

Attachment A

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1733926-KH

Recording Requested By
and

When Recorded Return To:
County of Monterey
Environmental Resource Policy
Housing and Redevelopment
29 Bishop Street, Suite 203, Pajaro, CA 95076

Stephen L. Vagnini
Monterey County Recorder
Recorded at the request of
Chicago Title

CROLIE
1/06/2003
13:12:46

DOCUMENT: **2003001316**



#2003001316W

Titles: 1/ Pages: 16

Fees.... 53.00
Taxes...
Other...
AMT PAID \$53.00

As applied only to Parcel D, Tract No. 715, Oak Hills Unit 7, this Agreement pertains to the Inclusionary Unit created by Don J. Avila (Developer) to fulfill the Inclusionary Requirement to the County of Monterey for the Avila Minor Subdivision.

INCLUSIONARY HOUSING AGREEMENT

(Resale Restrictions on Inclusionary Housing Unit and Option to Purchase Real Property)

THIS INCLUSIONARY HOUSING AGREEMENT is entered into at Monterey County, California, as of DECEMBER 10, 2002, between **Michael Mount and Brandi Mount** (collectively "Owners"), and the COUNTY OF MONTEREY, a political subdivision of the State of California ("County"),

RECITALS:

- A. Owners are the owners of the real property located in the County of Monterey, California, at **9500 Cathedral Oak Road, Salinas CA 93907, (APN 133-391-014-000)**, within the Final Maps (as defined in the California Subdivision Map Act) for **Tract No. 715, Oak Hills Unit 7** which has been filed of record with the Office of the County Recorder of Monterey County, California known as **Avila Minor Subdivision** ("Development") as described in Exhibit "A" attached to this Agreement.
- B. The development of the Avila Minor Subdivision (Development) has resulted in the construction and sale to the public of single-family dwellings.
- C. County has designated the following lot within Development to be "Inclusionary Units" as defined in Subsection 18.40.040 of the COUNTY CODE:

Lot No.

Parcel D

Tract No.

715, Oak Hills Unit 7

Each of the Lots which are Inclusionary Units are hereinafter referred to as a "Unit".

- D. In full satisfaction of the requirements of COUNTY CODE Chapter 18.40 with respect to Tract 715, Oak Hills Unit 7, Owners have agreed to sell the Units at a price effectively restricted by County to make the Units "affordable" in accordance with the provisions of Chapter 18.40 of the COUNTY CODE.
- E. In return for and in consideration of the opportunity for Owners to sell the Unit and purchasers to purchase the Unit at "affordable prices" and in consideration of and for other good and valuable consideration, Owners, on behalf of themselves and with the express intent to bind all those defined as "Owner" herein, hereby grant to County the option to purchase the Units ("Option") on the following terms and conditions.
1. **Good Faith Effort To Sell The Units.** Owners shall make a good faith effort to sell the Units to purchasers who meet the eligibility requirements of Chapter 18.40 of the Monterey County Code. Good faith effort shall constitute the following:
 - (a) Sell the units to persons having an annual income no greater than **120%** of the median income for Monterey County as defined by the U.S. Department of Housing and Urban Development (H.U.D.) as adjusted for family size.
 - (b) Inform the Housing Authority and Environmental Resource Policy, Housing and Redevelopment of intent to sell inclusionary units by mailing a "Notice of Intent to Sell Inclusionary Units."
 - (c) To perform any preliminary verification of households selected to purchase inclusionary units from owner. Preliminary verification includes review of pre-qualification statement from a lender and income tax statements to determine the household's income eligibility with County median income guidelines.
 - (d) To pay the Housing Authority for the services rendered in verifying and certifying eligible households. The fee for such services shall not exceed \$300 for each household submitted for verification.
 - (e) To deliver a copy of this Agreement to any household certified as an eligible household by the Housing Authority.
 - (f) Request, if necessary, a sixty (60) day extension of the marketing period and a sixty (60) day extension of the escrow period pursuant to Paragraph 3.(a)(ii) of this Agreement.
 - (g) Notwithstanding the foregoing, if Owners request a Hardship Waiver in writing from the obligation to seek to sell the Property as described hereinabove, and the County grants said Hardship Waiver, the sixty (60) day

period set forth in 3. (a.) (i.) below shall commence upon the County's receipt of the Owners' request for Hardship Waiver. A Hardship Waiver shall include job loss, death in Owners' immediate family, divorce or other event or circumstance which the County reasonably believes warrants a Hardship Waiver.

