

DATE: 1/19/99 AGENDA ITEM # 6.  
( ) APPROVED ( ) DENIED  
( ) CONTINUED TO \_\_\_\_\_

TO: James L. App, City Manager  
FROM: Robert A. Lata, Community Development Director *RAL*  
SUBJECT: Habitat for Humanity Assistance: Agency Actions on Owner Participation Agreement and Affordability Covenant

DATE: January 19, 1999

Needs: For the Redevelopment Agency to approve an Owner Participation Agreement (OPA) and Affordability Covenant in conjunction with an allocation of Redevelopment Low and Moderate Income Housing (LMIH) Funds to offset Building Permit and Development Fees for three single family homes for low income households to be built by Habitat for Humanity.

- Facts:
1. At its meeting of November 17, 1998, the Redevelopment Agency approved a grant of \$35,000 in LMIH Funds to Habitat for Humanity to offset Building Permit and Development Fees for three single family homes for low income households.
  2. California Redevelopment Law provides that such a grant be subject to an OPA and requires that single family homes assisted with LMIH Funds be subject to an Affordability Covenant that ensures that the assisted homes remain affordable to low income households for a period of at least 10 years.
  3. Attached is an OPA and Affordability Covenant provided by the City Attorney and based on a similar type of single family residential construction assistance provided by the City of Vallejo to a non-profit housing provider.

Analysis and Conclusion: The Affordability Covenant requires that, within 10 years of the grant of LMIH funds, if a low income buyer of one of the homes must sell the home, that they either do so to other eligible low income buyers or repay the Redevelopment Agency the amount of the grant of LMIH funds for that home.

RIMC CODE  
DATE: January 19, 1999  
FILE PLAN/GEN CAT: CDD/Housing  
SUBJECT: Redevelopment LMIH Fund  
LOCATION: Housing Division Files  
RETENTION: 3 Years  
OTHER: ED\REDEV\HABITAT RDA REPORT 011999

*6-1*

As part of its first trust deed with the low income buyers, Habitat for Humanity proposes to retain the right of first refusal to repurchase a home in order to keep it in the supply of housing that is affordable to low income households.

The dates listed in the Performance Schedule (Exhibit D of the OPA) offer Habitat for Humanity more time to complete the project than they have indicated. The extra time is intended to provide for any unforeseen contingencies.

Policy

Reference: California Redevelopment Law

Fiscal Impact: None to the City's General Fund or to the Redevelopment Fund. The LMIH Fund is restricted to projects or programs that "improve, increase and preserve the supply of affordable housing within a community".

- Options:
- a. Adopt the attached resolution approving an Owner Participation Agreement (OPA) and Affordability Covenant for the Habitat for Humanity project.
  - b. Amend, modify, or reject the above options.

Prepared By:



Ed Gallagher  
Housing Programs Manager

Attachments:

1. Resolution Approving an Owner Participation Agreement (OPA) and Affordability Covenant for the Habitat for Humanity project
2. OPA and Affordability Covenant

RESOLUTION NO. RD 99-

A RESOLUTION OF THE PASO ROBLES REDEVELOPMENT AGENCY  
APPROVING AN OWNER PARTICIPATION AGREEMENT AND AFFORDABILITY  
COVENANT IN CONJUNCTION WITH A GRANT OF REDEVELOPMENT LOW AND  
MODERATE INCOME HOUSING FUNDS TO ASSIST THE CONSTRUCTION OF THREE  
SINGLE FAMILY HOMES BY HABITAT FOR HUMANITY

WHEREAS, via Resolution RA 98-07, the Paso Robles Redevelopment Agency ("Agency") approved a grant of up to \$35,000 in Redevelopment Low and Moderate Income Housing (LMIH) Funds to Habitat for Humanity for San Luis Obispo County in order to pay for the building permit and development impact fees for three homes for low income households to be built at 2939, 2947 and 2949 Vine Street; and

WHEREAS, California Redevelopment Law (Health and Safety Code Sections 33380 and 33381) provides that the Agency may enter into an Owner Participation Agreement for any assistance; and

WHEREAS, Resolution RA 98-07 requires that Habitat for Humanity enter into an Owner Participation Agreement with the Paso Robles Redevelopment Agency as a condition of receipt of the \$35,000 in LMIH Funds; and

WHEREAS, California Redevelopment Law (Health and Safety Code Section 33334.3(f)) requires that any single family housing units assisted with LMIH funds shall remain available at affordable housing costs to persons and families of low income households for at least ten (10) years; and

NOW, THEREFORE, BE IT RESOLVED, by the Paso Robles Redevelopment Agency to approve the Owner Participation Agreement and Affordability Covenant with Habitat for Humanity attached to this resolution as Exhibit A.

