LOMA LINDA HOUSING AUTHORITY

AGENDA

REGULAR MEETING OF NOVEMBER 12, 2013

A regular meeting of the Housing Authority of the City of Loma Linda is scheduled to be held at 7:00 p.m. or as soon thereafter as possible, WEDNESDAY, NOVEMBER 12, 2014, 2014 in the City Council Chamber, 25541 Barton Road, Loma Linda, California.

Reports and Documents relating to each agenda item are on file in the Office of the City Clerk and are available for public inspection during normal business hours. The Loma Linda Branch Library is also provided an agenda packet for your convenience. The agenda and reports are also located on the City's Website at www.lomalinda-ca.gov.

Materials related to an item on this Agenda submitted to the Housing Authority Board after distribution of the agenda packet are available for public inspection in the City Clerk's Office, 25541 Barton Road, Loma Linda, CA during normal business hours. Such documents are also available on the City's website at www.lomalinda-ca.gov subject to staff's ability to post the documents before the meeting.

Persons wishing to speak on an agenda item are asked to complete an information card and present it to the City Clerk prior to consideration of the item. When the item is to be considered, please step forward to the podium, the Chair will recognize you and you may offer your comments. The Housing Authority meeting is recorded to assist in the preparation of the Minutes, and you are therefore asked to give your name and address prior to offering testimony.

The Oral Reports/Public Participation portion of the agenda pertains to items NOT on the agenda and is limited to 30 minutes; 3 minutes allotted for each speaker. Pursuant to the Brown Act, no action may be taken by the Housing Authority at this time; however, the Housing Authority Board may refer your comments/concerns to staff or request that the item be placed on a future agenda.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at (909) 799-2819. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. Later requests will be accommodated to the extent feasible.

Agenda item requests for the DECEMBER 9, 201 meeting must be submitted in writing to the City Clerk no later than NOON, MONDAY, NOVEMBER 24, 2014.

A. Call To Order

B. Roll Call

C. Items To Be Added Or Deleted

D. Oral Reports/Public Participation - Non-Agenda Items (Limited to 30 minutes; 3 minutes allotted for each speaker)

E. Conflict of Interest Disclosure - Note agenda item that may require member abstentions due to possible conflicts of interest

F. Public Hearings

1. **Joint Public Hearing** of the City Council and Housing Authority pertaining to the sale of 25613 Prospect Avenue and approving a Housing Disposition Agreement **(**Continued from October 14) **[City Clerk/Authority Secretary]**

   a. LLHA Bill #R-2014-02 - Authorizing the sale of 25613 Prospect Avenue to Michelle Anderson and approving the Housing Disposition Agreement
   b. Council Bill #R-2014-30 - Consenting to the sale of 25613 Prospect Avenue to Michelle Anderson

G. Consent Calendar

2. Demands Register

3. Minutes of October 28, 2014

H. Old Business

I. New Business

J. Chair and Member Reports

K. Reports of Officers

L. Adjournment

City of Loma Linda Official Report

Rhodes Rigsby, Mayor
Phill Dupper, Mayor pro tempore
Ovidiu Popescu, Councilman
Ron Dailey, Councilman
John Lenart, Councilman

Approved/Continued/Denied
By City Council
Date _____

COUNCIL AGENDA: November 12, 2014

TO: City Council

VIA: T. Jarb Thaipejr, City Manager

FROM: Pamela Byrnes-O'Camb, City Clerk

SUBJECT: **Joint Public Hearing** of the City Council and Housing Authority pertaining to the sale of 25613 Prospect Avenue and approving a Housing Disposition Agreement (Continued from October 14, 2014)

a. LLHA Bill #R-2014-02 - Authorizing the sale of 25613 Prospect Avenue to Michelle Anderson and approving the Housing Disposition Agreement

b. Council Bill #R-2014-30 - Consenting to the sale of 25613 Prospect Avenue to Michelle Anderson

RECOMMENDATION

It is recommended that the Housing Authority Board and City Council approve the respective Council Bills authorizing and consenting to the sale of 25613 Prospect Avenue to Michelle Anderson, and that the Housing Authority approve the Housing Disposition Agreement

The Housing Authority Board directed Staff to pursue outside financing for transactions related to those properties currently owned by the Housing Authority for which buyers have been pre-qualified to purchase pursuant to the Affordable Housing Program.

A buyer has been pre-qualified; an outside lender has confirmed financing arrangements; and a joint public hearing of the City Council and Housing Authority Board was advertised and continued to this date. Buyer and Housing Authority are ready to move forward at this time.

Sale of residential units/properties was negatively impacted by the enactment of ABx1 26 (the "2011 Dissolution Act") which provided generally for the dissolution of all redevelopment agencies in the State of California, and which effected, for several months, a freeze on the entering into of contracts. The 2011 Dissolution Act was challenged by litigation initiated during 2011; that litigation was decided by the California Supreme Court in a manner which upheld the 2011 Dissolution Act.

Under the 2011 Dissolution Act, housing assets of a redevelopment agency become assets of a housing successor housing entity as designated by the city council of the host city. In the case of housing assets of the Redevelopment Agency, the Loma Linda City Council, which had previously activated a local housing authority, the Loma Linda Housing Authority ("Housing Authority" herein), designated the Housing Authority to receive the housing assets of the former Redevelopment Agency.

The subject property is a condominium within the University Community Homes Development which consists of 42 single-family units of which 7 have long-term affordability covenants that run with the land for a state mandated period of time. The Housing Authority purchased the Prospect Avenue house from the former owner.

The Agreement provides for monthly payments in compliance with the Affordable Housing Cost for Lower Income Households as set by the State Department of Housing and Community Development (HCD) under Health and Safety Code Sections 50052.5, 50079.5, and related regulations.

ANALYSIS

Outside financing of the house would retain the affordability covenant, provide the buyer within the lower income category the opportunity to purchase a home, and would provide a revenue source for the Housing Authority.

FINANCIAL IMPACT

Sale of the Prospect Avenue property ($165,000.00) would provide the Authority with funding (in the amount of the sales price, less real estate commissions, the premium for the owner's title policy, one half of the escrow fee and certain other incidental closing costs) to maintain and preserve its supply of affordable housing available to income-qualified persons and families pursuant to the Authority's Affordable Housing Program.

Attachments:
Please see City Council Item #2

HOUSING DISPOSITION AGREEMENT

BY AND BETWEEN

THE LOMA LINDA HOUSING AUTHORITY,

AUTHORITY

AND

MICHELLE ANDERSON

PARTICIPANT

(25613 Prospect Avenue)

(Lower Income)

TABLE OF CONTENTS

Page

100. SUBJECT OF AGREEMENT 1
- 101. Purpose of Agreement; Definitions 1
  - 101.1 Purpose; Delegation 1
  - 101.2 Definitions 1
- 102. Ownership of The Property 4
- 103. The Authority 4
- 104. The Participant 5
- 105. Prohibition Against Change in Participant 5
- 106. Representations by the Participant 5

200. SALE OF THE PROPERTY 6
- 201. Purchase Consideration 6
  - 201.1 Purchase Price 6
  - 201.2 First Note 7
  - 201.3 Transactional Costs 7
- 202. Escrow 7
- 203. Conveyance of Title 9
- 204. Form of Deed 10
- 205. Condition of Title 10
- 206. Recordation of Documents 10
- 207. Title Insurance 10
- 208. Taxes and Assessments 10
- 209. Conditions Precedent 10

300. USE OF THE PROPERTY 11
- 301. Affordable Housing 11
  - 301.1 Affordability Requirements 11
  - 301.2 Notice of Authority 11
  - 301.3 Use of Property 12
  - 301.4 Maintenance of Property 12
  - 301.5 Occupancy Standards 12
  - 301.6 No Discrimination 12
  - 301.7 Authority May Maintain 13
- 302. Effect of Violation of the Terms and Provisions of this Agreement After the Authority Conveyance 13

400. DEFAULTS AND REMEDIES 13
- 401. Defaults – General 13
- 402. Institution of Legal Actions; Applicable Law; Interpretation 13
- 403. Acceptance of Service of Process 14
- 404. Rights and Remedies Are Cumulative 14
- 405. Inaction Not a Waiver of Default 14
- 406. Damages 14
- 407. Specific Performance 14
- 408. Remedies and Rights of Termination by Participant 14
- 409. Remedies and Rights of Termination by the Authority 14

500. GENERAL PROVISIONS 15
- 501. Notices, Demands and Communications Between the Parties 15

TABLE OF CONTENTS
(*continued*)

Page

502. Conflicts of Interest 15
503. Enforced Delay; Extension of Times of Performance 15
504. No Third Party Beneficiaries of This Agreement 15
505. Non-liability of Officials and Employees of the Authority 15

600. ENTIRE AGREEMENT, WAIVERS 16

700. TIME FOR ACCEPTANCE OF AGREEMENT BY AUTHORITY 16

LIST OF ATTACHMENTS

Attachment No. 1 – Legal Description of the Property
Attachment No. 2 – Schedule of Performance
Attachment No. 3 – Grant Deed Containing Resale Restrictions
Attachment No. 4 – Acknowledgment of Covenants
Attachment No. 5 – Modification Agreement
Attachment No. 6 – Disclosure Statement
Attachment No. 7 – Notice of Affordability Restriction

HOUSING DISPOSITION AGREEMENT

This **HOUSING DISPOSITION AGREEMENT** (the "Agreement"), dated as of November 12, 2014 is entered into by and between the **LOMA LINDA HOUSING AUTHORITY** (the "Authority") and **MICHELLE ANDERSON**, an unmarried woman (the "Participant"). The Authority and the Participant hereby agree as follows:

100. SUBJECT OF AGREEMENT

101. Purpose of Agreement; Definitions.

101.1 Purpose; Delegation. The purpose of this Agreement is to provide for the sale of certain property by the Authority to a Lower Income Household at Affordable Housing Cost (as those capitalized terms are defined below), to provide for long-term affordability of the subject property and to provide for certain payments to be made to the Authority as set forth in greater detail herein. Under this Agreement, the subject property would, upon Participant obtaining a first mortgage loan from an institutional lender and satisfying conditions to close as more fully set forth herein, be sold to the Participant subject to covenants assuring the subject property will be maintained as an affordable housing resource for qualified Lower Income Households at an Affordable Housing Cost for a period delineated in "Covenants of Record" as defined below. In accordance with the terms of this Agreement, Participant desires to purchase that certain real property commonly known as 25613 Prospect Avenue, Loma Linda, California 92354 (the "Property"), and more particularly described in the "Legal Description of the Property," as defined below.

In connection with its efforts to purchase the Property, Participant has made an application to Provident Bank Mortgage ("Provident") for a first mortgage loan. Based upon initial estimates by Provident, it will be necessary for Participant to make a down payment of not less than Fifty Two Thousand Five Hundred Dollars ($52,500.00)(the "Estimated Down Payment Amount"). In addition, it will be necessary for Participant to fund closing costs, which have been preliminarily estimated by Provident at Five Thousand Seven Hundred Fifty Dollars ($5,750.00), the premium for the first lender's title insurance policy, prepaid taxes and insurance and one-half of escrow charges.

The amount of the first loan has not been established and it, as well as the down payment, interest rates and other factors are subject to change. The Authority delegates to the Executive Director authority to modify the terms of this Agreement as follows (without necessity of further action by the governing board of the Authority): (i) the sales price may be changed by up to five percent (5%); (ii) the down payment may be changed in any manner deemed appropriate by the Executive Director; (iii) the allocation of closing costs may be changed in any manner deemed appropriate by the Executive Director; and (iv) the Executive Director, or staff or persons hired by the Authority for such purpose, may determine or modify the utility allowance deemed appropriate in connection with the sale of the Property to the Participant.

101.2 Definitions.

(a) "**Acknowledgment of Covenants**" means an instrument substantially in the form of Attachment No. 4 hereto.

(b) ***"Affordability Period"*** means the period commencing as of the date of the conveyance of the Property by the Authority to the Participant and ending as of October 13, 2030.

(c) ***"Affordable Housing Cost"*** means:

(i) If Participant is a person or family of Very Low Income earning not more than fifty percent (50%) of San Bernardino County Median Income, "Affordable Housing Cost" means a monthly housing cost which does not exceed thirty percent (30%) times fifty percent (50%) of San Bernardino County median income adjusted for family size appropriate to the Property, as set forth in Health and Safety Code Section 50052.5 and the regulations of the State of California.

(ii) If Participant is a person or family of Lower Income earning not more than seventy percent (70%) of San Bernardino County Median Income, "Affordable Housing Cost" means a monthly housing cost which does not exceed thirty percent (30%) times seventy percent (70%) of San Bernardino County median income adjusted for family size appropriate to the Property, as set forth in Health and Safety Code Section 50052.5 and the regulations of the State of California.

(iii) If Participant is a person or family of Lower Income earning seventy percent (70%) or more than seventy percent (70%) of San Bernardino County Median Income, "Affordable Housing Cost" means a monthly housing cost which does not exceed the greater of (1) thirty percent (30%) times seventy percent (70%) of San Bernardino County median income adjusted for family size appropriate to the Property, or (2) thirty percent (30%) times Participant's monthly gross income, as set forth in Health and Safety Code Section 50052.5 and the regulations of the State of California.

(d) ***"Authority"*** means the Loma Linda Housing Authority and any governmental successor to its rights, powers and responsibilities.

(e) ***"Authority Conveyance"*** or "***Conveyance***" means the conveyance of the Property (including the Improvements) by the Authority to the Participant in accordance with the terms and conditions of this Agreement using the Grant Deed Containing Restrictions.

(f) ***"Agreement"*** means this Housing Disposition Agreement by and between the Authority and the Participant.

(g) "***City Code***" means the Loma Linda Municipal Code as it may be amended from time to time.

(h) ***"Conditions Precedent"*** means those conditions set forth in Section 209 of this Agreement that must be satisfied prior to the Authority Conveyance.