2. **Exercise and Administration of Option.**

- (a) County may administer and/or exercise the Option itself.
- (b) County may from time to time designate another entity, person or organization to administer and/or exercise the Option ("Designee").
- (c) County or its Designee may assign the Option to an individual private buyer who meets the eligibility requirements of, and is approved by, County.
- (d) After the exercise of the Option by County, its Designee or any assignee of County or its Designee in the manner prescribed in this Agreement, County or its Designee may assign or reassign the right to purchase the Unit to any substitute individual private buyer who meets the eligibility requirements of, and is approved by County; provided, however, that any such subsequent assignment shall not extend any time limits contained in this Agreement.
- (e) The Option contained in this Agreement shall not apply to the first purchaser owner nor to any subsequent sale to a purchaser owner who meets the eligibility requirements for a low or moderate income buyer under Chapter 18.40 of the Monterey County Code or to the transfer of a Unit by the Owner if the transfer is a permitted transfer described in Paragraph 11 of this Agreement or to the sale of a unit which is subject to a permitted encumbrance as described in Paragraph 12 of this Agreement, pursuant to a foreclosure sale or deed in lieu, or any subsequent transfer of title to the unit following such foreclosure or deed in lieu transfer.

3. **Method of Exercising Option.**

- (a) Notice to Sell and Notice of Acceptance.
 - i) Except for permitted transfers of a Unit as set forth in Paragraph 11 below and sale of a unit which is subject to a permitted encumbrance as described in Paragraph 12 of this Agreement, pursuant to a foreclosure sale or deed in lieu, or any subsequent transfer of title to the unit following such foreclosure or deed in lieu transfer, if Owner wishes to sell or otherwise dispose of a Unit, Owner shall notify County in writing ("Notice to Sell"). The Notice to Sell shall state the street address of the Unit and Owners' full name(s), and shall be personally delivered or deposited in the United States mail, postage prepaid, first class, certified return receipt requested, addressed to the

County of Monterey, Environmental Resource Policy, Housing and Redevelopment, 29 Bishop Street, Suite 203, Pajaro, CA 95076 and to the County Housing Authority of the County of Monterey addressed to: 123 Rico Street, Salinas, CA 93907. County, its Designee or any assignee of County or its Designee shall then have the right to exercise the Option by delivery of written notice ("Notice of Acceptance") by personal delivery or upon deposit into the United States mail, postage prepaid, first class certified mail, to Owners at the address of the Unit at any time within sixty (60) days following the actual receipt by County of the Notice to Sell.

- ii) Should Owners fail to sell the unit within sixty (60) days, or complete a transfer of title to purchasers who meet the eligibility requirements of the Inclusionary Housing Ordinance during the following sixty (60) day escrow period, Owners may request from County one additional sixty (60) day marketing period and sixty (60) day escrow period before County exercises its Option.
- iii) County shall have sixty (60) days from the date it receives notice of the owner's failure to close escrow to exercise its option to purchase the Property at the Option Price. Upon such exercise, the County shall have sixty (60) days from the date of exercise of its option to consummate the Escrow Closing.
- iv) In the event that County abandons, or fails to exercise, or elects not to exercise the Option within sixty (60) days after it actually receives the Notice to Sell or within an additional sixty (60) day marketing period requested by the owner, County shall cause to be recorded in the Office of the Recorder of County, a notice of intent not to exercise the option with respect to the Unit, and shall deliver a copy of the notice to Owners addressed to the street address of the Unit. The notice shall be recorded within fifteen (15) days following County's decision not to exercise its Option but not later than one hundred twenty (120) days from the Owner's original notice of intent to sell.
- v) In the event that County abandons, or fails to exercise, or elects not to exercise the Option within sixty (60) days after it actually receives the Notice to Sell or within an additional sixty (60) day marketing period requested by the owner, or in the event that upon the County's exercise of the Option, County fails to consummate Escrow Closing at the end of sixty (60) days from the date of exercise of the Option, Owners may then sell the Unit for a fair market price determined by an appraisal approved by County. In the event an escrow is opened related to the sale of the Unit at fair market price, Owners shall be entitled to be paid that amount up to but not to exceed the net amount that Owners would have received under the formula in Paragraphs 6 and 7 upon the close of escrow plus any transaction costs related to the sale. County will submit to the Escrow Agent a demand for