PASSED AND ADOPTED THIS 19th day of January, 1999 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
CHAIRMAN WALTER J. MACKLIN

ATTEST:

\_\_\_\_\_  
JAMES L. APP, SECRETARY

## OWNER PARTICIPATION AGREEMENT

THIS OWNER PARTICIPATION AGREEMENT is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 1999, by and between the PASO ROBLES REDEVELOPMENT AGENCY (the "Agency") and HABITAT FOR HUMANITY OF SAN LUIS OBISPO COUNTY, a California nonprofit public benefit corporation (the "Participant"). The Agency and the Participant agree as follows:

### I. [§100] SUBJECT OF AGREEMENT

#### A. [§101] Purpose of this Agreement

Pursuant to Section 33334.2 of the California Health and Safety Code, the Agency has set aside twenty percent (20%) of tax increment revenues it has received to improve and increase the supply of affordable housing in the City of El Paso de Robles ("City"). The Agency desires to use a portion of these moneys to make a grant to the Participant to assist in the development of three (3) affordable, for-sale housing units (the "Project") on certain real property (the "Site"), located within the City of El Paso de Robles, California.

#### B. [§102] Parties to this Agreement

##### 1. [§103] The Agency

The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 et seq.). The principal office of the Agency is located at 1000 Spring Street, Paso Robles, California 93446. The term "Agency" shall mean any assignee or successor in interest to the Agency.

##### 2. [§104] The Participant

The Participant is Habitat for Humanity of San Luis Obispo County, a California nonprofit public benefit corporation. The principal address of the Participant is P.O. Box 613, San Luis Obispo, CA 93406.

Whenever the term "Participant" is used herein, such term shall include any permitted nominee, assignee or successor in interest as herein provided.

The Participant qualifies as an "owner participant" as that term is used in the Redevelopment Plan and the Community Redevelopment Law

The qualifications and identity of the Participant are of particular concern to the Agency, and it is because of such qualifications and identity that the Agency has entered into this Agreement. Prior to the issuance of the final Certificate of Completion for the Site, as set forth in Section 217 hereof, no voluntary or involuntary successor in interest of the Participant shall acquire any

rights or powers under this Agreement, and the Participant shall not assign all or any part of this Agreement without the prior written approval of the Agency, which approval will not be unreasonably withheld. This Agreement may be terminated by the Agency if there is any significant change (voluntary or involuntary) in the management or control of the Participant prior to the completion of development of the Site as evidenced by the issuance of a final Certificate of Completion therefor. This prohibition shall not prohibit or restrict the sale of an individual housing unit to a Buyer (as defined in Section 202 hereof) upon completion of and issuance of a partial certificate of completion for such unit.

C. [§105] The Site

The Site is shown on the "Map of the Site," attached to this Agreement as Exhibit A and incorporated herein by reference, and as more particularly described in the "Legal Description of the Site," attached hereto as Exhibit B and incorporated herein by reference. The Site is composed of real property presently owned by the Participant.

II. [§200] IMPROVEMENT OF THE SITE

A. [§201] Improvement of the Site

1. [§202] Scope of Development

The Site shall be developed with three (3) affordable, for-sale, single-family housing units pursuant to architectural, site and construction plans approved by the Agency (or the City), the terms of this Agreement and the Scope of Development attached hereto as Exhibit C. Upon completion of construction of each housing unit, the completed unit shall be sold to persons and families who will be the ultimate owners of the units (the "Buyers"). Participant shall diligently pursue completion of the Project in accordance with the Scope of Development and in accordance with the Schedule of Performance attached hereto as Exhibit D.

2. [§203] Project Financing

The Participant shall complete all actions necessary to secure all approvals and commitments necessary to effectuate the funding of the Project in an amount satisfactory to undertake and complete the construction of the Project. Within the time established therefor in the Schedule of Performance (Exhibit D), and as a condition precedent and prior to funding of the Agency Grant for each of the three units, as described in Section 302 of this Agreement, the Participant shall submit to the Agency evidence satisfactory to the Agency that the Participant has obtained firm and binding commitments for construction financing in an amount sufficient to develop each unit of the entire Project in accordance with this Agreement.