(i) "***Covenants of Record***" means those certain covenants contained in an instrument entitled "Declaration of Conditions, Covenants and Restrictions" as recorded among the Official Records on October 13, 2000 as Document No. 20000372049, as modified by that instrument entitled "First Amendment to Declaration of Conditions, Covenants and Restrictions" as recorded among the Official Records on April 19, 2001 as Document No. 20010145467; a copy of

the foregoing instruments have been delivered to the Participant prior to the Date of Agreement, and a copy of each such instrument is on file with the Authority as a public record.

(j) ***"Date of Agreement"*** means November 12, 2014.

(k) "***Disclosure Statement"*** means Attachment No. 6 to this Agreement.

(l) ***"Down Payment"*** means cash in the amount of not less than Fifty Two Thousand Five Hundred Dollars ($52,500).

(m) ***"Escrow"*** means the escrow opened pursuant to Section 202 of this Agreement for the Authority Conveyance.

(n) ***"Executive Director"*** means the Executive Director of the Authority or his designee.

(o) "***First Deed of Trust***" means a deed of trust securing repayment of the First Loan.

(p) "***First Lender***" means the Institutional Lender that makes the First Loan.

(q) "***First Loan***" means the loan by an Institutional Lender to the Participant as provided under the First Note provided under Section 201.2 of this Agreement.

(r) "***First Loan Amount***" means an amount which when combined with the Down Payment is not less than One Hundred Fifteen Thousand Dollars ($115,000.00), or such other amount as may be approved by the Executive Director at his discretion.

(s) "***First Loan Documentation***" means a deed of trust, a promissory note, disclosures, escrow instructions and such other documentation as is provided by the First Lender related to the First Loan.

(t) ***"Grant Deed Containing Resale Restrictions"*** means Attachment No. 3 as attached to this Agreement.

(u) ***"Improvements"*** means those improvements located on the Property as of the date of execution of this Agreement by the Authority, including without limitation a single family residence.

(v) "***Institutional Lender***" means a bank, savings and loan association, credit union, mortgage bank, or such other business active in originating mortgage loans to homebuyers as may be consented to in writing by the Executive Director.

(w) ***"Legal Description of the Property"*** means Attachment No. 1 as attached to this Agreement.

(x) ***"Lower Income Household"*** shall mean a person or family of Very Low or Lower Income, as these terms are defined by California Health and Safety Code Sections

50079.5 and 50105, that as of the date of this Agreement earns 80% or less of the current annual median income adjusted for family size for the San Bernardino County ("County") area.

(y) "***Modification of Certain Covenant Provisions***" means an instrument substantially in the form of Attachment No. 5 hereto.

(z) ***"Monthly Housing Cost"*** means, for a Lower Income Household purchasing the Property, all of the following associated with the Property, estimated or known as of the date of the proposed sale of the Property: (i) principal and interest payments on a mortgage loan, and any loan insurance fees associated therewith (provided that if the mortgage loan obtained by the purchaser contains an adjustable interest rate, then for the purposes of this Restriction the principal and interest payments shall be deemed to be those which would be due upon a mortgage loan amortized over a thirty year period with an interest rate equal to prevailing market rates for thirty-year fixed-rate mortgage loans; provided further that such clause shall not be deemed to permit the use of adjustable interest rate loans with respect to the Property); (ii) property taxes and assessments; (iii) fire and casualty insurance covering replacement value of property improvements; (iv) any homeowner association fees; and (v) a reasonable utility allowance. Monthly housing cost of a purchaser shall be an average of estimated costs for the next twelve (12) month period.

(aa) "***Notice of Affordability Restriction***" means Attachment No. 7 to this Agreement.

(bb) ***"Official Records"*** means, unless the context otherwise requires, the official land records of the County Recorder of the County of San Bernardino.

(cc) ***"Participant"*** means the person or persons set forth in the first paragraph of this Agreement, and their successors and assigns.

(dd) ***"Property"*** is defined in Section 101.1 hereof. The Property is more fully described in the Legal Description of the Property.

(ee) ***"Qualifying Buyer"*** means a Lower Income Household.

(ff) ***"Sales Price"*** means the amount of One Hundred Sixty Five Thousand Dollars ($165,000.00).

(gg) ***"Schedule of Performance"*** means Attachment No. 2 as attached to this Agreement.

102. Ownership of The Property. The Authority owns the Property as of the execution of this Agreement by the Authority.

103. The Authority. The Authority is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under Part 2 of Division 24 of the Health & Safety Code. The principal office of the Authority is located at 25541 Barton Road, Loma Linda, California 92354.

Unless otherwise required by law and unless the context or express language of this Agreement otherwise requires, the Executive Director may act on behalf of the Authority hereunder.

104. The Participant. The Participant consists of Michelle Anderson, an unmarried woman. Prior to the conveyance of the Property to the Participant, the principal office and mailing address of the Participant for purposes of this Agreement shall be deemed to be 3679 N. Lugo Avenue, San Bernardino, California 92404; after the conveyance of the Property to the Participant, the principal address of the Participant for purposes of this Agreement shall be 25613 Prospect Avenue, Loma Linda, California 92354.

105. Prohibition Against Change in Participant. The qualifications and identity of the Participant are of particular interest to the Authority. It is because of these qualifications and identity that the Authority has entered into this Agreement with the Participant. Consequently, no person, whether a voluntary or involuntary successor of Participant shall acquire any rights or powers under this Agreement nor shall the Participant assign all or any part of this Agreement without the prior written approval of the Authority, which consent the Authority may grant, withhold, or refuse at its sole and absolute discretion.

106. Representations by the Participant. The Participant represents and warrants to the Authority as follows:

(a) To the best knowledge of the Participant, the Participant is a Qualifying Buyer;

(b) The Participant has submitted an application and additional information verifying income eligibility to Authority prior to execution of this Agreement. Participant represents, warrants, and declares under penalty of perjury to Authority that all information Participant has provided and will provide in the future to Authority is and will be true, correct and complete. Participant acknowledges that Authority is relying upon Participant's representations as to income, household size, assets and other information to determine whether Participant is a Lower Income Household, and Authority would not have entered into this Agreement if Participant did not so qualify. In the event that Authority discovers that any of such information is materially untrue, Authority may declare First Loan immediately due and payable;

(c) The Participant intends to reside in the Property as Participant's principal residence immediately upon acquisition of the Property and at all times during the period of Participant's ownership of the Property;

(d) The Participant has had the opportunity to obtain advice concerning this Agreement from advisors of Participant's choosing, and Participant has carefully reviewed the provisions of this Agreement, including without limitation: (i) long-term restrictions upon the use and resale of the Property; and (ii) the Disclosure Statement; the Participant has also reviewed the terms of the First Loan Documentation with counsel of Participant's choosing;

(e) There are no material pending or, so far as is known to the Participant, threatened, legal proceedings to which the Participant is or may be made a party or to which any of its property is or may become subject, which has not been fully disclosed in the material submitted to the Authority which could materially adversely affect the ability of the Participant to carry out its obligations hereunder; and

(f) There is no action or proceeding pending or, to the Participant's best knowledge, threatened, looking toward the dissolution or liquidation of the Participant and there is no

action or proceeding pending or, to the Participant's best knowledge, threatened by or against the Participant which could affect the validity and enforceability of the terms of this Agreement, or materially and adversely affect the ability of the Participant to carry out its obligations hereunder.

Each of the foregoing items shall be deemed to be an ongoing representation and warranty. The Participant shall advise the Authority in writing if there is any change pertaining to any matters set forth or referenced in the foregoing items.

200. SALE OF THE PROPERTY

201. Purchase Consideration.

201.1 Purchase Price. The Participant agrees to purchase and, subject to the satisfaction of the Conditions Precedent set forth in Section 209 of this Agreement, the Authority agrees to sell the Property (including the Improvements) to the Participant by use of the Grant Deed Containing Resale Restrictions for the Purchase Price. The Purchase Price will be represented by cash and promissory notes as follows: (i) the Down Payment; and (ii) proceeds of the First Loan.

Participant acknowledges and agrees that the fair market value of the Property as of the Date of Agreement without regard to the restrictions for Affordable Housing Cost and Lower Income Affordable Housing as contained in the Grant Deed Containing Resale Restrictions would be and shall be deemed to be One Hundred Ninety Thousand Dollars ($190,000.00).

Participant further agrees and acknowledges than the Property is being sold by Authority to Participant subject to the restrictions on affordability and use as contained in this Agreement, the Grant Deed Containing Resale Restrictions and the other attachments to this Agreement and that but for those restrictions (and Participant's agreement to comply therewith), the Authority would not have agreed to convey the Property to the Participant.

The Participant acknowledges that the First Loan shall be due and payable as provided under the First Note Documentation.

201.2 First Note. The First Note shall be in an amount which, when combined with the Down Payment, shall be not less than the First Note Amount. The First Note shall be for a fixed rate of interest with no negative amortization and shall, together with the remaining First Loan Documentation evidence the terms of the First Note and describe the terms of the First Note and the conditions under which it is made. The First Loan shall be originated by an Institutional Lender. The terms of the First Loan Documentation are a matter between the Participant and such Lender. The First Loan shall be secured by the First Deed of Trust. The First Deed of Trust shall be subject to the Covenants of Record, including the references thereto contained in the Grant Deed Containing Restrictions; provided that the Authority shall provide assurances to the First Lender in the form set forth in the Modification of Certain Covenant Provisions that the Covenants of Record and the Grant Deed Containing Restrictions shall not be construed to prevent, delay or preclude conveyance by foreclosure or deed in lieu of foreclosure or the remarketing of the Property by the Participant to a Lower Income Household at a price consistent with Affordable Housing Cost for a Lower Income Household in the event Participant shall default under the First Loan Documentation and the First Lender shall deem it necessary or appropriate to acquire the Property by foreclosure or deed in lieu of foreclosure and to remarket the Property to a Lower Income Household at a price consistent with Affordable Housing Cost.

(a) Provisions. The First Note shall be for the First Note Amount. Payment shall be secured by the First Deed of Trust.

201.3 Transactional Costs. Transactional costs in connection with the initial sale of the Property by Authority to Participant shall be allocated as provided in Section 202 hereto. Any costs and charges imposed by Provident and/or the First Lender shall be borne by the Participant. Thereafter, in connection with any refinancing, sale, transfer or any modification of this Agreement or any instruments promulgated thereunder, all of Authority's costs shall be borne by Participant, and until paid to Authority shall constitute a lien against the Property in favor of Authority.

202. Escrow. The Authority agrees to open an escrow for the conveyance of the Property (the "Escrow") with Ticor Title Company of California or another title insurer designated by the Authority (the "Title Company") or with another mutually agreeable escrow company (the "Escrow Agent"), for the Authority Conveyance, by the time established therefor in the Schedule of Performance. The Escrow Agent shall accomplish the recordation of the Grant Deed Containing Resale Restrictions, and the First Deed of Trust all as more particularly set forth herein. This Agreement constitutes the joint basic escrow instructions of the Authority and the Participant for the Authority Conveyance, and a duplicate original of this Agreement shall be delivered to the Escrow Agent upon the opening of the Escrow. The Authority and the Participant shall provide such additional escrow instructions as shall be necessary for and consistent with this Agreement. The Escrow Agent is hereby empowered to act under this Agreement, and the Escrow Agent, upon indicating within five (5) days after the opening of the Escrow its acceptance of the provisions of this Section 202, in writing, delivered to the Authority and the Participant, shall carry out its duties as Escrow Agent hereunder. The Escrow Agent shall arrange with the homeowner's association which administers certain matters as to the Property and other dwellings developed as part of the project of which the Property is a part for the transfer on the association's books of the Property to the Participant. The applicable homeowner's association is Preferred Management Group, 525 New Jersey Street, Suite H, Redlands, California 92373 ([909] 335-6321). Upon delivery of the Grant Deed Containing Resale Restrictions, the First Deed of Trust, and the Notice of Affordability Restriction to the Escrow Agent, the Escrow Agent shall record the Grant Deed Containing Resale Restrictions when title can be vested in the Participant in accordance with the terms and provisions of

this Agreement. Immediately thereupon, the Escrow Agent shall record the First Deed of Trust, then the Notice of Affordability Restriction. No additional deed(s) of trust may be recorded unless and until the prior written concurrence of the Executive Director is first obtained. The Escrow Agent shall pay any applicable transfer tax. Any insurance policies covering the Property are not to be transferred.

The Participant shall pay in escrow to the Escrow Agent all fees, charges and costs promptly after the Escrow Agent has notified the Participant of the amount of such fees, charges and costs, but not earlier than ten (10) days prior to the scheduled date for closing the Escrow, including, without limitation, the following:

(a) The Purchase Price, which shall be in the form of: (i) Participant's Down Payment (which shall be a cash payment of not less than $52,500, exclusive of moneys paid by Participant as Participant's share of closing costs); and (ii) the First Note; and

(b) The Participant's share of closing costs, including: (i) that portion of the premium for title insurance to be paid by the Participant pursuant to Section 207 of this Agreement; (ii) recording fees; (iii) notary fees; (iv) any state, county or city documentary stamps (with such stamps to be determined based upon the sum of $165,000.00); (v) one-half of the escrow fee; (vi) any fees or charges imposed by the appropriate homeowner's association in connection with the transfer of the Property to the Participant; and (vii) any other closing costs not expressly allocated to Authority under this Agreement.

The Authority shall pay in escrow to the Escrow Agent the following fees, charges and costs promptly after the Escrow Agent has notified the Authority of the amount of such fees, charges and costs, but not earlier than ten (10) days prior to the scheduled date for closing the Escrow:

(c) Costs necessary to place title to the Property in the condition for conveyance required by the provisions of this Agreement;

(d) Cost of drawing documents (if applicable);

(e) That portion of the premium for title insurance to be paid by the Authority pursuant to Section 207 of this Agreement;

(f) One-half of the escrow fee;

(g) Ad valorem taxes, if any, upon the Property for any time prior to transfer of title; and

(h) Any transfer tax.