payment for the balance of surplus, if any, in an amount which equals the appraised value minus the amount that owner would have received under the formula in Paragraphs 6 and 7. Upon close of escrow related to the sale of the Unit at fair market price, title to the Unit shall be taken free and clear of the covenants, restrictions and terms of this Agreement and the Option granted to County. County shall deliver a full release of this Agreement to escrow for recordation. The fair market price purchaser of the Unit and any subsequent transferee may thereafter sell the Unit without regard to this Agreement or the Option granted to County.

- (b) **Notice of Default Under Deed of Trust.** Owners covenant to cause to be filed for record in the Office of the Recorder of County, a request for a copy of any notice of default and of any notice of sale under any deed of trust encumbering the Unit. The request shall specify that any such notice shall be mailed to the County of Monterey, Environmental Resource Policy, Housing and Redevelopment, 29 Bishop Street, Suite 203, Pajaro, CA 95076 and to the County Housing Authority of the County of Monterey addressed to 123 Rico St., Salinas, CA 93907. County shall have the right but not the obligation to cure any default under any deed of trust encumbering a Unit. In the event Owners encumber a Unit with a non-purchase money deed of trust or mortgage, an act which is in violation of this Agreement, any notice of sale under the non-purchase money deed of trust or mortgage given pursuant to CIVIL CODE SUBSECTION 2924(f) may, at the election of County, constitute a Notice to Sell pursuant to Paragraph 3(a) and the option to purchase shall take priority over any trustee's sale or foreclosure of a non-purchase money deed of trust. In the event Owners fail to file such request for notice, County's option to purchase shall, at its election, run from the date County obtains actual knowledge of sale or proposed sale. County shall exercise its election as provided in the previous two sentences only after (i) County has reasonably determined that Owners either do not intend to or are not in a financial position to cure the default or defaults under the deed of trust; and (ii) depositing in the United States mail, first class certified, postage prepaid, written notice of its election, addressed to the Owners at the street address of the Unit and to the beneficiary under the deed of trust, if the deed of trust is in default. In the event County elects not to exercise its option upon default, any surplus to which Owners may be entitled shall be paid as follows: that portion of surplus, if any, up to but not to exceed the net amount that Grantee would have received under the formula in Paragraphs 6 and 7 had County exercised its option to purchase the Unit on the date of the foreclosure sale, shall be paid to Owners on the date of the foreclosure sale; the balance of surplus, if any, shall be paid to County. Anything contained in this Agreement to the contrary notwithstanding, the provisions of this Agreement and the Option granted to County, shall be subordinate to any purchase money deed of trust encumbering a Unit, but County shall have the right to cure any default under a deed of trust encumbering a Unit.

(c) **Sale, Transfer or Conveyance of Interest in Unit Without Notice to Sell.**

If Owners fail to provide County with a properly delivered Notice to Sell pursuant to Paragraph 3(a) and County learns of (i) a pending sale, transfer or conveyance of the Unit; or (ii) the actual transfer, sale or conveyance of the Unit, County shall have the right to exercise the Option pursuant to the terms of this Agreement AT ANY TIME THEREAFTER AT ITS ELECTION, however, any such option must be exercised by written notice delivered to the property owner no later than 60 days from the date the County learns of such pending or actual sale, conveyance, or transfer. Owners expressly understand and agree that only a properly delivered Notice to Sell shall result in the period for exercise of the Option being limited to sixty (60) days pursuant to Paragraph 3(a)(i), or an additional sixty (60) days marketing period when requested by Owners.