The cost of developing the Site and constructing all improvements thereon shall be borne by the Participant. Participant shall submit a project budget to Agency for its approval at the time specified in the Schedule of Performance (Exhibit D).

3. [§204] Development Review

Within the time established in the Schedule of Performance (Exhibit D), the Participant shall submit to the City all construction plans, drawings and related documents. Participant shall obtain all approvals and permits required under the City's normal plan check, development review and approval process.

During the preparation of all drawings and plans for the development of the Site, the Agency staff and the Participant shall meet as may be necessary to coordinate the preparation by the Participant, and the submission to, and review of construction plans and related documents by the City. The Agency staff and the Participant shall communicate and consult informally and as frequently as is necessary to ensure that the formal submittal of any documents to the City pursuant to this Section 204 can receive prompt consideration.

4. [§205] Schedule of Performance

Participant shall promptly begin and thereafter diligently prosecute to completion the construction of all of the improvements on the Site, as provided in the Scope of Development (Exhibit C), within the times specified in the Schedule of Performance (Exhibit D) with such reasonable extensions of said times as may be granted by the Agency. The Schedule of Performance (Exhibit D) is subject to revision from time to time as mutually agreed upon in writing between the Participant and the Agency.

5. [§206] Bodily Injury and Property Damage Insurance; Indemnification

During the periods of construction on the Site and until such time as the final certificate of occupancy has been issued by the City of El Paso de Robles' Building Division indicating completion of the construction of all of the improvements thereon, the Participant agrees to and shall indemnify, protect, defend and hold the Agency and the City harmless from and against all liability, loss, damage, costs or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of the death of any person or any accident, injury, loss or damage whatsoever caused to any person or to the property of any person which shall occur on or adjacent to the Site and which shall be caused by any acts done thereon or any errors or omissions of the Participant or any Buyer, or their agents, servants, employees or contractors.

The Participant shall not be responsible for (and such indemnity shall not apply to) any acts, errors or omissions of the Agency or the City, or their respective agents, servants, employees or contractors. The Agency and the City shall not be responsible for any acts, errors or omissions of any person or entity except the Agency and the City and their respective agents, servants, employees or contractors.

Prior to the commencement of any work on the Site, the Participant shall furnish, or cause to be furnished, to the Agency duplicate originals or appropriate certificates of insurance evidencing commercial general liability insurance on an occurrence basis insuring against bodily injury and

property damage in a combined single limit of liability per occurrence in the amount of \$1,000,000.00, general aggregate limit of \$2,000,000.00, naming the Agency and the City as additional insured. Participant shall further provide evidence of automobile liability insurance on an occurrence basis for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than \$1,000,000 per occurrence, covering owned, non-owned and hired automobiles. Participant shall also provide evidence of worker's compensation insurance in the statutory amount required by law. Participant's contractor, and subcontractors if any, shall also submit evidence of liability insurance in the same form and amount as required by Participant.

6. [§207] City and Other Governmental Agency Permits

Prior to the commencement of construction (or any work related thereto) upon the Site, the Participant shall secure, or cause to be secured, any and all permits which may be required by the City or any other governmental agency affected by such construction.

7. [§208] Anti-Discrimination During Construction

The Participant, for itself and its successors and assigns, agrees that in the construction of improvements on the Site provided for in this Agreement, the Participant will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, marital status, ancestry or national origin.

B. [§209] Prohibition Against Transfer and Assignment of Agreement

Prior to the completion of each of the units to be constructed on the Site and the issuance of a Partial Certificate of Completion for such unit, the Participant shall not, except as permitted by Section 105 of this Agreement, assign or attempt to assign this Agreement or any rights herein, nor make any total or partial sale, transfer, conveyance, assignment or lease of the whole or any part of the Site or the improvements thereon, without the prior written approval of the Agency. This prohibition shall not apply subsequent to the completion of a unit as evidenced by a Partial Certificate of Completion. This prohibition shall not be deemed to prevent the granting of easements, dedications or permits to facilitate the development of the Site.