The Authority shall timely and properly execute, acknowledge and deliver a deed in substantially the form of the Grant Deed Containing Resale Restrictions.

The Escrow Agent is authorized to:

(a) Pay, and charge the parties for any fees, charges and costs payable under this Section 202 of this Agreement. Before such payments or charges are made, the Escrow

Agent shall notify the parties of its estimate of the fees, charges and costs necessary to conform title and close the Escrow.

(b) Disburse funds deposited for the benefit of the Authority in the escrow established pursuant to Section 202 of this Agreement, and shall deliver the deed and other documents to the parties entitled thereto when the conditions of this Escrow have been fulfilled by the Authority and the Participant.

(c) Record any instruments delivered through this Escrow, if necessary or proper, to vest title in the Participant in accordance with the terms and provisions of this Agreement.

All funds received in this Escrow shall be deposited by the Escrow Agent, with other escrow funds of the Escrow Agent in an interest earning general escrow account or accounts with any state or national bank doing business in the State of California. Such funds may be transferred to any other general escrow account or accounts. All disbursements shall be made by check of the Escrow Agent. All adjustments are to be made on the basis of a thirty (30) day month. Interest shall be applied for the benefit of the party depositing such funds.

If this Escrow is not in condition to close on or before the time for conveyance established in Section 203 of this Agreement, either party who then shall have fully performed the acts to be performed before the conveyance of title may, in writing, demand from the Escrow Agent the return of its money, papers or documents deposited with the Escrow Agent, with a copy to be concurrently transmitted by such party to the other party. No demand for return shall be recognized until ten (10) days after the Escrow Agent shall have mailed copies of such demand to the other party or parties at the address of its or their principal place or places of business. Objections, if any, shall be raised by written notice to the Escrow Agent and to the other party within the ten (10) day period, in which event the Escrow Agent is authorized to hold all money, papers and documents with respect to the Property until instructed by a mutual agreement of the parties or by a court of competent jurisdiction. If no such demands are made, the Escrow shall be closed as soon as possible.

The Escrow Agent shall not be obligated to return any such money, papers or documents except upon the written instructions of both the Authority and the Participant or until the party entitled thereto has been determined by a final decision of a court of competent jurisdiction.

Any amendment to these Escrow instructions shall be in writing and signed by both the Authority and the Participant. At the time of any amendment, the Escrow Agent shall agree to carry out its duties as Escrow Agent under such amendment.

All communications from the Escrow Agent to the Authority or the Participant shall be directed to the addresses and in the manner established in Section 501 of this Agreement for notices, demands and communications between the Authority and the Participant.

The liability of the Escrow Agent under this Agreement insofar as Escrow Agent performs as an escrow holder and without limitation to performance by Escrow Agent in another capacity (such as title insurer) is limited to performance of the obligations imposed upon it under Sections 202 to 209, both inclusive, of this Agreement.

203. Conveyance of Title. Subject to any extensions of time mutually agreed upon between the Authority and the Participant, the Authority Conveyance shall be completed on or prior

to the date specified therefor in the Schedule of Performance. Said Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing between the Participant and the Authority.

204. Form of Deed. The Authority shall convey to the Participant title to the Property by grant deed in the form of the Grant Deed Containing Resale Restrictions.

205. Condition of Title. The Authority shall convey to the Participant fee simple merchantable title to the Property, excepting therefrom mineral rights, free and clear of all recorded or unrecorded liens, encumbrances, covenants, assessments, easements, leases and taxes, except for the provisions contained in the Grant Deed Containing Resale Restrictions and such other encumbrances to which the Participant may consent, which approval shall not be unreasonably withheld; provided that, notwithstanding the foregoing, conveyance subject to covenants and easements of record which do not affect the use of the Property for the purposes set forth in this Agreement shall be deemed to comply with this Section 205. Title will be subject to the Grant Deed Containing Resale Restrictions, and the First Deed of Trust. The Participant shall review easements prior to closing consistent with the foregoing.

206. Recordation of Documents. The Escrow Agent shall file the Grant Deed Containing Resale Restrictions, and the First Deed of Trust for recordation among the Official Records, when the Escrow Agent is prepared to deliver to the Participant the title policy described in and conforming to Section 207 of this Agreement, with a copy thereof to the Authority. In the event other deeds of trust are recorded, the Escrow Authority shall delivery a copy thereof to the Authority.

207. Title Insurance.

(a) Concurrently with recordation of the Grant Deed Containing Resale Restrictions, Ticor Title Company of California, or another title company designated by the Authority (the "Title Company") shall deliver to the Participant a title insurance policy issued by the Title Company insuring that the title to the Property is vested in the Participant in the condition required by Section 205 of this Agreement. The title insurance policy shall be based upon the amount of $165,000.00. The Authority shall bear that amount equal to the cost of a standard CLTA policy. The Title Company shall provide the Authority with a copy of the title insurance policy. All additional costs incurred for or incidental to title insurance shall be allocable to the Participant. The Participant may, at its option and at its cost, obtain coverage in excess of the amount of $165,000.00 and may obtain endorsements or an ALTA policy.

(b) The Title Company shall provide for the First Lender a lender's ALTA policy of title insurance based upon the original principal amount of the First Note. The cost of the premium shall be borne by the Participant.

208. Taxes and Assessments. Ad valorem taxes and assessments, if any, on the Property, levied, assessed or imposed for any period commencing after conveyance of title, shall be borne by the Participant.

209. Conditions Precedent. Prior to and as conditions to the Authority Conveyance, and by the respective times established therefor in the Schedule of Performance, the Participant shall complete each of items 1, 2, 3, 4 and 5:

1. The Participant shall have deposited the applicable down payment into Escrow for release to the Authority;

2. The Participant shall have executed and deposited into Escrow for delivery to the Authority at closing each of the following: (i) the First Note; (ii) the Grant Deed Containing Resale Restrictions; (iii) the First Deed of Trust; and (iv) the Notice of Affordability Restriction;

3. The Participant shall have paid to escrow all fees and costs payable by Participant in accordance with Section 202 of this Agreement;

4. The Authority shall have determined, based upon information provided by the Participant, that (a) the Participant intends to occupy the Property as the Participant's principal residence, (b) the Participant is a Qualifying Buyer, (c) the use and occupancy of the Property will be in conformity with this Agreement, and (d) the proposed purchase by the Participant occurs at Affordable Housing Cost as calculated by the Authority; and

5. The Title Company shall be prepared to issue the owner's policy of title insurance referenced in Section 207 hereof.

The foregoing items numbered 1 to 5, inclusive, together constitute the "Conditions Precedent."

300. USE OF THE PROPERTY

301. Affordable Housing. The Participant covenants and agrees to use the Property for the following purposes only and the following covenants shall run with the land:

301.1 Affordability Requirements. Throughout the Affordability Period, the Property may be sold only to a Lower Income Household at an Affordable Housing Cost ("Qualifying Buyer") with Authority's prior written approval. These requirements shall be set forth in Grant Deed Containing Resale Restrictions in the form which is attached hereto as Attachment No. 3. The Grant Deed Containing Resale Restrictions executed by Participant and Authority and shall be recorded as an encumbrance to the Property.

(a) Verification of Income. In order to verify the Buyer's status as a Lower Income Household, Participant shall submit or cause the proposed Buyer to submit to Authority the identity of the proposed Buyer and adequate information evidencing the income and household size of the proposed Buyer. Said income information shall be submitted together with the notice of proposed sale in accordance with Section 301.2 hereof not less than thirty (30) days prior to the opening of escrow for the proposed sale and shall include original or true copies of pay stubs, income tax records or other financial documents in order that Authority may determine and verify the household income of the proposed Buyer to determine whether the proposed Buyer is a Lower Income Household and whether the Property is to be transferred to such Buyer at an Affordable Housing Cost. If Authority is unable to verify the Buyer's income as provided herein prior to the proposed sale, then the Buyer's income shall be deemed to exceed the maximum allowable income limit for Qualifying Buyers.

301.2 Notice of Authority. Participant (or Participant's heirs following the death of Participant) agrees to notify Authority not less than thirty (30) days prior to (i) the opening of

escrow for the sale of the Property, (ii) the signing of any agreements or documents related to the transfer, including, without limitation, lease, exchange or other disposition of any interest in the Property, (iii) the signing of any agreements or documents related to any proposed refinancing of any First Lien Loan or (iv) the close of Participant's probate estate. Nothing in this Section 301.2, however, shall be construed to authorize the Property to be leased or rented.

301.3 Use of Property. The Participant covenants and agrees to devote, use and maintain the Property in accordance with this Agreement and the Grant Deed Containing Resale Restrictions. All uses conducted on the Property, including, without limitation, all activities undertaken by the Participant pursuant to this Agreement, shall conform to all applicable provisions of the City Code, and the recorded documents pertaining to and running with the Property.

301.4 Maintenance of Property. Participant shall maintain the interior of the Property (a) in a clean, safe and presentable manner, (b) consistent with community standards, (c) in a manner which will uphold the value of the Property, (d) in accordance with the maintenance requirements of the Grant Deed Containing Resale Restrictions, (e) in accordance with the City Code and the Uniform Housing Code, and (f) in accordance with any and all covenants and agreements established by any homeowner's association or other regulatory entity recognized by area property owners. Participant shall not allow the Property to accumulate debris, or allow inoperable or abandoned vehicles on the Property, or allow any other unsightly or dangerous conditions on the Property. The covenants for the maintenance of the Property shall run with the Property and shall remain in effect until the Affordability Period Termination Date. Participant and Authority shall execute and record the Grant Deed Containing Resale Restrictions against the Property in the Official Records of San Bernardino County, California. Participant also agrees to comply with all applicable federal, state and local laws. Participant further agrees to not oppose the inclusion of the Property in a homeowners association should one be formed.

301.5 Occupancy Standards. The Property shall be used as the principal personal residence of Participant and Participant's immediate family and for no other purpose. Participant shall not enter into an agreement for the rental or lease of the Property. Participant may request a temporary waiver of the foregoing requirement in the event of extreme hardship requiring Participant to move to another geographical area or to less expensive housing, including, for example and without limitation, transfer of job location, loss of job, or unexpected major expenses. Authority may approve or disapprove such request in its sole discretion, and may require as a condition of approval that Participant only rent the Property to Qualifying Buyers at an Affordable Rent (as defined in Health and Safety Code Section 50053). Participant shall not allow overcrowded conditions to occur in the Property, and the maximum occupancy of the Property shall not exceed the maximum occupancy allowed by each of the City Code or statutes of the State of California. Participant shall, upon demand by Authority, submit to Authority an affidavit of occupancy verifying Participant's compliance with this Section 301.5. Such affidavit may be required by Authority on a quarterly basis.

301.6 No Discrimination. The Participant covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Participant itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location,

number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Property. The foregoing covenants shall run with the land.

301.7 Authority May Maintain. The Participant and any subsequent owner(s) of any portion of the Property shall properly maintain the Improvements, landscaping and yard areas on such portion of the Property owned by such owner(s), and if such Improvements, landscaping and yard areas are not so maintained, and such condition is not corrected as soon as possible after notice from the Authority or the City, then either the Authority or the City may perform the necessary maintenance and the owner(s) shall pay such costs as are reasonably incurred for such maintenance.

302. Effect of Violation of the Terms and Provisions of this Agreement After the Authority Conveyance. The Authority is deemed the beneficiary of the terms and provisions of this Agreement and of the covenants running with the land, for and in its own rights and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the covenants running with the land have been provided. The Agreement and the covenants shall run in favor of the Authority, without regard to whether the Authority has been, remains or is an owner of any land or interest therein in the Property or in the Project Area. The Authority shall have the right, if the Agreement or covenants are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and covenants may be entitled.

400. DEFAULTS AND REMEDIES

401. Defaults – General. Subject to the extensions of time set forth in Section 503, failure or delay by either party to perform any term or provision of this Agreement constitutes a default under this Agreement. A party claiming a default (claimant) shall give written notice of default to the other party, specifying the default complained of and the actions required to correct such default.

Except as otherwise expressly provided in Sections 406 and 407 of this Agreement, the claimant shall not institute proceedings against the other party if the other party within thirty (30) days from receipt of such notice immediately, with due diligence, commences to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy as soon as reasonably practicable after receipt of such notice.

Pursuit of the remedies made available pursuant to these Sections 400 et seq. shall in no way waive or diminish either party's rights or remedies made available pursuant to Section 301 hereof.

Notwithstanding the foregoing, the Authority may enforce the Grant Deed Containing Resale Restrictions without regard to the remainder of this Agreement, including, without limitation Sections 400 to 409 hereof.

402. Institution of Legal Actions; Applicable Law; Interpretation. In addition to any other rights or remedies and subject to the restrictions in Section 401 (but subject to the limitations as to Participant's rights to pursue remedies as set forth in the last paragraph of Section 401), either party may institute legal action to seek specific performance of the terms of this Agreement, or to cure, correct or remedy any default, to recover damages for any default, or to obtain any other legal

or equitable remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of San Bernardino, State of California.

The laws of the State of California shall govern the interpretation and enforcement of this Agreement. This Agreement shall be interpreted in a manner to favor the Authority's interest in maintaining the long term affordability of the Property.

403. Acceptance of Service of Process. In the event that any legal action is commenced by the Participant against the Authority, service of process on the Authority shall be made by personal service upon the Executive Director or in such other manner as may be provided by law. In the event that any legal action is commenced by the Authority against the Participant, service of process on the Participant shall be made by personal service upon and shall be valid whether made within or without the State of California or in such other manner as may be provided by law.

404. Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

405. Inaction Not a Waiver of Default. Any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

406. Damages. If either party defaults with regard to any of the provisions of this Agreement, the non-defaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured by the defaulting party within sixty (60) days after service of the notice of default (or within such other period as is set forth herein), the defaulting party shall be liable to the other party for any damages caused by such default (excepting as otherwise set forth in Section 401), and the non-defaulting party may thereafter (but not before) commence an action for damages against the defaulting party with respect to such default.