4. **Escrow.**

(a) **Opening of Escrow.** If and in the event that County, its Designee or any assignee of County or its Designee exercises the Option, close of escrow for the purchase of the Unit shall be on or before forty-five (45) days following receipt by Owners of the Notice of Acceptance, or such later date as may be mutually agreed upon by Owners and County, County's Designee or assignee. The escrow shall be opened upon delivery to Owners of the Notice of Acceptance or as soon thereafter as possible, or at such later time as may be mutually agreed upon by Owners and County, County's Designee or assignee.

(b) **Payment From Escrow.** At the close of escrow for the sale of the Unit, Owners shall pay through escrow to County or its Designee a resale fee for administration of the resale program in an amount determined by County, which in no event may exceed four percent (4%) of the actual purchase price for the Unit, as computed pursuant to Paragraphs 6 and 7 below, and any prepayment fee charged by the holder of a trust deed encumbering the Unit.

5. **Terms of Purchase.**

- (a) **Cash.** The purchase price shall be paid in cash at the close of escrow, or as otherwise provided by mutual agreement of Owners and County, County's Designee or assignee. Owners acknowledge and agree that the percentage amount of any deposit required pending close of escrow shall not exceed that customarily required for the purchase of single-family residences in County at the time of the escrow opening. Closing costs shall be allocated between the buyer and seller according to the customary practices in Monterey County. If Owners sell the unit, they are required to certify eligibility of the potential buyer and obtain certification of physical condition and correction of any deficiencies in the property through the County or the County's designee and agree to pay the Monterey County Housing Authority for such services.
- (b) **Assumption of Financing.** Owners agree to cooperate with County, its Designee or assignee in permitting the purchaser of the Unit purchasing pursuant to the Option, to assume any deed of trust encumbering the Unit, if the purchaser so requests and otherwise is eligible to assume. In the event County purchases a Unit pursuant to the Option and if eligible to do so, takes subject to or assumes an existing deed of trust encumbering the Unit, County shall make the payments on the note secured by the deed of trust and waives any defense to payment based upon the doctrine of sovereign immunity.
- (c) **Conditions to Close of Escrow.** The escrow instructions may provide for conditions or contingencies of the type and nature commonly included within residential purchase escrows (including, but not limited to, financing contingencies, inspection rights and preliminary title report approvals) to the obligation of the purchaser to purchase the Unit from the then owner, provided that any such conditions or contingencies (other than the status of title to the Unit at the time of conveyance and other conditions which by their nature cannot be satisfied prior to closing) must be satisfied or waived on or before sixty (60) days following receipt by Owners of the Notice of Acceptance.

6. **Purchase Price.** The purchase price of the Unit **(\$183,258)** shall, prior to adjustment as provided in Paragraph 7 below, be the lower of:

- (a) The purchase price as agreed upon between Owners and County, its Designee or assignee;
- (b) The Owners' purchase price of the Unit, regardless of when purchased (hereinafter, "Base Price"), plus an amount, if any, equal to (A) the Base Price multiplied by (B) the percentage increase in the median household

income published by the United States Department of Housing & Urban Development ("HUD") for the Monterey County Standard Metropolitan Statistical Area for a family of four (4), from that published for the date nearest the date of purchase of the Unit by Owners over that published nearest the date of receipt by Owners of the Notice of Acceptance. In the event that HUD no longer establishes median income levels at the time of the giving of the Notice to Sell, County may use any other recognized method of computing median income for computing the percentage increase.

In no event, however, shall the purchase price be below the Base Price or below the outstanding balance owing on the note(s) secured by a purchase money deed(s) of trust encumbering the Unit.