Following transfer of the Site, or any portion thereof, with the Agency's consent, Participant shall be relieved of all of its obligations hereunder with respect to such portion of the Site transferred. Any such proposed buyer, transferee, conveyee, assignee or lessee of any portion of the Site for which a partial Certificate of Completion has not been issued, by instrument in writing satisfactory to the Agency and in form recordable among the land records, for itself and its successors and assigns, and for the benefit of the Agency, shall expressly assume all of the obligations of the Participant under this Agreement and agree to be subject to all conditions and restrictions to which the Participant is subject with respect to that portion of the Site so transferred. In the absence of specific written agreement of any proposed buyer, transferee, conveyee, assignee or lessee approved by the Agency as referred to above, no such sale, transfer,

conveyance, assignment or lease, or the approval thereof by the Agency, shall be deemed to relieve the Participant or any other party from any obligations under this Agreement.

C.     [§210] Security Financing; Rights of Holders

1.     [§211] Holder Not Obligated to Construct

The holder of any mortgage, deed of trust or other security interest providing construction financing to the Site shall in no way be obligated by the provisions of this Agreement to construct, or complete construction of, the improvements, or to guarantee such construction or completion.

2.     [§212] Notice of Default to Agreement or Other Security Interest Holders; Right to Cure

Whenever the Agency shall deliver any notice or demand to the Participant with respect to any breach or default by the Participant of this Agreement, the Agency shall at the same time deliver to each holder of record of any mortgage, deed of trust or other security interest authorized by this Agreement (who has previously made a request therefor) a copy of such notice or demand. Each such holder shall (insofar as the rights of the Agency are concerned) have the right, at its option within ninety (90) days after the receipt of the notice, to cure or remedy or commence to cure or remedy any such default and to add the cost thereof to the security interest debt and the lien on its security interest. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction of the improvements, or the completion thereof (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed the Participant's obligations to the Agency by written agreement satisfactory to the Agency. The holder in that event must agree to complete, in the manner provided in this Agreement, the construction of the improvements to which the lien or title of such holder relates, and submit evidence satisfactory to the Agency that it has the qualifications and financial responsibility necessary to perform such obligations.

D.     [§213] Final Certificate of Completion; Partial Certificate of Completion

As more fully described in the Scope of Development, the Site will be developed with three (3) affordable, for-sale, single-family residential units. Upon the completion of each residential unit, the Participant shall send a written request to the Agency and the Agency shall furnish the Participant with a Partial Certificate of Completion for each such residential unit completed in form suitable for recording in the Official Records of San Luis Obispo County, California, and substantially similar to that set forth in Exhibit E to this Agreement. An Affordable Unit (defined in Section 401) will be deemed completed upon the issuance of a Certificate of Occupancy and the recording of owner occupancy restrictions and resale restrictions described in Section 401. The Partial Certificate of Completion shall be, and shall so state, conclusive determination of satisfactory completion of the construction of such residential unit as required by this Agreement and a release of this Agreement from title to the unit.



After recording of such Partial Certificate of Completion, any party then owning or thereafter purchasing the individual residential unit covered by the Partial Certificate of Completion shall not (because of such ownership) incur any obligation or liability under this Agreement, except that such party shall be bound by any covenants contained in the deed, mortgage, deed of trust, covenants, conditions and restrictions, contract or other instrument in accordance with the applicable provisions of Sections 401 of this Agreement. The issuance of a Partial Certificate of Completion for an individual residential unit shall have no effect on the remainder of the Site not covered by such Partial Certificate of Completion.

Promptly after completion in accordance with this Agreement of all construction and development to be completed upon the Site, the Agency shall furnish the Participant with a Final Certificate of Completion upon written request therefor. Such Final Certificate of Completion shall be in the form of Exhibit F and shall be recorded in the Office of the County Recorder of San Luis Obispo County. The Final Certificate of Completion shall be, and shall so state, conclusive determination of satisfactory completion of all construction required by this Agreement upon the Site and of full compliance with the terms hereof.

A Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation to the Participant or Developer to any holder of a mortgage or any insurer of a mortgage securing money loaned to finance the improvements or any part thereof. A Certificate of Completion is not notice of completion as referred to in California Civil Code Section 3093.

#### E. [§214] Records

Participant shall maintain in accordance with generally accepted accounting principles, complete books and records relating to the construction of the Project and the sale of all the units. Such records shall be maintained for a period of three (3) years after completion of the Project.

Upon request for examination by Agency, Participant at any time during normal business hours, shall make available all of its records with respect to all matters covered by this Agreement, including records relating to the Buyers. Participant shall permit Agency to audit, examine and make excerpts or transcripts from these records.