407. Specific Performance. If either party defaults under any of the provisions of this Agreement, the non-defaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured by the defaulting party within thirty (30) days of service of the notice of default, or such other time limit as may be set forth herein with respect to such default, the non-defaulting party at its option may thereafter (but not before) commence an action for specific performance of terms of this Agreement.

408. Remedies and Rights of Termination by Participant. This Agreement may, at any time prior to the Authority Conveyance, at the option of the Participant, be terminated by written notice thereof to the Authority, and thereupon neither the Authority nor the Participant shall have any further rights or obligations with respect to this Agreement.

409. Remedies and Rights of Termination by the Authority. In the event that the Participant fails to satisfy the Conditions Precedent by the time established therefor in the Schedule of Performance; then this Agreement and any rights of the Participant or any assignee or transferee in the Agreement, or arising therefrom with respect to the Authority, the Property or any other property

referred to in this Agreement, shall, at the option of the Authority, be terminated by the Authority. In addition, in the event Participant informs Authority at any time that Participant is unable to produce funds of at least $52,500, plus Participant's share of closing costs, or Authority otherwise determines in good faith that Participant is unable to produce funds in such amount, the Authority may upon first giving the Participants seven days' written notice, terminate this Agreement. In the event of termination under this Section 409, neither party shall have any rights against the other with respect to this Agreement.

500. GENERAL PROVISIONS

501. Notices, Demands and Communications Between the Parties. Written notices, demands and communications between the Authority and the Participant shall be sufficiently given if delivered by hand or dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the Authority and the Participant at the addresses specified in Sections 104 and 105, respectively. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Section 501. Any written notice, demand or communication shall be deemed received immediately if delivered by hand and shall be deemed received on the fifth (5th) day from the date it is postmarked if delivered by registered or certified mail.

502. Conflicts of Interest. No member, official or employee of the Authority shall have any personal interest, direct or indirect, in this Agreement, nor shall any member, official or employee participate in any decision relating to the Agreement which affects his/her personal interests or the interests of any corporation, partnership or association in which he/she is directly or indirectly interested.

503. Enforced Delay; Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended, where delays or defaults are due to: war; insurrection; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; or acts or omissions of the other party. Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the mutual agreement of the Authority and the Participant. Notwithstanding the foregoing portion of this Section 503, the Participant is not entitled pursuant to this Section 503 to an extension of time to perform because of past, present, or future difficulty in obtaining suitable financing for the purchase of the Property.

504. No Third Party Beneficiaries of This Agreement. Except for the City, which shall be deemed a third party beneficiary of this Agreement, there shall be no third party beneficiaries of this Agreement.

505. Non-liability of Officials and Employees of the Authority. No member, official or employee of the Authority or the City shall be personally liable to the Participant, or any successor in interest, in the event of any default or breach by the Authority (or the City) or for any amount which may become due to the Participant or its successors, or on any obligations under the terms of this Agreement.

600. ENTIRE AGREEMENT, WAIVERS

This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original. This Agreement includes pages 1 through 16 and Attachment Nos. 1 through 7, which attachments are incorporated herein by reference, constitutes the entire understanding and agreement of the parties.

All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the Authority and the Participant, and all amendments hereto must be in writing by the appropriate authorities of the Authority and the Participant.

700. TIME FOR ACCEPTANCE OF AGREEMENT BY AUTHORITY

This Agreement, when executed by the Participant and delivered to the Authority, must be authorized and executed by the Authority on or before December 10, 2014 or this Agreement shall be void, except to the extent that the Participant shall consent in writing to a further extension of time for the authorization, execution and delivery of this Agreement. The date of this Agreement shall be the date when it shall have been signed by the Authority.

IN WITNESS WHEREOF, the Authority and the Participant have signed this Housing Disposition Agreement on the respective dates set forth below.

"AUTHORITY"

LOMA LINDA HOUSING AUTHORITY, a public body, corporate and politic

By:_____
T. Jarb Thaipejr, Executive Director

ATTEST:

_____
Pamela Byrnes-O'Camb, Authority Secretary

"PARTICIPANT"

MICHELLE ANDERSON

By:_____
Michelle Anderson

ATTACHMENT NO. 1

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Loma Linda, County of San Bernardino, State of California, described as follows:

Lot 29, Tract 16016, as per plat recorded in Book 279 of Maps, Page(s) 96-100, inclusive, in the Office of the County Recorder of said County.

APN: 0284-651-29-0-000

ATTACHMENT NO. 2

SCHEDULE OF PERFORMANCE

(Reasonable extensions, not exceeding sixty (60) days in the aggregate, may be granted by the Executive Director at his discretion)

1. **Execution of Agreement by Authority.** The Authority shall approve and execute this Agreement, and shall deliver one (1) copy thereof to Participant.	Not later than December 10, 2014.
2. **Conditions Precedent.** The Conditions Precedent shall have been satisfied.	Prior to the Authority Conveyance and prior to November 25, 2014.
3. **Authority Conveyance.** The Grant Deed Containing Resale Restrictions, the First Deed of Trust, and the Modification Agreement are recorded among the Official Records.	Within ten (10) days after the satisfaction of the Conditions Precedent.

ATTACHMENT NO. 3

GRANT DEED CONTAINING RESALE RESTRICTIONS

Recording Requested by:	)
	)
When Recorded Return to and	)
Mail Tax Statements to:	)
	)
Michelle Anderson	)
25613 Prospect Avenue	)
Loma Linda, California 92354	)
	)
	)
	)
	)

APN: 0284-651-29-0-000

DOCUMENTARY TRANSFER TAX
$_____
_____ computed on the consideration or value of property conveyed; OR
_____ computed on the consideration or value less liens or encumbrances remaining at time of sale.

_____
Signature of Declarant or Agent determining tax - Firm Name

GRANT DEED CONTAINING RESALE RESTRICTIONS

For a valuable consideration receipt of which is hereby acknowledged,

The **LOMA LINDA HOUSING AUTHORITY**, a public body, corporate and politic, of the State of California, herein called "Grantor" (or "Authority") acting to carry out the Redevelopment Plan, herein called "Redevelopment Plan" for the Loma Linda Redevelopment Project, herein called "Project", under the Community Redevelopment Law of the State of California, hereby grants to **MICHELLE ANDERSON**, an unmarried woman, herein called "Grantee", the real property hereinafter referred to as "Property", described in Exhibit A attached hereto and incorporated herein, subject to the existing easements, restrictions and covenants of record.

1. Said Property is conveyed in accordance with that certain unrecorded Housing Disposition Agreement entered into between Grantor and Grantee dated as of November 12, 2014 (the "HDA"), a copy of which is on file with the Grantor at its offices as a public record and which is incorporated herein by reference, pursuant to which the Grantor has agreed to sell the Property on the terms set forth in the HDA and Grantee has agreed to subject the Property to certain conditions, covenants and restrictions. Capitalized terms used herein and not otherwise defined shall have the same meaning as set forth in the HDA.

2. The Grantee hereby covenants and agrees, for itself and its successors and assigns, that the Grantee shall restrict the Property and the improvements thereon in accordance with this Grant Deed Containing Resale Restrictions to preserve its value for the benefit of Grantee, its successors and the surrounding neighborhood.

3. The Property is conveyed to Grantee at a purchase price, herein called "Purchase Price," determined in accordance with the Program and the restrictions imposed on the Property. Therefore, Grantee hereby covenants and agrees that the Grantee shall maintain and use the Property as Grantee's principal residence at all times during the Grantee's ownership of the Property, as provided in Section 301 of the HDA and that:

For a period ("Affordability Period") commencing upon the date on which Grantee acquires the Property and terminating on October 13, 2030 ("Affordability Period Termination Date"), the Property may be sold only to a Lower Income Household at an Affordable Housing Cost ("Qualifying Buyer") with Grantor's prior written approval.

"Lower Income Household" shall mean a person or family of Very Low or Lower Income, as these terms are defined by California Health and Safety Code Sections 50079.5 and 50105, that as of the date of this Grant Deed Containing Resale Restrictions earns 80% or less of the current annual median income adjusted for family size for the San Bernardino County area.

"Affordable Housing Cost" means as follows:

If Grantee is a person or family of Very Low Income earning not more than fifty percent (50%) of San Bernardino County Median Income, "Affordable Housing Cost" shall mean a monthly housing cost which does not exceed thirty percent (30%) times fifty percent (50%) of San Bernardino County median income adjusted for family size appropriate to the Property, as set forth in Health and Safety Code Section 50052.5 and the regulations of the State of California.

If Grantee is a person or family of Lower Income earning not more than seventy percent (70%) of San Bernardino County Median Income, "Affordable Housing Cost" shall mean a monthly housing cost which does not exceed thirty percent (30%) times seventy percent (70%) of San Bernardino County median income adjusted for family size appropriate to the Property, as set forth in Health and Safety Code Section 50052.5 and the regulations of the State of California.

If Grantee is a person or family of Lower Income earning seventy percent (70%) or more than seventy percent (70%) of San Bernardino County Median Income, "Affordable Housing Cost" shall mean a monthly housing cost which does not exceed the greater of (i) thirty percent (30%) times seventy percent (70%) of San Bernardino County median income adjusted for family size appropriate to the Property, or (ii) thirty percent (30%) times Grantee's monthly gross income, as set forth in Health and Safety Code Section 50052.5 and the regulations of the State of California.

"Monthly Housing Cost" means, for a Lower Income Household purchasing the Property, all of the following associated with the Property, estimated or known as of the date of the proposed sale of the Property: (i) principal and interest payments on a mortgage loan, and any loan insurance fees associated therewith (provided that if the mortgage loan obtained by the purchaser contains an adjustable interest rate, then for the purposes of this Grant Deed Containing Resale Restrictions the principal and interest payments shall be deemed to be those which would be due upon a mortgage loan amortized over a thirty year period with an interest rate equal to prevailing market rates for

thirty-year fixed-rate mortgage loans; provided further that such clause shall not be deemed to permit the use of adjustable interest rate loans with respect to the Property); (ii) property taxes and assessments; (iii) fire and casualty insurance covering replacement value of property improvements; (iv) any homeowner association fees; and (v) a reasonable utility allowance. Monthly housing cost of a purchaser shall be an average of estimated costs for the next twelve (12) month period.

4. **Permitted Sales of the Property**. Grantor shall permit sales of the Property to proposed Transferees who are Lower Income Households provided such sales are accomplished in strict conformity with this Section 4, and provided the Sales Price does not exceed an Affordable Housing Cost to such proposed Transferee ("Permitted Transfers"). As to conveyances in lieu of foreclosure or in the event of foreclosure, transfers of the Property by an Institutional Lender, as defined in the HDA, shall be as provided in the HDA and Covenants of Record as modified by the Modification Agreement (all of which capitalized terms are defined in the HDA). In the event that Grantee desires to Transfer the Property during the Affordability Period, prior to the Transfer Grantee shall notify Grantor by delivering a Notice of Intent to Transfer to Grantor, which shall indicate the identity of the proposed Transferee who desires to purchase the Property, whether the purchaser is a Lower Income Household, and whether the sales price is at an Affordable Housing Cost. In addition to Grantee's and the proposed Transferee's delivery of the Notice of Intent to Transfer, the following procedure shall apply:

a. **Notice to Grantor**. Grantee shall send the Notice of Intent to Transfer to Grantor not less than thirty (30) days prior to the opening of escrow for the proposed Transfer.

b. **Qualification of Proposed Transferee**. The Grantee or the proposed Transferee shall provide Grantor with sufficient information evidencing the income and household size of the proposed Transferee. Such income information shall be submitted with the Notice of Intent to Transfer and shall include, without limitation, a certification as to the income and family size of the proposed Transferee, original or true copies of pay stubs, income tax records or other financial documents in order for Grantor to determine whether the proposed Transferee is a Lower Income Household, and the whether the Property is to be transferred to such proposed Transferee at an Affordable Housing Cost. If Grantor is unable to verify the proposed Transferee's income as provided herein prior to the proposed Transfer, then the proposed Transferee's income shall be deemed to exceed the maximum allowable income limit for Lower Income Households.

c. **Written Consent of Grantor Required Before Transfer**. During the Affordability Period, the Property, and any interest therein, shall not be conveyed by any Transfer except with the express written consent of Grantor, which consent shall be given only if the Transfer is in accordance with the provisions of this Section 4.

d. **Notice of Prohibited Transfer**. Within twenty (20) days after receiving notification of a proposed Transfer and related, income information of the proposed Transferee in accordance with this Section 4, Grantor shall determine and give notice to the Grantee as to whether the proposed Transfer is a Permitted Transfer or Prohibited Transfer. In the event that the proposed Transfer is a Prohibited Transfer, such notice to the Grantee shall specify the nature of the Prohibited Transfer. If the violation is not corrected to the satisfaction of Grantor within ten (10) days after the date of the notice, or within such further time as Grantor determines is necessary to correct the violation, Grantor may declare a default under this Grant Deed Containing Resale Restrictions.

e. **Delivery of Documents**. Upon the close of the proposed Transfer, the Grantee and Transferee, as applicable, shall provide the Grantor with a copy of the final sales contract, settlement statement, escrow instructions, all certificates required by this Section 4 and any other documents which Grantor may request, including without limitation the Acknowledgment of Covenants duly executed by the proposed transferee.

5. **Encumbrances**.

a. **No Subordination**. The provisions of this Grant Deed Containing Resale Restrictions shall not be subordinated.

b. **Request for Notice of Default**. Grantor may cause a Request for Notice to be recorded on the Property subsequent to the recordation of a deed of trust or mortgage requesting a statutory notice of default as set forth in California Civil Code Section 2924b.

c. **Further Encumbrances**. Grantee agrees that, other than those two deeds of trust provided for under the HDA with respect to which Authority is Beneficiary, Grantee shall not record or cause the recordation of any deed of trust (a "Further Encumbrance") secured by the Property at any time during the Affordability Period.

