

RECORDING REQUESTED 13Y AND
WHEN RECORDED RETURN TO:
County of Nevada
950 Maidu Ave.
Nevada City, CA 95959
Attn: Tyler Barrington
NO FEE FOR RECORDING PURSUANT TO
GOVERNMENT CODE SECTION 27383

Space Above This Line for Recorder's

DEED RESTRICTION AND DECLARATION OF RESTRICTIVE COVENANT

GUARANTEE OF AFFORDABILITY PROTECTION

This Declaration of Restrictive Covenants (The "Agreement") is dated as of Date Covenant is Recorded (the "Effective Date"), by and between the County of Nevada, a political subdivision of the State of California (the "County"), in its capacity as the administrator of Permanent Local Housing Allocation (PLHA) grant funds for the City of Nevada City, the City of Grass Valley, and the County of Nevada, and Name (the "Buyer").

RECITALS

These Recitals refer to and utilize certain capitalized terms that are defined in Article 1 of this Agreement. The Parties intend to refer to those definitions in connection with the use of capitalized terms in these Recitals.

1. The Buyer owns the Property. The Development is more particularly described as 510 Orchard Way, Grass Valley, CA and bears the Assessor Parcel No. 009-208-054-000
2. The County and Nevada County Habitat for Humanity (the "Developer") have entered into a contract in order for the County to provide grant funds to the Developer for the construction of the Development.
3. The County has agreed to provide grant funds to the Developer on the condition that the property be maintained and operated in accordance with the restrictions concerning affordability as specified in this Agreement.
4. Construction of the Development is now complete, and Developer has sold the Development to Buyer. In order to ensure that the Property will be used and operated in accordance with these conditions and restrictions, the County and Buyer wish to enter into this Agreement.

THEREFORE, the County and Buyer (each a "Party", and collectively, the "Parties") hereby agree as follows:

ARTICLE 1.
DEFINITIONS

1. 1. Definitions, when used in this Agreement, the following terms shall have the respective meanings assigned to them in this Article 1.
- a) "Agreement" shall mean this Deed Restriction and Declaration of Restrictive Covenants.
 - b) "Qualified Buyer" shall mean Buyer, the initial qualified home buyer or purchaser of property through Nevada County Habitat for Humanity, and any successors or assigns permitted in accordance herewith.
 - c) "County" shall mean the County of Nevada, a political subdivision of the State of California, acting in its capacity as the administrator of Permanent Local Housing Allocation (PLHA) grant funds.
 - d) "Developer" shall mean Nevada County Habitat for Humanity, a California nonprofit public benefit corporation.
 - e) "Development" shall mean the Property and the Improvements to the Property as defined in this Agreement.
 - f) "Effective Date" shall mean the date Agreement is recorded in County's Official Records.
 - g) "Grant Funds" shall mean Permanent Local Housing Allocation funds provided by County to Developer.
 - h) "Improvements" shall mean the improvements to be constructed by the Developer on the Property, including the Unit, and appurtenant landscaping and improvements.
 - i) "Lower Income" shall have the meaning set forth by the State of California Health and Safety Code - HSC Section 50079.5 (a), which generally states that Lower income Households are persons and families with a maximum income of eighty (80) percent of the area median income (AMI), adjusted for family size and revised annually .
 - j) "Moderate Income" shall have the meaning set forth by the State of California Health and Safety Code -HSC Section 50093, which generally states that Moderate Income households are persons and families with a maximum income of one hundred twenty (120) percent of the area median income **(AMI)**, adjusted for family size and revised annually.
 - k) "Official Records" shall mean the official records of the County of Nevada.
 - l) "Property" shall mean the Developer's leasehold interest in the real property described in Recitals and incorporated herein.
 - m) "Restrictive Period" shall mean the thirty (30) years outlined in this Agreement for affordability covenants.
 - n) "Term" shall mean the term of this Agreement which shall commence on the Effective Date, and shall continue until the thirtieth (30th) anniversary of the Effective Date.
 - o) "Very Low Income" shall have the U.S. Department of Housing and Urban Development definition of a family income that does not exceed fifty (50) percent AMI.

ARTICLE 2.
AFFORDABILITY COVENANTS

2. This Restrictive Covenant (Agreement) shall be recorded upon Property providing Developer and its successor and assigns (including Buyer) shall cause the Property to qualify for and to remain occupied by Lower Income household persons only, and to be used to provide and to remain as Lower Income housing pursuant to the provisions of the State of California Health and Safety Code - HSC Section 50079.5 and as established by Section 8 of the United States Housing Act of 1937. Restrictive Covenant shall remain in full force and effect for a period of thirty (30) years, from the date of the Restrictive Covenant is recorded (herein "Restrictive Period"), and shall provide:
 - A. During the Restrictive Period, Qualified Buyer and Qualified Buyer's successors and assigns or Developer may sell, transfer, or convey said Property only to a person or persons qualified as a member of a Lower Income household and shall not sell, transfer, or convey property to a person, persons, or household not fully qualified under the terms of this Restrictive Covenant.
 - B. During the Restrictive Period, if the Qualified Buyer desires to sell said Property, the Qualified Buyer must first notify Developer who may exercise its option to repurchase and resell the property to another Lower Income buyer, and the property will remain in the affordable housing pool. As used in this Restrictive Covenant, a qualified Lower Income Buyer is one whose family income does not exceed 80% of the Area median Income (AMI) for Nevada County.
 - C. If, during the Restrictive Period, the Qualified Buyer desires to sell said Property, the Qualified Buyer shall provide written Notice to Developer and County and may attempt to sell said Property subject to conditions set forth in that certain Right of First Refusal and Option to Purchase entered into between Developer and Buyer.

ARTICLE 3.
BREACH OF COVENANT

3. During the Restrictive Period, in the event of a sale, transfer, or conveyance of the Property to other than a qualified Lower Income household or Habitat for Humanity, or if the Property shall fail to be used to provide or remain as Lower Income housing, such event shall be deemed for all purposes a material breach of this Restrictive Covenant. In such an event:
- a) Such lease, sale, transfer, conveyance, or encumbrance, if occurring, shall be null and void, and of no effect, and may be avoided upon a proper action commenced in a court of competent jurisdiction.
 - b) County shall be entitled to reasonable attorney fees, costs, and expenses incurred in securing the enforcement of the terms hereof; and in furtherance thereof, may utilize in the house counsel or employ outside counsel to prosecute any breach or violation of Agreement. Any award of such attorney fees, whether incurred by in-house counsel at

the prevailing fair market rate in the community or by outside counsel, together with all costs and expenses, shall become a lien upon the Property.

The intent of this Restrictive Covenant is that it shall both benefit and burden the subject Property; is intended to run with the land; and shall be binding upon the parties hereto and their respective heirs, successors, and assigns.

Homeowner name

Date

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 Homeowner
Name _____, 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: _____

Public

Signature: Notary