### III. [§300] AGENCY ASSISTANCE

#### A. [§301] Agency Assistance

Subject to the Participant's obtaining financing, described in Section 201 of this Agreement, the Agency agrees to provide assistance to the Participant for the Project in a total aggregate amount not to exceed THIRTY-FIVE THOUSAND DOLLARS (\$35,000) (the "Agency Assistance"), as follows:

a. **Developer Fees.** In accordance with this Agreement, the Agency agrees to pay to the City, on behalf of Participant, developer fees normally assessed by the City in connection

with construction of the Project, in an amount not to exceed Thirty-Five Thousand Dollars (\$35,000) for all three of the housing units to be built (the "Developer Fees"). The Agency shall disburse the Developer Fees at the time of issuance of building permits and prior to issuance of a certificate of occupancy, as required by the City, for each of the housing units; provided, however, that the total amount of Developer Fees to be paid by the Agency pursuant to this Section 302 shall not exceed an aggregate total of THIRTY-FIVE THOUSAND DOLLARS (\$35,000). To the extent the total amount of Developer Fees required to be paid by Participant relating to the entire Project exceeds said \$35,000 amount, the Participant shall be responsible for, and shall promptly pay to the City when due, any amount of developer fees owed in excess of the \$35,000 amount to be paid by the Agency.

b. **Recording Fees.** In addition to the Developer Fees, but within the aggregate limit of \$35,000, the Agency agrees to pay the fees normally assessed by the County of San Luis Obispo for recordation of the Affordable Housing Covenants pursuant to Section 303 and Certificates of Completion pursuant to Section 214.

## 2. [§302] Agency Grant

All amounts paid to the Participant and the City by the Agency pursuant to Section 301 of this Agreement for Developer Fees (the "Agency Grant") shall be considered a grant by the Agency to Participant.

The Agency shall pay directly to the City on the Participant's behalf, the proceeds of the Agency's Grant, upon completion of the following:

(a) The Participant shall deliver to the Agency evidence that the Participant has obtained all approvals necessary for financing the construction of the Project, including without limitation, approval of all construction plans, drawings and related documents, and approvals of all permits (or evidence that permits are ready to be issued subject only to payment of the applicable Developer Fees) and any environmental review and documentation that may be required for development of the Project;

(b) The Participant shall deliver to the Agency a copy of a CLTA lender's policy of title insurance ("Title Policy"), showing fee simple title to the Site in the name of the Participant; and

(c) The Participant shall deliver to the Agency an executed Affordable Housing Covenant, as set forth in Section 303 below.

## 3. [§303] Affordable Housing Covenant

Prior to and as a condition precedent to funding of any portion of the Agency Grant, the Participant shall also execute and deliver an affordable housing covenant (the "Affordable Housing Covenant") to the Agency in the form substantially as set forth in Exhibit G hereto and

incorporated herein by reference. The Affordable Housing Covenant shall be recorded against each parcel comprising the Site.

The Agency agrees that the Affordable Housing Covenant shall be subordinate to a regulatory agreement or other covenants and restrictions required by the terms of other financing obtained by Participant for construction of the Project. The Agency further agrees that the Affordable Housing Covenant shall be subordinate to a deed or deeds of trust executed in favor of a Buyer's lender(s) for its permanent mortgage financing in an amount not to exceed \_\_\_\_\_ Thousand Dollars (\$\_\_\_\_,000.00) for each housing unit, subject to the provisions set forth in Section 4.04 of the Affordable Housing Covenant to the extent such permanent mortgage financing is not provided pursuant to an adopted federal or state program.

#### IV. [§400] USE OF THE SITE

##### A. [§401] Affordable Units

The Site shall be used for three (3) affordable, for-sale, single-family housing units to be developed by the Participant pursuant to designs approved by the City and pursuant to the Scope of Development. The Participant covenants and agrees for itself, its successors, its assigns and every successor in interest, that all of the residential units shall be designated "Affordable Units" for sale to persons and families whose gross income does not exceed 80% of the area median income, adjusted for family size appropriate for the unit ("Eligible Households"), and that all of the Buyers shall be qualified Eligible Households. The income levels and maximum housing cost of the Eligible Households must comply with the regulations promulgated by the California Department of Housing and Community Development Sections 6910-6932 in Title 25 of the California Code of Regulations, governing the Agency's set aside housing fund.