7. **Adjustment to Purchase Price.** The purchase price as determined under Paragraph 6 above shall then be adjusted as follows:

- (a) If the Unit is sold, the purchase price shall be:
 - (i) Calculation of Resale value is determined by Monterey County Housing and Redevelopment staff and is based on the following formula:
 - a. Using original sales price as base figure, apply percentage change in median income for Monterey County 4-person household from the original sales year to current year and add this amount to original sales price,
 - b. If home has been maintained in good condition, a credit of up to 10% of original sales price can also be added to resale price calculation,
 - c. Proposed bedroom addition(s) costs can be added to the resale price calculation based on the bedroom addition formula as used by Monterey County Housing and Redevelopment for Inclusionary units,
 - d. The resultant value after completing steps a-c is the resale value as long as *the unit's resale value will still be affordable to an income-eligible household with a household size appropriate for the unit size. Affordability is determined by Monterey County Housing and Redevelopment.*
 - (ii) Decreased by the amount necessary to repair any damages and to put the Unit into salable condition as reasonably determined by County, including, but not limited to, cleaning, painting, cleaning or replacing worn carpeting and draperies, and making needed structural, mechanical, electrical, plumbing and fixed appliances

repairs. County shall provide Owners with a schedule describing "salable condition" upon purchase of the Unit by Owners and again upon receipt from Owners of the Notice to Sell. In the event Owners dispute the amount determined by Housing and Redevelopment to be necessary to repair damage to put the Unit in salable condition, Owners shall have the right to obtain an independent estimate of the amount. County shall reconsider its determination taking into consideration the estimate obtained by Owners. However, the reconsidered determination by County shall be binding upon Owners.

- (b) In the event that Owners sell the Unit after a default under a deed of trust, but prior to a trustee's sale or foreclosure sale, Owners shall pay all expenses actually incurred by the beneficiary under the deed of trust incurred due to Owner's default, including, but not limited to, trustee's fees, attorney's fees, costs of sale and debt service on the debt secured by the deed of trust.

8. **Limits on Liability.** Neither County nor its Designee shall become liable to Owners or become obligated in any manner to owner by reason of its assignment of the Option, nor shall County be in any way obligated or liable to owner for any failure of any designee to consummate a purchase of the Unit or to comply with the terms of any agreement or escrow for the sale of the Unit. Only the purchaser executing a purchase agreement or escrow instructions shall be liable to Owners pursuant to the terms of any such agreement of escrow.
9. **Indemnification.** Nothing in this Agreement shall be construed by County, by Owners or by any Third Party to create the relationship of principal and agent, or of partnership, joint venture or association with one another. Owners agree to indemnify, defend, and hold harmless the County, its officers, agents, and employees from any and all claims, demands, liability, costs, and expenses of whatever nature, including but not limited to, court costs, damages and counsel fees accruing or resulting to any and all contractors, subcontractors, material providers, laborers, and any other person, firm, or corporation furnishing or supplying work in connection with this Agreement, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by Owners in the performance of this Agreement.
10. **Transfers and Conveyances While Option is Operative.** Except as otherwise provided in Paragraph 11 below, until such time as the Option is exercised, waived or expires, the Unit and any interest in title thereto shall not be sold, leased, rented, assigned or otherwise transferred to any person or entity except with the express written consent of County or its Designee, which consent shall be granted only if consistent with County's goal of creating, preserving, maintaining and protecting low and moderate priced housing in Monterey County. Any such sale, lease, assignment or other transfer which has not been consented to by County shall result in County having the RIGHT AT ITS ELECTION TO EXERCISE AT ANY TIME

THEREAFTER THE OPTION however, any such option must be exercised by written notice delivered to the property owner no later than 60 days from the date the County learns of such pending or actual sale, conveyance, or transfer PURSUANT TO PARAGRAPH 3(c) ABOVE.

