

TO BE RECORDED AND WHEN RECORDED
RETURNED TO:

COUNTY OF MONTEREY
Economic Development Department
168 West Alisal Street, 3d Floor
Salinas, CA 93901
Attn: Director

APN
Address

SPACE ABOVE THIS LINE
FOR RECORDING USE

BUYER'S OCCUPANCY AND FINANCING RESTRICTIONS

WHEREAS, _____, (herein called "Buyer") wishes to purchase certain real property located at _____ (herein called "Property") located in the County of Monterey and more specifically described in the attached Exhibit "A" which is incorporated herein by this reference; and

WHEREAS, Buyer wishes to receive a First Time Home Buyer loan ("Loan") from the County of Monterey ("County"); and

WHEREAS, County has received a grant from the State of California's, HOME program to fund First Time Home Buyer loans; and

WHEREAS, the HOME Program requires certain covenants affecting the use and financing of the properties purchased with HOME funded First Time Home Buyer loans; and

WHEREAS, pursuant to the HOME Program, said covenants are to be held, and enforced, by County; and

WHEREAS, the HOME Program requires County to recapture all HOME funds advanced to the Buyer if the Buyer transfers the property prior to expiration of the affordability period covenants.

NOW, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the Buyer(s) hereby agree that the Property shall be subject to these BUYER'S OCCUPANCY AND FINANCING RESTRICTIONS (the "Restrictions").

BUYER hereby covenants and agrees as follows:

1. While the loan is outstanding, Buyer shall occupy the Property as his or her primary residence and shall not lease or rent the Property to any person or entity during that period. County shall have the right to monitor whether the Property is owner-occupied by requesting that Buyer provide County, no more frequently than annually, written certification under penalty of perjury that Property is owner-occupied with supporting documentation reasonably satisfactory to County. Buyer shall have the duty to respond promptly with appropriate documentation. In the event of a breach or threatened breach of this Paragraph 1 of these Restrictions, County, or its successors or assigns, shall be entitled to seek all remedies at law and equity, including the institution of legal action to enforce performance of this Paragraph 1 and to obtain an injunction prohibiting anyone but the Buyer from occupying the Property

and/or requiring the Buyer to occupy the Property and/or requiring the Buyer sell the Property and/or requiring the acceleration of Note.

2. While the loan is outstanding, no sale or transfer shall take place without the prior notice to and demand on the County for repayment.

3. During the period of these covenants, Buyer can only refinance the Property to refinance a lower interest rate on the First Mortgage without cash out to Buyer and consistent with the loan underwriting criteria in County's First Time Home Buyer Program Manual and with the approval of County. Buyer and County agree that the requirements of this section are necessary to ensure the continued affordability of the Property to Buyer and to minimize the risk of loss of the Property by Buyer through default and foreclosure of mortgage loans.

4. No violation or breach of these Restrictions shall defeat or render invalid or in any way impair the lien or charge of the purchase money mortgage, deed of trust, or other security interest made by the First Lender in good faith and for value.

5. These Restrictions, without regard to technical classification or designation, shall be binding for the benefit of County and its successors and assigns for the entire period during which such covenants shall be in force and effect, without regard to whether County or its successors and assigns have an interest therein to which such covenants relate. In the event of a breach of any such covenants, County or its successors and assigns, shall have the right to exercise all the rights and remedies and to maintain any action at law or suits in equity or other proper proceedings to enforce the curing of such breach.

6. These Restrictions shall be construed as covenants running with the land and not as conditions which might result in forfeiture of title.

7. In the event that any portion or provision of these Restrictions is found to be unenforceable, the remaining provisions shall remain in effect.

IN WITNESS WHEREOF, _____ have caused this instrument to be executed as of _____, 201_.

Buyer