Resale restrictions establishing the criteria for resale of the Affordable Units to Eligible Households are contained in the Affordable Housing Covenant recorded against the Site and applicable to each Affordable Unit. Each Affordable Unit shall remain affordable for a period of not less than ten (10) years from completion of such Affordable Unit. Each of the Affordable Units shall also be subject to the owner occupancy restrictions contained in the Affordable Housing Covenant recorded against the Site.

##### B. [§402] Sale of Units

Participant shall actively market the Project and obtain qualified Buyers for each of the Affordable Units to be constructed on the Site. Participant shall educate each Buyer about the owner occupancy restrictions affecting all units and the resale restrictions so that each of the Buyers of the Affordable Units understand their effect. In addition, prior to conveyance of the Affordable Units to the Buyers, the Participant shall educate each of the Buyers on the proper building permit process required for future home improvements.

If requested by the Agency, Participant shall provide priority in the selection of Buyers to persons and families who currently live or work in Paso Robles, and shall cooperate with the Agency prior to the selection of Buyers to effectuate this provision.

C. [§403] Obligation to Refrain from Discrimination

The Participant covenants and agrees for itself, its successors, its assigns and every successor in interest to the Site, the Affordable Units or any part thereof, 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, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall the Participant or any person claiming under or through the Participant 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 Affordable Units. The foregoing covenants shall run with the land in accordance with Section 33438 of the Health and Safety Code and shall remain in effect in perpetuity.

D. [§404] Form of Nondiscrimination and Nonsegregation Clause

The Participant shall refrain from restricting the rental, sale or lease of any portion of the Site on the basis of race, color, creed, religion, sex, marital status, ancestry or national origin of any person. Pursuant to Sections 33337 and 33436 of the Health and Safety Code or any successor statute, all such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

1. In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, 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 land herein conveyed, nor shall the grantee, or any person claiming under or through him or her, 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 in the land herein conveyed. The foregoing covenants shall run with the land."

2. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"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 leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall the lessee himself or herself, or any person claiming under or through him or her, 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, sublessees, subtenants or vendees in the land herein leased."

3. In contracts: "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 land, nor shall the transferee, or any person claiming under or through him or her, 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 land."

E. [§405] Rights of Access

For the purposes of assuring compliance with this Agreement, representatives of the Agency and the City shall have the reasonable right of access to the Site without charges or fees for the purpose of inspection of the Site.

F. [§406] Effect and Duration of Covenants

The covenants contained in Section 401 of this Agreement shall be deemed to run with the land in accordance with Section 33334.3(f) of the Health and Safety Code or any successor statute and shall remain in effect for a period of not less than ten (10) years. The covenants against discrimination contained in Sections 403 and 404 of this Agreement shall be deemed to run with the land in accordance with Section 33438 of the Health and Safety Code or any successor statute and shall remain in effect in perpetuity. The covenants established in this Agreement shall, without regard to technical classification and designation, be binding on the part of the Participant and any successors and assigns to the Site or any part thereof, and the tenants, lessees, sublessees and occupants of the Site, for the benefit of and in favor of the Agency, the City and their successors or assigns and may be enforced by the Agency, the City and their successors and assigns.

V. [§500] DEFAULTS AND REMEDIES

A. [§501] Defaults

Failure or delay by either party to perform any term or provision of this Agreement constitutes a default under this Agreement. The nondefaulting party shall notify the defaulting party that a default exists and that the defaulting party must cure same within thirty (30) days of receipt of the notice of default. 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 reasonable diligence and during any period of curing shall not be in default.

B. [§502] Legal Actions

In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to recover damages for any default or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of San Luis Obispo, State of California, in any other appropriate court in that county, or in the Federal District Court in the District of California.

The nondefaulting party may also, at its option, cure the breach and sue in any court of proper jurisdiction to collect the reasonable costs incurred by virtue of curing or correcting the defaulting party's breach. Further, the nondefaulting party may file legal action to require the defaulting party to specifically perform the terms and conditions of this Agreement.

C. [§503] Applicable Law

The laws of the State of California, excepting those provisions dealing with choice of law, shall govern the interpretation and enforcement of this Agreement.

D. [§504] 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 time or different times, of any other rights or remedies for the same default or any other default by the other party.

E. [§505] 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 commenced to be cured within thirty (30) days after service of the notice of default and is not cured promptly in a continuous and diligent manner within a reasonable period of time after commencement, the defaulting party shall be liable to the non-defaulting party for damages caused by such default.