11. **Permitted Transfers.** The Option contained in this Agreement shall not apply to:

- (a) a transfer of title of a Unit by gift, devise or inheritance to the spouse of an owner, to a surviving joint tenant, to a spouse as a party to a divorce or marital dissolution proceeding or to a spouse in conjunction with marriage; or
- (b) a transfer of title of a Unit to a transferee if:
 - (i) the transferee occupies the Unit,
 - (ii) the transferee earns no more than **One Hundred and Twenty percent (120%)** of the then current County median income as defined by HUD,
 - (iii) the transferee resides in County prior to the transfer,
 - (iv) the purchase price paid to Owners by the transferee is not more than the "purchase price" for the Unit as computed pursuant to the provisions of Paragraphs 6 and 7 above, and
 - (v) County certifies that the facts required by subclauses (i), (ii), (iii) and (iv) are correct and Owners pay to County the costs incurred by County to conduct an investigation to enable County to make the certification; or
- (c) a transfer of title of a Unit authorized by resolution of the Board of Supervisors of County as being consistent with the goals and purposes of the provisions of Chapter 18.40 of the MONTEREY COUNTY CODE.

The covenants made by, restrictions imposed upon, and Option granted by this Agreement shall continue to encumber and run with the title to the Unit following a transfer permitted by this Paragraph 11. Owners shall notify County in writing at least fifteen (15) working days before a transfer of the Unit and the transferee must, in writing, assume the obligations and duties and agree to be bound by the restrictions of this Agreement.

12. **Permitted Encumbrances.** This Agreement and the Option granted to County shall not prohibit Owners from encumbering the Unit for the purpose of securing financing for purposes of purchasing the Unit or securing financing to refinance the original purchase price of the Unit, and shall not supersede or in any way reduce the security or

affect the validity of any purchase money deed of trust or mortgage. If a Unit is acquired at a foreclosure sale under any purchase money deed of trust or mortgage encumbering the Unit, or by deed in lieu of foreclosure sale, title to the Unit shall be taken free and clear of the covenants, restrictions and terms of this Agreement and the Option granted to County and the purchase money trust deed holder and any subsequent transferee may sell the Unit without regard to this Agreement or the Option granted to County. Owners shall not encumber a Unit with a deed of trust which is not a purchase money deed of trust as defined by California law.

- a. Refinancing can include the refinancing of the first mortgage on the property and/or adding a second mortgage on the property. In no case shall the County's non-monetary deed of trust be in less than third position on the property.
- b. Property owners may "take cash" out from the refinancing proceeds as long as the total loans encumbered do not exceed resale value.
- c. If using refinancing proceeds to fund a bedroom addition(s), property owner agrees to deposit an amount equal to the increased value due to bedroom addition(s) in an escrow account, with the County of Monterey listed as an additional co-signer to authorize any disbursement from the escrow account. The sole purpose of the funds in the escrow account shall be used for the construction of the bedroom addition(s).

13. **Duration of Option.** The Option and the provisions set forth in this Agreement shall terminate and become void automatically as to the Unit **thirty (30) years following the later to occur of (a) any sale of the Unit or any transfer of the Unit permitted pursuant to Paragraph 11(b) or 11(c), or (b) the date of recordation of this Agreement.** Except as provided by the terms herein, the provisions set forth in this Agreement shall constitute covenants which shall run with the Unit, shall further and independently constitute an Option encumbering each Unit and shall be binding upon Owners, Owners' heirs, executors, administrators, successors, transferees and assignees, and all parties having or acquiring any right, title or interest in or to any part of a Unit. As long as the Option has not terminated as to a Unit, any attempt to transfer title to any interest in the Unit in violation of this Agreement shall be voidable at the election of County.
14. **Insurance Proceeds.** Notwithstanding the provisions of Paragraph 13, in the event that the Unit is destroyed and insurance proceeds are distributed to Owner instead of being used to rebuild the improvements on the Unit or, in the event of condemnation, if proceeds thereof are distributed to Owners, any surplus of proceeds so distributed remaining after payment of encumbrances of the Unit shall be distributed as follows: that portion of the surplus up to but not exceeding the net amount that Owners would have received under the formula set forth in Paragraphs 6 and 7 above had County exercised the Option on the date of the destruction or

condemnation valuation date, shall be distributed to Owners, the balance of such surplus, if any, shall be distributed to County. County shall be named as an additional insured on the fire and casualty insurance policy issued to the Owners insuring loss to the Unit.

