKNOWLEDGEMENT OF RESALE RESTRICTION

Owner hereby acknowledges and agrees that:

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

B. Absent the provisions of this Agreement and the provisions of this Agreement, the Home could not be made available to Eligible Purchasers at an affordable price, including Owner.

C. Owner understands all of the provisions of this Agreement. In recognition of the acknowledgments and agreements stated in this Section 34, Owner accepts and agrees to the provisions of this Agreement with the understanding that this Agreement will remain in full force and effect as to the Home following any Transfer of the Home throughout the term of this Agreement.

D. OWNER UNDERSTANDS THAT THE DETERMINATION OF THE MAXIMUM RESTRICTED RESALE PRICE OF THE HOME TO AN ELIGIBLE PURCHASER CAN BE MADE ONLY AT THE TIME OF THE PROPOSED TRANSFER, TAKING INTO CONSIDERATION INCREASES IN CONSUMER PRICE INDEX, MORTGAGE INTEREST RATES, PROPERTY TAXES AND OTHER FACTORS THAT CANNOT BE ACCURATELY PREDICTED AND THAT THE SALES PRICE PERMITTED HEREUNDER MAY NOT INCREASE OR DECREASE IN THE SAME MANNER AS OTHER SIMILAR REAL PROPERTY WHICH IS NOT ENCUMBERED BY THIS AGREEMENT. OWNER FURTHER ACKNOWLEDGES THAT AT ALL TIMES IN SETTING THE SALES PRICE OF THE HOME THE PRIMARY OBJECTIVE OF THE COMMISSION AND THIS AGREEMENT IS TO PROVIDE HOUSING TO ELIGIBLE PURCHASERS AT AFFORDABLE HOUSING COST. THE MAXIMUM RESTRICTED RESALE PRICE WILL ALMOST CERTAINLY BE LESS THAN OTHER SIMILAR PROPERTIES THAT HAVE NO RESTRICTIONS.

________ ______
[initialed by Owner(s)]

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

COMMISSION:	OWNER:
Sonoma County Community Development Commission	
By: ______________________________	By: ______________________________
Its: ______________________________	______________________________ (Type Name)
	By: ______________________________
	______________________________ (Type Name)

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

STATE OF CALIFORNIA)
)
COUNTY OF __________________)

On ____________________, before me, ___________________________, Notary Public, personally appeared ______________________________________, 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.

____
Name: ______________________________
Notary Public

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

STATE OF CALIFORNIA)
)
COUNTY OF __________________)

On ____________________, before me, ___________________________, Notary Public, personally appeared ______________________________________, 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.

____
Name: ______________________________
Notary Public

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

STATE OF CALIFORNIA)
)
COUNTY OF __________________)

On ____________________, before me, ___________________________, Notary Public, personally appeared ______________________________________, 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.

____
Name: ______________________________
Notary Public

EXHIBIT A

(Legal Description of the Home)

EXHIBIT B

Form of Owner Occupancy Certification

EXHIBIT C

Form of Owner's Notice of Intent to Transfer

To: Sonoma County Community Development Commission ("Commission")

From: _________________________ **[name of owner(s)]** ("Owner(s)")

Address of Home: __________________________ ("Home")

Date: _______________________

Please be notified pursuant to Section 7 of the Buyer's Occupancy and Resale Restriction Agreement with Option to Purchase between Owner and Commission dated _____________ (the "Resale Agreement"), that the Owner intends to transfer the Home listed above.

A. The following information is provided to the Commission pursuant to Section 7 of the Resale Agreement:

1. Address of Home: ____

2. Date Owner purchased Home: _______________________________________

3. Purchase Price paid by Owner when Home was purchased: _______________

4. Date Owner intends to vacate Home: _________________________________

5. Date Home will be placed on market: ________________________________

6. Name and phone number of person for Commission to contact to schedule inspection: ____________________ and __________________
(name) (phone number)

B. As required by Section 7 of the Resale Agreement, the following documents are attached to this Notice:

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

2. If Owner has made capital improvements that materially add value to the Home that Owner wishes to include in the Commission's calculation of Maximum Restricted Resale Price, check box below

□ Yes, I have made capital improvements that materially add value to the Home pursuant to Section 11A(2) of the Resale Agreement. The capital improvements were completed on

______________ **[insert date]**. I attach a copy of building permit for capital improvements and an appraisal from a licenses appraiser appraising the value of the capital improvements.

C. I have not yet listed the Home for sale with a multiple listing service, or contacted a real estate broker or financial institution. I agree to prepare the Home for sale by:

1. obtaining a pest control report within thirty (30) days of the date of this notice,

2. repairing all damage noted in the pest report within the sooner of: (i) sixty (60) days from the date of this notice, or (ii) two (2) weeks prior to close of escrow or the transfer of the Home,

3. allowing the Commission or its designee to inspect the Home within thirty (30) days of this notice,

4. if requested by the Commission following the Commission's inspection, I will obtain a home inspection report from a licensed home inspector,

5. maintaining utility connections until the Home is transferred,

6. permitting a walk through by the Commission prior to close of escrow or the transfer.

This Owner's Notice of Intent to Transfer is certified by Owner to be true and correct and is signed on ____________________________ **[insert date]** under penalty of perjury.

By:_______________________________
Owner

By:_______________________________
Owner

EXHIBIT D

Form of Owner Acknowledgement of Commission Response Notice

Name: ____

Address of Home: ____

Date: ____

I, ______________________ (insert name) hereby acknowledge that I received the Commission Response Notice (as described in Section 9 of the Resale Agreement on __________ (insert date).

By:__________________________________

EXHIBIT E

Form of Owner Request for Commission Subordination
to Refinanced Approved Loan

To: Sonoma County Community Development Commission ("Commission")

From: ____________________________________ ("Owner")

Property Address: ____________________________________ ("Home")

Date: ____________________________________

The Owner hereby requests the Commission to approve the Owner's refinance of the existing first mortgage on the Home or a home equity loan for home improvements to correct health, safety and code problems. The Owner provides the following information which it certifies to be true and correct:

1. Original Purchase Price of Home: $________________

2. Original Principal Balance of exiting Approved Loan $________________

3. Interest Rate of Existing Approved Loan: ________________%

4. Outstanding Principal and Interest on existing Approved Loan (as of date of this Request) $________________

5. Outstanding Principal and Interest due on all other mortgage loans on the Home. $________________

   (a) $_______________

   (b) $_______________

6. Principal Amount of Proposed New Loan: $________________

7. Interest Rate of Proposed New Loan: $________________

The Owner hereby certifies the above information is true and correct and this Owner Request is executed under penalty of perjury on ___________________ **[insert date]**.

By:____
Owner

By:____
Owner