F. [§506] Specific Performance

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 commenced to be cured within thirty (30) days after service of the notice of default and is not cured promptly in a continuous and diligent manner within a reasonable period of time after commencement, the non-defaulting party, at its option, may thereafter (but not before) commence an action for specific performance of the terms of this Agreement pertaining to such default.

VI. [§600] GENERAL PROVISIONS

A. [§601] Conflicts of Interest

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

The Participant warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

B. [§602] Nonliability of Agency Officials and Employees

No member, official or employee of the Agency or the City shall be personally liable to the Participant in the event of any default or breach by the Agency or for any amount which may become due to the Participant or on any obligations under the terms of this Agreement.

C. [§603] Recordation

Participant and Agency shall execute a Memorandum of this Agreement in the form attached hereto as Exhibit H to be recorded against the Site.

VII. [§700] ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

This Agreement is executed in two (2) duplicate originals each of which is deemed to be an original. This Agreement comprises pages 1 through \_\_, inclusive, and Exhibits A through H which constitute the entire understanding and agreement of the parties.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

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

VIII. [§800] TIME FOR ACCEPTANCE OF AGREEMENT BY AGENCY

This Agreement, when executed by the Participant and delivered to the Agency, must be authorized, executed and delivered by the Agency within ten (10) days after the date of signature by the Participant or this Agreement shall be void, except to the extent that the Participant may consent in writing to further extensions of time for the authorization, execution and delivery of this Agreement. The effective date of this Agreement shall be the date when this Agreement has been signed by the Agency.

"AGENCY"

\_\_\_\_\_, 1999 PASO ROBLES REDEVELOPMENT AGENCY

By  
Executive Director

ATTEST:  
By  
Secretary

-AND-

"PARTICIPANT"

\_\_\_\_\_, 1999 HABITAT FOR HUMANITY OF SAN LUIS OBISPO  
COUNTY, a California nonprofit public benefit corporation

By  
Its



EXHIBIT A

MAP OF THE SITE

[To Be Inserted.]

EXHIBIT B

LEGAL DESCRIPTION OF THE SITE

[To Be Inserted.]

## EXHIBIT C

### SCOPE OF DEVELOPMENT

#### I. PRIVATE DEVELOPMENT

##### A. General

The Participant agrees that the Site shall be developed and improved in accordance with the provisions of this Agreement and the plans, drawings and related documents approved by the City pursuant hereto. The Participant, its architect, engineer and contractors, shall work with City staff to coordinate the overall design, architecture and color of the improvements on the Site.

##### B. Improvements on the Site

The Site shall be developed with three (3) single-family residential units; all of the units shall be three- or four-bedroom/two-bath units of approximately 1,100-1,140 square feet. Each unit shall include a two-car carport, front yard landscaping and a fenced back yard area.

##### C. Architecture and Design

The improvements shall be of high architectural quality, shall be well-landscaped, and shall be effectively and aesthetically designed. The shape, scale of volume, exterior design and exterior finish of the units must be consonant with, visually related to, physically related to, and an enhancement of adjacent buildings within the neighborhood. The Participant's plans submitted to the City shall describe in detail the architectural character intended for the improvements.

##### D. Landscaping

The landscaping for each unit shall be developed in accordance with plans approved by the City. Landscaping includes such materials as walkways, trees, shrubs and other plant materials, landscape containers, top soil preparation, fencing and sprinkler systems meeting City of El Paso de Robles approval.

##### E. Applicable Codes

The Participant's improvements shall be constructed in accordance with the Uniform Building Code (with City modifications) and the Municipal Code.

#### II. SITE CLEARANCE AND PREPARATION

The Participant shall compact, finish grade and do such site preparation as is necessary for the construction of the Participant's improvements on the Site.