6. **Uses**. The Grantee covenants and agrees to devote, use and maintain the Property in accordance with this Grant Deed Containing Resale Restrictions. All uses conducted on the Property, including, without limitation, all activities undertaken by the Grantee pursuant to this Grant Deed Containing Resale Restrictions, shall conform to all applicable provisions of the City of Loma Linda ("City") Municipal Code, and the recorded documents pertaining to and running with the Property. Grantee further agrees to not oppose the inclusion of the Property in a homeowners association should one be formed.

7. **Nondiscrimination Covenants**. The Grantee covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Grantee itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Property. The foregoing covenants shall run with the land.

8. **Maintenance of Property**. Grantee shall maintain the improvements and landscaping on the Property in a manner consistent with community standards which will uphold the value of the Property, in accordance with the City Code. Grantee also agrees to comply with all applicable federal, state and local laws.

9. **Occupancy Standards**. The Property shall be used as the principal personal residence of Grantee and Grantee's immediate family and for no other purpose. Grantee shall not enter into an agreement for the rental or lease of the Property. Grantee may request a temporary waiver of the foregoing requirement in the event of extreme hardship requiring Grantee to move to another geographical area or to less expensive housing, including, for example and without limitation, transfer of job location, loss of job, or unexpected major expenses. Grantor may approve or disapprove such request in its sole discretion, and may require as a condition of approval that

Grantee only rent the Property to Qualifying Buyers at an Affordable Rent (as defined in Health and Safety Code Section 50053). Grantee shall not allow overcrowded conditions to occur in the Property, and the maximum occupancy of the Property shall not exceed the maximum occupancy allowed by each of the City Code and statutes of the State of California. Grantee shall, upon demand by Grantor, submit to Grantor an affidavit of occupancy verifying Grantee's compliance with this Section 9. Such affidavit may be required by Grantor on an annual basis

10. **Effect of Violation of the Terms and Provisions of this Grant Deed Containing Resale Restrictions**.

a. **In General**. The covenants established in this Grant Deed Containing Resale Restrictions shall, without regard to technical classification and designation, be binding for the benefit and in favor of Grantor, its successors and assigns, as to those covenants which are for its benefit. The covenants contained in this Grant Deed Containing Resale Restrictions shall remain in effect for the periods of time specified herein. The covenants against discrimination shall remain in effect in perpetuity. Grantor is deemed the beneficiary of the terms and provisions of this Grant Deed Containing Resale Restrictions and of the covenants running with the land, for and in its own rights and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Grant Deed Containing Resale Restrictions and the covenants running with the land have been provided. This Grant Deed Containing Resale Restrictions and the covenants therein shall run in favor of Grantor, without regard to whether Grantor has been, remains or is an owner of any land or interest therein in the Property or in the Project Area. Grantor shall have the right, if the Grant Deed Containing Resale Restrictions or covenants are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Grant Deed Containing Resale Restrictions and covenants may be entitled.

11. **Indemnification**. Grantee shall pay for, defend, indemnify and hold harmless Grantor and the City and their respective officers, officials, agents, employees, representatives, and volunteers from and against any loss, liability, claim, or judgment relating in any manner to the Grantee's use of the Property or Grantee's violation of this Grant Deed Containing Resale Restrictions. The Grantee shall remain fully obligated for the payment of taxes, liens and assessments related to the Property. There shall be no reduction in taxes for Grantee, nor any transfer of responsibility to Grantor to make such payments, by virtue of this Grant Deed Containing Resale Restrictions.

12. **Defaults**. Failure or delay by either party to perform any term or provision of this Grant Deed Containing Resale Restrictions which is not cured within thirty (30) days after receipt of notice from the other party constitutes a default under this Grant Deed Containing Resale Restrictions; provided, however, if such default is of the nature requiring more than thirty (30) days to cure, the defaulting party shall avoid default hereunder by commencing to cure within such thirty (30) day period, and thereafter diligently pursuing such cure to completion. The party who so fails or delays must immediately commence to cure, correct or remedy such failure or delay, and shall complete such cure, correction or remedy with diligence. The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Except as required to protect against further damages, the injured party may not institute proceedings against the party in default until thirty (30) days after giving such notice. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

13. **Non Waiver**. Failure to exercise any right Grantor may have or be entitled to, in the event of default hereunder, shall not constitute a waiver of such right or any other right in the event of a subsequent default.

14. **Further Assurances**. The Grantee shall execute any further documents consistent with the terms of this Grant Deed Containing Resale Restrictions, including documents in recordable form, as Grantor shall from time to time find necessary or appropriate to effectuate its purposes in entering into this Grant Deed Containing Resale Restrictions.

15. **Governing Law; Interpretation**. The Grantee hereby agrees to comply with all ordinances, rules and regulations of Grantor and the City. Nothing in this Grant Deed Containing Resale Restrictions is intended to be, nor shall it be deemed to be, a waiver of any City ordinance, rule or regulation. This Grant Deed Containing Resale Restrictions shall be governed by the laws of the State of California. Any legal action brought under this Grant Deed Containing Resale Restrictions must be instituted in the Superior Court of the County of San Bernardino, State of California.

This Grant Deed Containing Resale Restrictions shall be interpreted in a manner to favor Grantor's interest in maintaining the long term affordability of the Property.

16. **Amendment of Grant Deed Containing Resale Restrictions**. No modification, rescission, waiver, release or amendment of any provision of this Grant Deed Containing Resale Restrictions shall be made except by a written agreement executed by the Grantee and Grantor.

17. **Grantor May Assign**. The Grantor may, at its option, assign its rights hereunder without obtaining the consent of the Grantee.

18. **Grantee Assignment Prohibited**. Grantee is holding title to the Property as Grantee's sole and separate property. In no event shall Grantee assign or transfer any portion of this Grant Deed Containing Resale Restrictions without the prior express written consent of Grantor, which consent shall be given by Grantor only in the event that Grantor determines that the assignee or transferee is a Lower Income Household, that the assignee's or transferee's monthly housing payments are at an Affordable Housing Cost, and that the assignee or transferee has expressly assumed this Grant Deed Containing Resale Restrictions by execution of a written assignment document to be provided by Grantor. This section shall not affect or diminish Grantor's right to assign all or any portion of its rights hereunder. This section shall not be deemed to affect the right of a lender to foreclose on the Property or accept conveyance of the Property by a deed in lieu of foreclosure.

19. **Attorneys' Fees And Costs**. In the event that any action is instituted to enforce payment or performance under this Grant Deed Containing Resale Restrictions, the parties agree the non-prevailing party shall be responsible for and shall pay all costs and all attorneys' fees incurred by such prevailing party in enforcing this Grant Deed Containing Resale Restrictions.

20. **Covenants Running With the Land**. All covenants contained in this Grant Deed Containing Resale Restrictions shall be covenants running with the land. Grantee's obligation to maintain and use the improvements constructed as provided herein shall continue in effect until the expiration of the Affordability Period. Every covenant contained in this Grant Deed Containing

Resale Restrictions against discrimination contained in paragraph 7 of this Grant Deed Containing Resale Restrictions shall remain in perpetuity.

21. **Covenants Binding**. All covenants without regard to technical classification or designation shall be binding for the benefit of the Grantor, and such covenants shall run in favor of the Grantor for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. The Grantor, in the event of any breach of any such covenants, shall have the right to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach.

22. **Amendments**. Both Grantor, its successors and assigns, and Grantee and the successors and assigns of Grantee in and to all or any part of the fee title to the Property shall have the right to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants, easements or restrictions contained in this Grant Deed Containing Resale Restrictions without the consent of any tenant, lessee, easement holder, licenses, mortgagee, trustee, beneficiary under a deed of trust or any other person or entity having any interest less than a fee in the Property. The covenants contained in this Grant Deed Containing Resale Restrictions, without regard to technical classification shall not benefit or be enforceable by any owner of any other real property within or outside the Project Area, or any person or entity having any interest in any other such realty. Any amendments to the Redevelopment Plan which change the uses or development permitted on the Property, or otherwise change any of the restrictions or controls that apply to the Property, shall not apply to the Property without the consent of Grantee or the successors and assigns of Grantee in and to all or any part of the fee title to the Property, but any such amendment shall not require the consent of any tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under a deed of trust or any other person or entity having any interest less than a fee in the Property.

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers hereunto duly authorized, this __ day of _____, 201_.

LOMA LINDA HOUSING AUTHORITY, a public body, corporate and politic

By:_____
T. Jarb Thaipejr, Executive Director

ATTEST:

_____
Pamela Byrnes-O'Camb, Authority Secretary

The Grantee agrees to be bound by the covenants set forth above.

MICHELLE ANDERSON

By:_____
Michelle Anderson

EXHIBIT "A"
TO ATTACHMENT NO. 3

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Loma Linda, County of San Bernardino, State of California, described as follows:

Lot 29, Tract 16016, as per plat recorded in Book 279 of Maps, Page(s) 96-100, inclusive, in the Office of the County Recorder of said County.

APN: 0284-651-29-0-000

ATTACHMENT NO. 4

ACKNOWLEDGMENT OF COVENANTS

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Loma Linda Housing Authority
Attn.: Authority Secretary
25541 Barton Road
Loma Linda, CA 92354

APN: 0284-651-29-0-000

(Space above for Recorder's use.)
(Exempt from Recording Fees Per Gov't. Code §§6103 and 27383.)

CERTIFICATE REGARDING DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS AND AGREEMENT AFFECTING REAL PROPERTY

THIS CERTIFICATE REGARDING DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS AND AGREEMENT AFFECTING REAL PROPERTY (the "Certificate"), which is dated as of _____ __, 2014, is made by the **LOMA LINDA HOUSING AUTHORITY**, a public body, corporate and politic (the "Authority"), and [names: to come; indicate capacities] _____, a married man ("A") and _____, a married woman ("B", and together with A, the "Participant"), concerning that certain property described in Exhibit "A" hereto (the "Site"); Exhibit "A" is incorporated herein by reference. Seller is the owner of the Site.

RECITALS

A. The Authority entered into an unrecorded purchase and sale agreement in October 2014 (the "October 2014 Agreement") with Michelle Anderson (the "Seller"). In connection with the June 2014 Purchase Agreement, certain covenants and restrictions were recorded as to the Site as set forth in an instrument entitled "Grant Deed Containing Resale Restrictions" (the "Authority Deed With Restrictions" or "CC&Rs"); the Authority Deed With Restrictions was recorded on _____, 2014 among the official records ("Official Records") of San Bernardino County as Document No. _____ (the "CC&Rs"). The CC&Rs contain requirements and limitations with respect to affordable housing, nondiscrimination, maintenance of the Site and other matters as set forth therein. A copy of the CC&Rs has been provided to and has been reviewed by the Participant.

B. Sections 3 and 4 of the CC&Rs require that the Site, including the dwelling unit situated thereon ("Participant's House") shall be owned and shall be occupied only by purchasers whose income, at the time of purchase, does not exceed eighty percent (80%) of San Bernardino County median income ("Lower Income Households"), and that sales prices shall be limited to a price which is determined to be an "Affordable Housing Cost" to Lower Income Households under California law. The provisions of the CC&Rs run with the land for the benefit of the Authority.

C. Participant has arranged pursuant to a purchase and sale agreement with the Seller pursuant to an agreement dated as of _____, ___, a copy of which has been provided by Participant to the Authority (the "Private Party Agreement") with Seller to purchase the Site, including the dwelling unit located thereon ("Participant's House") from such Seller, and has executed this Certificate as fee owner of the Site. The Site is commonly known by the address 25613 Prospect Avenue, Loma Linda, California.

D. By this Acknowledgement of CC&Rs, the Participant acknowledges that the Site, including Participant's House, is subject to the affordable housing requirements of Sections 3 and 4 of the CC&Rs, and that all of the other requirements of the CC&Rs also apply to the Site and Participant's House, for the term set forth in the CC&Rs.

E. Participant submitted an application, income data and other information for review by the Authority of the qualifications of Participant as a Lower Income Household.

F. Participant understands that the Authority is relying on such information from Participant and upon Participant's certifications herein.

NOW, THEREFORE, in consideration of valuable consideration the receipt of which is hereby acknowledged, Participant hereby agrees, acknowledges and affirms as follows:

1. Each of the foregoing Recitals is true and correct. Terms not defined herein shall have the meanings set forth therefor in the CC&Rs. In the event of conflict as between the CC&Rs and this Certificate, this Certificate shall control. As used herein, the term "Participant" shall mean _____, _____, and each of them.

2. Participant agrees and acknowledges that the Authority has no duties with respect to the Private Party Agreement or Participant's acquisition or use of the Site.

NOW, THEREFORE, in consideration of valuable consideration the receipt of which is hereby acknowledged, Participant hereby agrees, acknowledges and affirms as follows:

1. Each of the foregoing Recitals is true and correct. Terms not defined herein shall have the meanings set forth therefor in the CC&Rs. In the event of conflict as between the CC&Rs and this Certificate, this Certificate shall control. As used herein, the term "Participant" shall mean "A", "B", and each of them.

2. Participant has been provided a copy of the CC&Rs. Participant has carefully read the CC&Rs, and in signing this Acknowledgement, does do so with full knowledge of the obligations imposed on Participant pursuant to the CC&Rs.

3. Participant specifically agrees and acknowledges that the Site and Participant's House is subject to the requirement of Section 3 of the CC&Rs to restrict sales to "Lower Income Households" at an "Affordable Housing Cost." Sections 3 and 4 of the CC&Rs provides in substance as follows:

3. The Property is conveyed to Grantee at a purchase price, herein called "Purchase Price," determined in accordance with the restrictions imposed on the Property. Therefore, Grantee hereby covenants and agrees that the Grantee shall maintain and use the Property as Grantee's

principal residence at all times during the Grantee's ownership of the Property, as provided in Section 301 of the October 2014 Agreement, and further that:

For a period ("Affordability Period") commencing upon the date on which Grantee acquires the Property and terminating on October 13, 2030 ("Affordability Period Termination Date"), the Property may be sold only to a Lower Income Household at an Affordable Housing Cost ("Qualifying Buyer") with Grantor's prior written approval.