15. **Acceptance of Terms by Owner.** By acceptance of the Deed to which this Agreement is attached, Owners accept and agree to be bound by the covenants, restrictions and Option contained in this Agreement, and further acknowledges receipt of and agrees to be bound by the covenants, restrictions and Option contained in this Agreement, and further acknowledges receipt of and agrees to be bound by the provisions of this Agreement.

16. **Miscellaneous Provisions.**

- (a) **Independent and Severable Provisions.** In the event that any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable or invalid, such holding shall not render unenforceable any other provision hereof, each provision hereof being expressly severable and independently enforceable to the fullest extent permitted by law.
- (b) **Further Assurances and Recordation.** The undersigned covenant that upon the request of County or its Designee, they will execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further instruments and agreements and do such further acts as may be necessary, desirable or proper to carry out more effectively the purpose of this Agreement and other instruments required hereunder, including, but not limited to: (i) immediately executing and acknowledging a Memorandum and Reaffirmation of Grant of Option to Purchase to the County of Monterey; and (ii) upon the sale or other transfer of an interest in the Unit, the undersigned Owners causing the purchaser or transferee to execute and acknowledge an Agreement to Grant Deed in form acceptable to County which shall be attached to the Grant Deed by which the undersigned conveys title to the Unit.
- (c) **Captions and Paragraph Headings.** Captions and paragraph headings used herein are for convenience only and shall not be used in construing this Agreement.
- (d) **Waiver.** No waiver by County or its Designee of the right to exercise the Option or of any breach by Owner of any covenant, restriction or condition herein contained shall be effective unless such waiver is in writing signed by County or its Designee and delivered to the undersigned. The waiver by County or its Designee of any such breach or breaches, or the failure by County or its Designee to exercise any right to remedy with respect to any such breach or breaches, shall not constitute a waiver or relinquishment for the future of any such covenant or condition or bar any right or remedy of


County or its Designee with respect to any such subsequent breach.

- (e) **Amendment.** The parties agree that this instrument contains all of the provisions of the Agreement between the parties hereto. No alteration or variation of the terms of this Agreement shall be valid unless made in writing in the form of an amendment and signed by the parties hereto. No oral understanding or Agreement not incorporated herein shall be binding on any of the parties hereto.

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed as of the date first set forth above.

OWNERS:

Dated: 12-10-02


By 
Michael Mount

Dated: 12-10-02

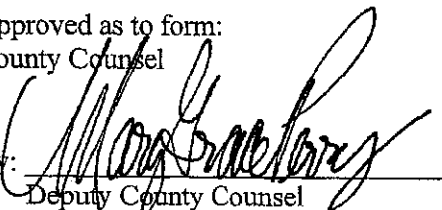
By Brandi Mount
Brandi Mount

COUNTY OF MONTEREY:

Dated: 12-11-02

By 
Jim Cook
Housing and Redevelopment Manager

Approved as to form:
County Counsel

By: 
Deputy County Counsel

12-16-02

EXHIBIT A
Legal Description of Property

APN 133-391-014-000

The land referred to is situated in the State of California, County of Monterey, in the unincorporated area, and is described as follows:

PARCEL I

Parcel D, as shown on the Parcel Map filed for record in the Monterey County Recorder's Office on November 12, 1993 in Volume 19 of "Parcel Maps," Page 48.

PARCEL II

A non-exclusive easement for driveway purposes, 30 feet wide, being a portion of that certain 3.689 acre Parcel A shown on map of Tract No, 715, Oak Hills Unit 7, recorded August 29, 1973 in Volume 12 of Cities and Towns at Page 32, records of said county, lying along, contiguous to and northwesterly of the following described line:

Beginning at a point in the easterly boundary of Parcel B as shown on said map, from which the most southerly corner thereof bears along said boundary S. 52° 07' 51" E., 40.00 feet distant; thence leave said boundary

1) N. 49° 36' E., 51.91 feet more or less to a point on the southwesterly line of Cathedral Oak Road, a county road 130 feet wide as shown on said map.

END OF DOCUMENT

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