"Lower Income Household" shall mean a person or family of Very Low or Lower Income, as these terms are defined by California Health and Safety Code Sections 50079.5 and 50105, that as of the date of this Certificate earns 80% or less of the current annual median income adjusted for family size for the San Bernardino County area.

"Affordable Housing Cost" means as follows:

If Grantee is a person or family of Very Low Income earning not more than fifty percent (50%) of San Bernardino County Median Income, "Affordable Housing Cost" shall mean a monthly housing cost which does not exceed thirty percent (30%) times fifty percent (50%) of San Bernardino County median income adjusted for family size appropriate to the Property, as set forth in Health and Safety Code Section 50052.5 and the regulations of the State of California.

If Grantee is a person or family of Lower Income earning not more than seventy percent (70%) of San Bernardino County Median Income, "Affordable Housing Cost" shall mean a monthly housing cost which does not exceed thirty percent (30%) times seventy percent (70%) of San Bernardino County median income adjusted for family size appropriate to the Property, as set forth in Health and Safety Code Section 50052.5 and the regulations of the State of California.

If Grantee is a person or family of Lower Income earning seventy percent (70%) or more than seventy percent (70%) of San Bernardino County Median Income, "Affordable Housing Cost" shall mean a monthly housing cost which does not exceed the greater of (i) thirty percent (30%) times seventy percent (70%) of San Bernardino County median income adjusted for family size appropriate to the Property, or (ii) thirty percent (30%) times Grantee's monthly gross income, as set forth in Health and Safety Code Section 50052.5 and the regulations of the State of California.

"Monthly Housing Cost" means, for a Lower Income Household purchasing the Property, all of the following associated with the Property, estimated or known as of the date of the proposed sale of the Property: (i) principal and interest payments on a mortgage loan, and any loan insurance fees associated therewith (provided that if the mortgage loan obtained by the purchaser contains an adjustable interest rate, then for the purposes of this Grant Deed Containing Resale Restrictions the principal and interest payments shall be deemed to be those which would be due upon a mortgage loan amortized over a thirty year period with an interest rate equal to prevailing market rates for thirty-year fixed-rate mortgage loans; provided further that such clause shall not be deemed to permit the use of adjustable interest rate loans with respect to the Property); (ii) property taxes and assessments; (iii) fire and casualty insurance covering replacement value of property improvements; (iv) any homeowner association fees; and (v) a reasonable utility allowance. Monthly housing cost of a purchaser shall be an average of estimated costs for the next twelve (12) month period.

4. **Permitted Sales of the Property**. Grantor shall permit sales of the Property to proposed Transferees who are Lower Income Households provided such sales are accomplished in

strict conformity with this Section 4, and provided the Sales Price does not exceed an Affordable Housing Cost to such proposed transferee ("Permitted Transfers"). In the event that Grantee desires to sell or otherwise dispose of or convey an interest in ("Transfer") the Property, or any interest therein, during the Affordability Period, prior to the Transfer Grantee shall notify Grantor at least thirty (30) days prior to any Transfer by delivering a written notice of intent to transfer ("Notice of Intent to Transfer") to Grantor, which shall indicate the identity of the proposed Transferee who desires to purchase the Property, whether the purchaser is a Lower Income Household, the proposed sales price, down payment, loans and loan terms, and whether the sales price is at an Affordable Housing Cost. In addition to Grantee's and the proposed Transferee's delivery of the Notice of Intent to Transfer, the following procedure shall apply:

a. **Notice to Grantor**. Grantee shall send the Notice of Intent to Transfer to Grantor not less than thirty (30) days prior to the opening of escrow for the proposed Transfer.

b. **Qualification of Proposed Transferee**. The Grantee or the proposed Transferee shall provide Grantor with sufficient information evidencing the income and household size of the proposed Transferee and the proposed terms of sale. Such income information shall be submitted with the Notice of Intent to Transfer and shall include, without limitation, a certification as to the income and family size of the proposed Transferee, original or true copies of pay stubs, income tax records or other financial documents in order for Grantor to determine whether the proposed Transferee is a Lower Income Household, including such information as may be requested by Authority in its discretion, and the whether the Property is to be transferred to such proposed Transferee at an Affordable Housing Cost. If Grantor is unable to verify the proposed Transferee's income as provided herein prior to the proposed Transfer, then the proposed Transferee's income shall be deemed to exceed the maximum allowable income limit for Lower Income Households.

c. **Written Consent of Grantor Required Before Transfer**. During the Affordability Period, the Property, and any interest therein, shall not be conveyed by any Transfer except with the express written consent of Grantor, which consent shall be given only if the Transfer is in accordance with the provisions of this Section 4.

d. **Notice of Prohibited Transfer**. Within twenty (20) days after receiving notification of a proposed Transfer and related, income information of the proposed Transferee in accordance with this Section 4, Grantor shall determine and give notice to the Grantee as to whether the proposed Transfer is a Permitted Transfer or Prohibited Transfer. In the event that the proposed Transfer is a Prohibited Transfer, such notice to the Grantee shall specify the nature of the Prohibited Transfer. If the violation is not corrected to the satisfaction of Grantor within ten (10) days after the date of the notice, or within such further time as Grantor determines is necessary to correct the violation, Grantor may declare a default under this Grant Deed Containing Resale Restrictions. Upon the declaration of a default, the First Loan shall accelerate pursuant to Section 12(b) hereof, and the whole of the Note Amount shall become due and immediately payable to the Grantor by the Grantee.

e. **Delivery of Documents**. Upon the close of the proposed Transfer, the Grantee and Transferee, as applicable, shall provide the Grantor with a copy of the final sales contract, settlement statement, escrow instructions, all certificates required by this Section 4 and any other documents which Grantor may request.

f. **Institutional Lenders**. As to conveyances in lieu of foreclosure or in the event of foreclosure, transfers of the Property by an Institutional Lender, as defined in the Agreement, shall be as provided in the CC&Rs and Covenants of Record as modified by the Modification Agreement (all of which capitalized terms are defined in the Agreement). .

5. The maximum sales price for Participant's House allowable under the CC&Rs is that purchase price which would result in monthly housing payments which do not exceed an amount under any currently prevailing, fixed conventional home mortgage lending rates applied by any reputable institutional home mortgage lender, or the lending rates of any government-subsidized or special mortgage program for which such person or family qualifies and has obtained a first trust deed loan, which does not exceed the greater of (1) thirty percent (30%) of seventy percent (70%) of the San Bernardino County monthly median income (as determined by the United States Department of Housing and Urban Development) (the "Median Income") or (2) thirty percent (30%) of the household's actual income up to eighty percent of median income.

6. Participant acknowledges that household size is one of the factors in determining affordable housing cost under the CC&Rs, and specifically acknowledges that in the event a future sale is made to a household of a size smaller than that of Participant, such a circumstance may materially reduce the amount which would constitute affordable housing cost or the maximum sales price allowable under the CC&Rs.

7. Each of "A" and "B" is responsible, jointly and severally, for complying with the provisions of the CC&Rs and this Certificate.

IN WITNESS WHEREOF, the Authority and the Participant have executed this Certificate.

PARTICIPANT:

_____
"A"

_____
"B"

AUTHORITY:

LOMA LINDA HOUSING AUTHORITY:

By:_____
Executive Director

EXHIBIT "A"

LEGAL DESCRIPTION OF THE SITE

That certain real property located in the City of Loma Linda, County of San Bernardino, State of California, described as follows:

Lot 29, Tract No. 16016, in the City of Loma Linda, County of San Bernardino, State of California, as per plat recorded in Book 279 of maps, pages 96 to 100, inclusive, records of said County.

APN: 0284-651-29-0-000

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

_____
Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited
☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

_____
Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited
☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

.

ATTACHMENT NO. 5

MODIFICATION AGREEMENT

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:	

[Space above for recorder.]

MODIFICATION AGREEMENT

This Modification Agreement ("Modification Agreement"), which is dated as of November 12, 2014, is executed by each of the **LOMA LINDA HOUSING AUTHORITY**, a public entity established and operating pursuant to Part 2 of Division 24 of the California Health and Safety Code ("Housing Authority") and _____ and _____ (the "Participant"), concerning that certain property described in Attachment No. 1 hereto (the "Property").

The Loma Linda Redevelopment Agency, a public body, corporate and politic ("RDA") was established and operated as a redevelopment agency under Part 1 of Division 24 of the California Health and Safety Code ("Redevelopment Law") from its activation in 1980 until its dissolution in 2011 by virtue of ABx 1 26 in 2011 (the "2011 Dissolution Enactment"). The 2011 Dissolution Enactment was subsequently modified by AB 1484 (Chapter 26, Statutes of 2012; "AB 1484" and, together with the 2011 Dissolution Enactment as thereby amended, the "Redevelopment Dissolution Law." During the time it operated, the RDA entered into an unrecorded agreement dated as of September 29, 1999 (the "DDA") with University Community Homes, LLC, a California limited liability company ("Developer") pursuant to which the Developer developed various properties, including without limitation the Property, with attached, single-family residences and conveyed such dwelling units to households of limited income. Sales were limited to households having incomes of not greater than eighty percent (80%) of median income for San Bernardino County ("Lower Income Households") at a price which was determined by the RDA to constitute affordable housing cost for Lower Income Households within the meaning of Health and Safety Code Section 50052.5 ("Affordable Housing Cost"). In connection with the DDA, the Developer and RDA caused to be recorded among the official land records of the County Recorder of the County of San Bernardino ("Official Records") an instrument entitled "Declaration of Conditions, Covenants and Restrictions" which was recorded on October 13, 2000 as Document No. 20000372049 (the "2000 Covenants"), as modified by an instrument entitled "First Amendment to Declaration of Conditions, Covenants and Restrictions" which was recorded among the Official Records on April 19, 2001 as Document No. 20010145467 (the "2001 Amendment" and, together with the 2000 Covenants as amended thereby, is referred to as the "2001 Covenants").

The Property, as well as all of the housing assets of the former RDA, came under the jurisdiction, ownership and control of the Housing Authority in connection with the dissolution of the RDA as well as actions with respect thereto by the successor agency to the RDA, by the City Council of the City of Loma Linda (which designated the Housing Authority as the receptor of housing assets of the former RDA) and by the Oversight Board to the successor agency which approved of such transfer of assets.

The Property is being sold by the Housing Authority to the Participant. As part of the purchase money which will be used to purchase the Property from the Housing Authority, the Participant has obtained the commitment of a private institutional lender to make a loan to the Participant in the amount of approximately One Hundred Fifteen Thousand Dollars ($115,000.00), or such other amount as may be approved by the Participant and consented to by the Housing Authority; the execution of this instrument by the Participant and the Housing Authority shall be deemed to constitute evidence of their consent to such other amount, if applicable. Provident Bank Mortgage, or another lender designated by the Housing Authority, is treated as the "Approved Lender" for purposes of this Modification Agreement. In connection with obtaining the commitment of such private lender, the private lender has required that the Housing Authority, together with the Participant, clarify certain matters concerning the 2001 Covenants as well as those covenants or restrictions recorded in connection with that certain unrecorded agreement entitled "Housing Disposition Agreement" by and between the Housing Authority and the Participant dated as of November 12, 2014, a copy of which is on file with the Housing Authority as a public record (the "HDA"). The clarifications are to memorialize the mutual understandings of the parties hereto as follows:

The parties hereto agree that, notwithstanding any provisions of the 2001 Covenants to contrary effect, the following transfers shall be deemed to be transfers permitted under the 2001 Covenants: (i) transfer by foreclosure or deed in lieu of foreclosure by Participant to the Approved Lender; (ii) transfer by deed by the Approved Lender to a Lower Income Household at Affordable Housing Cost (as those capitalized terms are used in the HDA). The foregoing provision of this Modification Agreement shall take precedence over the 2001 Covenants, including without limitation as to Section 1 of Article IV of the 2000 Covenants as amended by Section 1 of the 2001 Amendment insofar as these provisions could be construed to preclude a transfer described in (i) or (ii) of the preceding sentence. Moreover, the Housing Authority will cooperate in diligently responding to requests by the Approved Lender in connection with a proposed sale by the Approved Lender to a Lower Income Household at Affordable Housing Cost following the acquisition of the Property by the Approved Lender by means of foreclosure or deed in lieu of foreclosure.

The parties agree that the 2001 Covenants as well as covenants recorded pursuant to the HDA shall be construed to comply with the requirements of this Modification Agreement. The 2001 Covenants shall be deemed modified by this Modification Agreement.

(Signatures on next page)

"BENEFICIARY/HOLDER"

LOMA LINDA HOUSING AUTHORITY

By: _____
Executive Director

ATTEST:

_____
Authority Secretary

"PARTICIPANT"

By: _____
Michelle Anderson

ATTACHMENT NO. 1

DESCRIPTION OF THE PROPERTY

Real property in the City of Loma Linda, County of San Bernardino, State of California, described as follows:

Lot 29, Tract 16016, as per plat recorded in Book 279 of Maps, Page(s) 96-100, inclusive, in the Office of the County Recorder of said County.

APN: 0284-651-29-0-000

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

_____
Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited
☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

ATTACHMENT NO. 6

DISCLOSURE STATEMENT

[NOTE: WHILE THE PURCHASE SHALL BE AT AFFORDABLE HOUSING COST TO A LOWER INCOME HOUSEHOLD, NUMBERS REPRESENTING LOAN AMOUNTS, PAYMENT AMOUNTS AND DOWN PAYMENT AS SET FORTH IN THIS ATTACHMENT NO. 6 ARE ILLUSTRATIVE, ONLY; THE ACTUAL NUMBERS ARE TO BE GENERATED BY AUTHORITY STAFF ONCE THE FIRST LOAN IS ARRANGED AND CLOSING COSTS HAVE BEEN ESTABLISHED]

I/we Michelle Anderson, an unmarried woman ("Participant") understand and agree that the provision of financial assistance from the Loma Linda Housing Authority ("Authority") is conditional on a number of factors, including, but not limited to:

- I/we are buying a single-family detached home, condominium, or town home within the corporate limits of the City of Loma Linda, at 25613 Prospect Avenue (the "Property") which is available to me/us at Affordable Housing Cost pursuant to Health & Safety Code Section 50052.5.

- I/we will enter into an agreement with the Authority entitled "Housing Disposition Agreement" (the "HDA"), a copy of which is on file with the Authority as a public record. Capitalized terms not defined in this Disclosure Statement shall have the meanings set forth therefor in the HDA.

- I/we must qualify as a Lower Income Household pursuant to Health & Safety Code Section 50079.5.

- I/we must obtain a first trust deed loan from an institutional lender in the original principal amount (when combined with the down payment) of not less than One Hundred Fifteen Thousand Dollars ($115,000.00)(the "First Loan"). I/we will be responsible to make all payments when due under such First Loan.

- I/we must pay a down payment of not less than Forty Nine Thousand Five Hundred Dollars ($49,500) of the purchase price on the Property plus closing costs from my/our own funds.

I/We further understand and agree that:

- I/we will be responsible for repaying and satisfying the other requirements of the First Loan. Payments under the First Loan shall be as provided under documentation provided by the maker of the First Loan; such documentation is a matter between the lender providing the First Loan and me/us and is not a matter with respect to which the Authority has any responsibility.

- For a period commencing with the conveyance of the Property to me/us and continuing to October 13, 2030, the Property may only be transferred to Lower Income Households at an Affordable Housing Cost and the Property must be and remain owner-occupied.

- Due to the restrictions affecting the Property under the HDA, the Property will not increase in value like other properties will.
- *If I/we can afford to purchase another residence, buying the Property under the HDA may not be a suitable investment for me/us; neither the Authority nor the City of Loma Linda makes any representations regarding suitability.*
- I/we intend to continuously occupy the Property for several years and I/we shall not rent or lease the Property. I/we understand that the Property will remain subject to strict limitations on my/our ability to sell, rent or borrow against the Property for forty-five years.
- Authority shall not be held responsible for any costs associated with the home I/we purchase with such assistance including, but not limited to, any loan fees or charges, any charges for appraisals, or any escrow costs or other costs relating to the transfer of the Property.
- Authority cannot ensure that information provided by or on my/our behalf will be kept confidential.
- Authority shall not be responsible for the selection of a lender providing funds assisting in the purchase of the home, providing information concerning other public or private sources of loans, or the competitiveness of the terms of the Housing Disposition Agreement. I/we assume all responsibility for determining whether I/we will inform myself/ourselves as to the availability and terms of other public or private loans.
- Authority shall not be charged with the knowledge of the contents of the documents of my/our primary lender.
- Authority financial assistance I/we receive in connection with the Housing Disposition Agreement may be considered to be income for purposes of federal or state income taxes and Authority shall not be held responsible for the payment of any taxes which I/we may incur by virtue of the receipt of such financial assistance.

PARTICIPANT

MICHELLE ANDERSON

Dated: _____, 2014 By:_____

Michelle Anderson

ATTACHMENT NO. 7

NOTICE OF AFFORDABILITY RESTRICTION

RECORDING REQUESTED BY: WHEN RECORDED RETURN TO AND MAIL TAX STATEMENTS TO: Loma Linda Housing Authority 25541 Barton Road Loma Linda, California 92354 Attention: Pamela Byrnes-O'Camb, Authority Secretary	

[Space above for recorder.]

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

This **NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY** (or "Notice of Affordability Restrictions") is dated as of _____ [first day of month for Closing], 2014 (for identification purposes) and recorded to provide notice substantially as described by Section 33334.3(f)(3)(B) of the California Health and Safety Code as amended by AB 987, Chapter 690, Statutes of 2007 (herein, "Chapter 690"), and affects that certain property described in Exhibit "A" hereto ("Property"). The Loma Linda Housing Authority, a public body, corporate and politic ("Authority"), and Michelle Anderson, an unmarried woman ("Participant" or "Owner"), have previously entered into an unrecorded agreement entitled "Housing Disposition Agreement" dated as of November 12, 2014 ("HDA"). Owner is the owner of the Property.

1. The HDA provides for affordability restrictions, restrictions on the transfer of the Property, and an option for the Authority to purchase the Property upon the occurrence of specified events, as more particularly set forth in the HDA.

A copy of the HDA is on file with the Authority as a public record and is deemed incorporated herein. Reference is made to the HDA with regard to the complete text of the provisions of such agreement which provides for affordability restrictions and restrictions on the transfer of the Property.

2. The HDA restricts ownership and occupancy of the Property to a household of limited income, paying an affordable housing cost; such restrictions are set forth at greater length in documents recorded against the Property, entitled the Grant Deed Containing Resale Restrictions ("CC&Rs"), substantially in the form of Attachment No. 3 to the HDA, a Deed of Trust and Rider thereto executed by Participant in favor of the Authority ("Deed of Trust"), substantially in the form of Attachment No. 4 to the HDA, each of which is deemed to be incorporated herein by reference.

2.1 Section 3 of the CC&Rs provides, in pertinent part, as follows:

> "3. The Property is conveyed to Grantee at a purchase price, herein called "Purchase Price," determined in accordance with … the restrictions imposed on the Property. Therefore, Grantee hereby covenants and agrees that the Grantee shall maintain and use the Property as Grantee's principal residence at all times during the Grantee's ownership of the Property, as provided in Section 301 of the HDA and that:
>
> For a period ("Affordability Period") commencing upon the date on which Grantee acquires the Property and terminating on October 13, 2030 ("Affordability Period Termination Date"), the Property may be sold only to a Lower Income Household at an Affordable Housing Cost ("Qualifying Buyer") with Grantor's prior written approval.
>
> "Lower Income Household" shall mean a person or family of Very Low or Lower Income, as these terms are defined by California Health and Safety Code Sections 50079.5 and 50105, that as of the date of this Agreement earns 80% or less of the current annual median income adjusted for family size for the San Bernardino County area.
>
> "Affordable Housing Cost" means as follows:

If Grantee is a person or family of Very Low Income earning not more than fifty percent (50%) of San Bernardino County Median Income, “Affordable Housing Cost” shall mean a monthly housing cost which does not exceed thirty percent (30%) times fifty percent (50%) of San Bernardino County median income adjusted for family size appropriate to the Property, as set forth in Health and Safety Code Section 50052.5 and the regulations of the State of California.

If Grantee is a person or family of Lower Income earning not more than seventy percent (70%) of San Bernardino County Median Income, “Affordable Housing Cost” shall mean a monthly housing cost which does not exceed thirty percent (30%) times seventy percent (70%) of San Bernardino County median income adjusted for family size appropriate to the Property, as set forth in Health and Safety Code Section 50052.5 and the regulations of the State of California.

If Grantee is a person or family of Lower Income earning seventy percent (70%) or more than seventy percent (70%) of San Bernardino County Median Income, “Affordable Housing Cost” shall mean a monthly housing cost which does not exceed the greater of (i) thirty percent (30%) times seventy percent (70%) of San Bernardino County median income adjusted for family size appropriate to the Property, or (ii) thirty percent (30%) times Grantee’s monthly gross income, as set forth in Health and Safety Code Section 50052.5 and the regulations of the State of California.

“Monthly Housing Cost” means, for a Lower Income Household purchasing the Property, all of the following associated with the Property, estimated or known as of the date of the proposed sale of the Property: (i) principal and interest payments on a mortgage loan, and any loan insurance fees associated therewith (provided that if the mortgage loan obtained by the purchaser contains an adjustable interest rate, then for the purposes of this Grant Deed Containing Resale Restrictions the principal and interest payments shall be deemed to be

those which would be due upon a mortgage loan amortized over a thirty year period with an interest rate equal to prevailing market rates for thirty-year fixed-rate mortgage loans; provided further that such clause shall not be deemed to permit the use of adjustable interest rate loans with respect to the Property); (ii) property taxes and assessments; (iii) fire and casualty insurance covering replacement value of property improvements; (iv) any homeowner association fees; and (v) a reasonable utility allowance. Monthly housing cost of a purchaser shall be an average of estimated costs for the next twelve (12) month period."

2.2 Section 4 of the CC&Rs provides as follows:

"Permitted Sales of the Property. Grantor shall permit sales of the Property to proposed Transferees who are Lower Income Households provided such sales are accomplished in strict conformity with this Section 4, and provided the Sales Price does not exceed an Affordable Housing Cost to such proposed Transferee ("Permitted Transfers"). In the event that Grantee desires to Transfer the Property during the Affordability Period, prior to the Transfer Grantee shall notify Grantor by delivering a Notice of Intent to Transfer to Grantor, which shall indicate the identity of the proposed Transferee who desires to purchase the Property, whether the purchaser is a Lower Income Household, and whether the sales price is at an Affordable Housing Cost. In addition to Grantee's and the proposed Transferee's delivery of the Notice of Intent to Transfer, the following procedure shall apply:

a **Notice to Grantor**. Grantee shall send the Notice of Intent to Transfer to Grantor not less than thirty (30) days prior to the opening of escrow for the proposed Transfer.

b. **Qualification of Proposed Transferee**. The Grantee or the proposed Transferee shall provide Grantor with sufficient information evidencing the income and household size of the proposed Transferee. Such income information shall be submitted with the Notice of Intent to Transfer and shall include, without limitation, a certification as to the income and family size of the proposed Transferee, original or true copies of pay stubs, income tax records or other financial documents

in order for Grantor to determine whether the proposed Transferee is a Lower Income Household, and the whether the Property is to be transferred to such proposed Transferee at an Affordable Housing Cost. If Grantor is unable to verify the proposed Transferee's income as provided herein prior to the proposed Transfer, then the proposed Transferee's income shall be deemed to exceed the maximum allowable income limit for Lower Income Households.

c. **Written Consent of Grantor Required Before Transfer**. During the Affordability Period, the Property, and any interest therein, shall not be conveyed by any Transfer except with the express written consent of Grantor, which consent shall be given only if the Transfer is in accordance with the provisions of this Section 4.

d. **Notice of Prohibited Transfer**. Within twenty (20) days after receiving notification of a proposed Transfer and related, income information of the proposed Transferee in accordance with this Section 4, Grantor shall determine and give notice to the Grantee as to whether the proposed Transfer is a Permitted Transfer or Prohibited Transfer. In the event that the proposed Transfer is a Prohibited Transfer, such notice to the Grantee shall specify the nature of the Prohibited Transfer. If the violation is not corrected to the satisfaction of Grantor within ten (10) days after the date of the notice, or within such further time as Grantor determines is necessary to correct the violation, Grantor may declare a default under this Grant Deed Containing Resale Restrictions. Upon the declaration of a default, the First Loan shall accelerate pursuant to Section 12(b) hereof, and the whole of the Note Amount shall become due and immediately payable to the Grantor by the Grantee.

e. **Delivery of Documents**. Upon the close of the proposed Transfer, the Grantee and Transferee, as applicable, shall provide the Grantor with a copy of the final sales contract, settlement statement, escrow instructions, all certificates required by this Section 4 and any other documents which Grantor may request.

3. The restrictions contained in the CC&Rs expire on October 13, 2030.

3.1 The CC&Rs were recorded against the Property of even date herewith; and

4. The commonly known address for the Property is: 25613 Prospect Avenue, Loma Linda, California 92354.

5. The assessor's parcel number for the Property is: 0284-651-29-0-000; such number is subject to change.

6. The legal description for the Property is attached hereto as Exhibit "A" and is incorporated herein by reference.

7. This Notice of Affordability Restrictions is intended merely to provide notice in the manner generally described under Chapter 690. The HDA, the CC&Rs, and Deed of Trust all remain in full force and effect and are not amended or altered in any manner whatsoever by this Notice of Affordability Restrictions.

8. Capitalized terms shall have the meanings established under the HDA (including all Attachments thereto) excepting only to the extent as otherwise expressly provided under this Notice of Affordability Restrictions.

9. Persons having questions regarding this Notice of Affordability Restrictions, the HDA or the Attachments thereto (including the CC&Rs) should contact the City or Authority at their offices (25541 Barton Road, Loma Linda, California 92354, or such other address as may be designated by the Authority from time to time).

[Signatures appear on following page.]

AUTHORITY:

LOMA LINDA HOUSING AUTHORITY, a public body, corporate and politic

By:_____
T. Jarb Thaipejr,
Executive Director

ATTEST:

_____
Pamela Byrnes-O'Camb,
Authority Secretary

PARTICIPANT:

MICHELLE ANDERSON

By:_____
Michelle Anderson

EXHIBIT "A"

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of San Bernardino, City of Loma Linda, and described as follows:

Lot 29, Tract 16016, as per plat recorded in Book 279 of Maps, Page(s) 96-100, inclusive, in the Office of the County Recorder of said County.

APN: 0284-651-29-0-000

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

_____
Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited
☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of 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.

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Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

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Title(s)

☐ Partner(s) ☐ Limited
☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

RESOLUTION NO. ____

A RESOLUTION OF THE LOMA LINDA HOUSING AUTHORITY APPROVING AN AGREEMENT FOR THE DISPOSITION OF PROPERTY FOR AFFORDABLE HOUSING USE WITH MICHELLE ANDERSON

(25613 Prospect Avenue)

WHEREAS, California Health and Safety Code Sections 33334.2 and 33334.6 formerly authorized and directed the Loma Linda Redevelopment Agency (the "Redevelopment Agency") to expend a certain percentage of all taxes which are allocated to the Redevelopment Agency pursuant to Section 33670 of the California Health and Safety Code for the purposes of increasing, improving and preserving the community's supply of low and moderate income housing available at affordable housing cost to persons and families of low- and moderate-income, lower income, and very low income; and

WHEREAS, pursuant to applicable law the Redevelopment Agency established a Low and Moderate Income Housing Fund (the "Housing Fund") and acquired certain property with the purpose of using such property for the provision of affordable housing; and

WHEREAS, by ABx1 26 enacted by the California Legislature during 2011 (the "2011 Dissolution Act"), the California Legislative eliminated every redevelopment agency within the State of California, including without limitation the Redevelopment Agency; and

WHEREAS, the 2011 Dissolution Act provides, in part, that the host city of a redevelopment agency was to designate a housing entity to receive the housing assets of the former redevelopment agency within such city; and

WHEREAS, the City Council of the City of Loma Linda ("City") activated a housing authority, the Loma Linda Housing Authority (the "Authority") within the corporate limits of the City, and designated the Authority as the housing entity to receive the housing assets of the former Redevelopment Agency; and

WHEREAS, pursuant to the 2011 Dissolution Act, an oversight board ("Oversight Board") has been established to oversee the wind-up of the activities of the Redevelopment Agency. At its meeting of March 20, 2012, by its Resolution No. 2012-004, the Oversight Board approved and affirmed the transfer of the housing assets of the Redevelopment Agency, including without limitation the Site, to the Authority; and

WHEREAS, the Redevelopment Agency utilized moneys from its Housing Fund in connection with the development of certain property, including without limitation a single-family residence located at 25613 Prospect Avenue (the "Site"); and

WHEREAS, the Site was developed and was sold for occupancy to a households having an income of not greater than eighty percent of median income (a "Low Income Household") at a price which was not in excess of "Affordable Housing Cost" for a "Low Income Household" as affordable housing cost is determined pursuant to Health and Safety Code Section 50052.5, all as further set forth in covenants recorded as to the Site which restrict its use to occupancy as affordable housing by Low Income Households; and

WHEREAS, the Authority subsequently reacquired the Site from a private party, which Site remains improved with a single-family residence and is available for occupancy; and

WHEREAS, Michelle Anderson, an unmarried woman ("Homebuyer") has offered to enter into an agreement with the Authority substantially in the form submitted herewith (the "Agreement") under

which Homebuyer will purchase the Site, which is a single-family residence located at 25613 Prospect Avenue, for the purpose of residing at the Site; and

WHEREAS, Authority staff has determined that Homebuyer is a Low Income Household and that the price and terms under which the Site would be sold to Homebuyer under the Agreement does not exceed Affordable Housing Cost; and

WHEREAS, the Authority has duly considered all terms and conditions of the proposed Agreement and believes that the Agreement is in the best interests of the Authority and the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local law requirements; and

WHEREAS, a joint public hearing of the Authority and City Council on the proposed Agreement was duly noticed; and

WHEREAS, on November 12, 2014, the governing board of the Authority and the City Council held a joint public hearing on the proposed Agreement, at which time the City Council and the Authority reviewed and evaluated all of the information, testimony, and evidence presented during the joint public hearing; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the Authority has reviewed the Summary Report and has evaluated other information provided to it pertaining to the findings proposed to be made hereunder; and

WHEREAS, the Homebuyer acknowledges that the use of the Site will be as an owner-occupied residence, all as more particularly provided in the Agreement; and

WHEREAS, under the Agreement, Authority would sell the Site to the Homebuyer under a form of deed (the "Authority Deed") which includes long-term affordability covenants limiting the use of property to affordable housing, or which acknowledges affordability covenants of record as to the Site; and

WHEREAS, the Authority has duly considered all terms and conditions of the proposed Agreement and believes that the Agreement is in the best interests of the Authority and the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local law requirements; and

WHEREAS, the purchase price to be received by the Authority under the Agreement is not less than the fair reuse value of the Site, as determined by a reuse value analysis prepared for the Authority by Community Advisors, a consultant retained by the Authority; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the Authority and the City Council have duly considered all of the terms and conditions of the proposed Agreement and believes that the sale of the Site pursuant to the Agreement is in the best interests of the City of Loma Linda and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE LOMA LINDA HOUSING AUTHORITY DOES RESOLVE AS FOLLOWS:

Section 1. The Authority finds and determines that the statements set forth in the Recitals above are true and correct.

Section 2. The Authority finds and determines, based upon substantial evidence provided in the record before it: the consideration for the Authority's disposition of the Site by sale pursuant to the terms and conditions of the Agreement, particularly including long-term affordability covenants, is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement.

Section 3. The Authority hereby finds and determines that the disposition by sale of the Site by the Authority pursuant to the Agreement will further the achievement of the Authority's affordable housing objectives and is consistent with furthering the affordable housing objectives of the former Redevelopment Agency within a redevelopment project area.

Section 4. The Authority finds and determines that, based upon substantial evidence provided in the record before it, the consideration for the Authority's sale of the Site pursuant to the terms and conditions of the Agreement is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement.

Section 5. The Authority hereby finds and determines that the Agreement is consistent with the provisions and goals of the Implementation Plan, as provided for pursuant to Health and Safety Code Section 33490, as previously adopted by the Redevelopment Agency.

Section 6. The Authority hereby approves the Agreement in substantially the form presented to the Authority, subject to such revisions as may be made by the Executive Director of the Authority or his designee. The Executive Director of the Authority is hereby authorized to execute the Agreement (including without limitation all attachments thereto) on behalf of the Authority, together with any instruments necessary or convenient to implement the Agreement. A copy of the Agreement shall, when executed by the Authority, be placed on file in the office of the Secretary of the Authority.

Section 7. The Executive Director of the Authority (or his designee) is hereby authorized, on behalf of the Authority, to make revisions to the Agreement which do not materially or substantially increase the Authority's obligations thereunder or materially or substantially change the uses or development permitted on the Site, to sign all documents, to make all approvals and take all actions necessary or appropriate to carry out and implement the Agreement and to administer the Authority's obligations, responsibilities and duties to be performed under the Agreement and related documents.

APPROVED AND ADOPTED this 12th day of November, 2014 by the following vote:

Ayes:
Noes:
Abstain:
Absent:

By: _____
Rhodes Rigsby, Chairman

ATTEST:

_____
Barbara Nicholson, Deputy Authority Secretary

RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOMA CONSENTING TO THE SALE BY THE LOMA LINDA HOUSING AUTHORITY FOR THE DISPOSITION OF PROPERTY FOR AFFORDABLE HOUSING USE WITH MICHELLE ANDERSON

(25613 Prospect Avenue)

WHEREAS, California Health and Safety Code Sections 33334.2 and 33334.6 formerly authorized and directed the Loma Linda Redevelopment Agency (the "Redevelopment Agency") to expend a certain percentage of all taxes which are allocated to the Redevelopment Agency pursuant to Section 33670 of the California Health and Safety Code for the purposes of increasing, improving and preserving the community's supply of low and moderate income housing available at affordable housing cost to persons and families of low- and moderate-income, lower income, and very low income; and

WHEREAS, pursuant to applicable law the Redevelopment Agency established a Low and Moderate Income Housing Fund (the "Housing Fund") and acquired certain property with the purpose of using such property for the provision of affordable housing; and

WHEREAS, by ABx1 26 enacted by the California Legislature during 2011 (the "2011 Dissolution Act"), the California Legislative eliminated every redevelopment agency within the State of California, including without limitation the Redevelopment Agency; and

WHEREAS, the 2011 Dissolution Act provides, in part, that the host city of a redevelopment agency was to designate a housing entity to receive the housing assets of the former redevelopment agency within such city; and

WHEREAS, the City Council of the City of Loma Linda ("City") activated a housing authority, the Loma Linda Housing Authority (the "Authority") within the corporate limits of the City, and designated the Authority as the housing entity to receive the housing assets of the former Redevelopment Agency; and

WHEREAS, pursuant to the 2011 Dissolution Act, an oversight board ("Oversight Board") has been established to oversee the wind-up of the activities of the Redevelopment Agency. At its meeting of March 20, 2012, by its Resolution No. 2012-004, the Oversight Board approved and affirmed the transfer of the housing assets of the Redevelopment Agency, including without limitation the Site, to the Authority; and

WHEREAS, the Redevelopment Agency utilized moneys from its Housing Fund in connection with the development of certain property, including without limitation a single-family residence located at 25613 Prospect Avenue (the "Site"); and

WHEREAS, the Site was developed and was sold for occupancy to a households having an income of not greater than eighty percent of median income (a "Low Income Household") at a price which was not in excess of "Affordable Housing Cost" for a "Low Income Household" as affordable housing cost is determined pursuant to Health and Safety Code Section 50052.5, all as further set forth in covenants recorded as to the Site which restrict its use to occupancy as affordable housing by Low Income Households; and

WHEREAS, the Authority subsequently reacquired the Site from a private party, which Site remains improved with a single-family residence and is available for occupancy; and

WHEREAS, Michelle Anderson, an unmarried woman ("Homebuyer") has offered to enter into an agreement with the Authority substantially in the form submitted herewith (the "Agreement") under which Homebuyer will purchase the Site, which is a single-family residence located at 25613 Prospect Avenue, for the purpose of residing at the Site; and

WHEREAS, Authority staff has determined that Homebuyer is a Low Income Household and that the price and terms under which the Site would be sold to Homebuyer under the Agreement does not exceed Affordable Housing Cost; and

WHEREAS, the City Council has duly considered all terms and conditions of the proposed Agreement and believes that the Agreement is in the best interests of the Authority and the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local law requirements; and

WHEREAS, a joint public hearing of the Authority and City Council on the proposed Agreement was duly noticed; and

WHEREAS, on November 12, 2014, the governing board of the Authority and the City Council held a joint public hearing on the proposed Agreement, at which time the City Council and the Authority reviewed and evaluated all of the information, testimony, and evidence presented during the joint public hearing; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the City Council has reviewed the Summary Report and has evaluated other information provided to it pertaining to the findings proposed to be made hereunder; and

WHEREAS, the Homebuyer acknowledges that the use of the Site will be as an owner-occupied residence, all as more particularly provided in the Agreement; and

WHEREAS, under the Agreement, Authority would sell the Site to the Homebuyer under a form of deed (the "Authority Deed") which includes long-term affordability covenants limiting the use of property to affordable housing, or which acknowledges affordability covenants of record as to the Site; and

WHEREAS, the City Council has duly considered all terms and conditions of the proposed Agreement and believes that the Agreement is in the best interests of the Authority and the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local law requirements; and

WHEREAS, the purchase price under the Agreement is not less than the fair reuse value of the Site, as determined by an analysis prepared for the Authority by Community Advisors, a consultant retained by the Authority; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the Authority and the City Council have duly considered all of the terms and conditions of the proposed Agreement and believes that the sale of the Site pursuant to the Agreement is in the best interests of the City of Loma Linda and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMA LINDA DOES RESOLVE AS FOLLOWS:

Section 1. The City Council finds and determines that the statements set forth in the Recitals above are true and correct.

Section 2. The City Council finds and determines, based upon substantial evidence provided in the record before it: the consideration for the Authority's disposition of the Site by sale pursuant to the terms and conditions of the Agreement, particularly including long-term affordability covenants, is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement.

Section 3. The City Council hereby finds and determines that the disposition by sale of the Site by the Authority pursuant to the Agreement will further the achievement of the Authority's affordable housing objectives and is consistent with furthering the affordable housing objectives of the former Redevelopment Agency within a redevelopment project area.

Section 4. The City Council finds and determines that, based upon substantial evidence provided in the record before it, the consideration for the Authority's sale of the Site pursuant to the terms and conditions of the Agreement is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement.

Section 5. The City Council hereby finds and determines that the Agreement is consistent with the provisions and goals of the Implementation Plan, as provided for pursuant to Health and Safety Code Section 33490, as previously adopted by the Redevelopment Agency.

Section 6. The City Council hereby consents to the execution of the Agreement by the Authority in substantially the form presented to the Authority, subject to such revisions as may be made by the Executive Director of the Authority or his designee.

APPROVED AND ADOPTED this 12th day of November, 2014 by the following vote:

Ayes:
Noes:
Abstain:
Absent:

By: _____
Rhodes Rigsby, Mayor

ATTEST:

_____
Barbara Nicholson, Deputy City Clerk

City of Loma Linda Official Report

Rhodes Rigsby, Chairman
Phill Dupper, Vice-Chairman
Ovidiu Popescu, Member
Ronald Dailey, Member
John Lenart, Member

HOUSING AUTHORITY AGENDA:	November 12, 2014
TO:	Housing Authority Members
VIA:	T. Jarb Thaipejr, Executive Director
FROM:	Barbara Nicholson, Deputy Secretary
SUBJECT:	Minutes of October 28, 2014

Approved/Continued/Denied
By: Housing Authority
Date _____

RECOMMENDATION

It is recommended that the Housing Authority Board approve the Minutes of October 28, 2014.

Loma Linda Housing Authority

Minutes

Regular Meeting of October 28, 2014

A regular meeting of the Loma Linda Housing Authority was called to order by Chairman Rigsby at 8:08 p.m., Tuesday, October 14, 2014, in the City Council Chamber, 25541 Barton Road, Loma Linda, California.

Councilmen Present:	Chairman Rhodes Rigsby Vice-Chairman Phill Dupper Ron Dailey John Lenart
Councilmen Absent:	Ovidiu Popescu
Others Present:	Executive Director T. Jarb Thaipejr General Counsel Richard Holdaway

LLHA 2014-023 – **Consent Calendar**

Motion by Dailey, seconded by Lenart and unanimously carried to approve the following items. Popescu absent.

The Demands Register dated October 28, 2014 with commercial demands totaling $2,271.54.

The minutes of October 14, 2014 as presented.

The meeting adjourned at 8:09 p.m.

Approved at the meeting of

_____

Secretary