EXHIBIT D

SCHEDULE OF PERFORMANCE

Action	Date
1. Execution of this Agreement	By February 28, 1999.
2. Submission of Evidence of Financing (Section 203)	Prior to issuance of a building permit for each housing unit.
3. Execution and recordation of Affordable Housing Covenant	Prior to issuance of a Certificate of Occupancy for each housing unit.
4. Submission of final construction plans, drawings and related documents (Section 204)	By March 31, 1999 for the first housing unit; by March 31, 2000 for the second housing unit; by March 31, 2001 for the third housing unit.
5. Funding of Developer Fees portion of Agency Loan	At time of issuance of building permit or Certificate of Occupancy, as applicable, for each housing unit.
6. Commencement of Construction of housing units	By June 1, 1999 for the first housing unit; by June 1, 2000 for the second housing unit; by June 1, 2001 for the third housing unit.
7. Completion of Construction of Affordable Units	By December 1, 1999 for the first housing unit; by December 1, 2000 for the second housing unit; by December 1, 2001 for the third housing unit.
8. Issuance of Partial Certificate of Completion	Upon completion of each housing unit.
9. Issuance of Final Certificate of Completion	Upon completion of entire Project.

EXHIBIT E

FORM OF PARTIAL CERTIFICATE OF COMPLETION

Recorded at the request of and  
when recorded return to:

PARTIAL CERTIFICATE OF COMPLETION OF  
CONSTRUCTION AND IMPROVEMENT

WHEREAS, the PASO ROBLES REDEVELOPMENT AGENCY (hereinafter referred to as the "Agency") and HABITAT FOR HUMANITY FOR SAN LUIS OBISPO COUNTY ("Participant"), entered into that certain Owner Participation Agreement dated \_\_\_\_\_, 1999 (the "OPA"), a memorandum of which was recorded in Book \_\_\_\_\_, page \_\_\_\_\_ of the Official Records of San Luis Obispo County, California; and

WHEREAS, pursuant to the OPA, the Participant has developed that portion of the Site (as defined therein) legally described in the attached Exhibit A (herein, the "Property") by constructing, or causing to be constructed, all of the improvements required under the OPA pertaining to the Property; and

WHEREAS, pursuant to Section 217 of the OPA, promptly after completion of construction and development of each individual residential unit (as set forth in the OPA) to be completed by the Participant and upon the written request by the Participant, the Agency is required to furnish the Participant with a Partial Certificate of Completion for that portion of the Site relating to such residential unit; and

WHEREAS, the issuance by the Agency of the Partial Certificate of Completion shall be conclusive evidence that the Participant has complied with the terms of the OPA pertaining to construction and development of the improvements upon that portion of the Site covered by the Partial Certificate of Completion; and

WHEREAS, the Participant has requested that the Agency furnish the Participant with the Partial Certificate of Completion for the Property; and

WHEREAS, the Agency has conclusively determined that construction of the improvements on the Property as required by the OPA has been satisfactorily completed;

NOW, THEREFORE:

1. As provided in the OPA, the Agency does hereby certify that construction of the individual residential unit on the Property covered by this Partial Certificate of Completion as required by the OPA has been fully and satisfactorily performed and completed.
2. The OPA therefore shall be removed from title to the Property.
3. This Partial Certificate of Completion shall not be deemed or construed to constitute evidence of compliance with or satisfaction of any obligation of the Participant to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the construction of the improvements on the Site. This Partial Certificate of Completion is not a notice of completion as referred to in Section 3093 of the California Civil Code.

IN WITNESS WHEREOF, the Agency has executed this Certificate of Completion as of this \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

PASO ROBLES REDEVELOPMENT AGENCY

By:  
Executive Director  
"AGENCY"  
ACCEPTED BY:

HABITAT FOR HUMANITY FOR SAN LUIS OBISPO COUNTY, a California nonprofit  
public benefit corporation

By:  
Its:  
"PARTICIPANT"

EXHIBIT F

FORM OF FINAL CERTIFICATE OF COMPLETION

Recorded at the request of AND  
when recorded return to:

FINAL CERTIFICATE OF COMPLETION OF  
CONSTRUCTION AND IMPROVEMENT

WHEREAS, the PASO ROBLES REDEVELOPMENT AGENCY (hereinafter referred to as the "Agency") and HABITAT FOR HUMANITY FOR SAN LUIS OBISPO COUNTY ("Participant"), are parties to that certain Participation Agreement dated \_\_\_\_\_, 1999 (the "OPA"), a memorandum of which was recorded in Book \_\_\_\_\_, page \_\_\_\_\_ of the Official Records of San Luis Obispo County, California; and

WHEREAS, pursuant to the OPA, the Participant has developed the Site (as defined therein) legally described in the attached Exhibit A by constructing, or causing to be constructed, all of the improvements required under the OPA; and

WHEREAS, pursuant to Section 217 of the OPA, promptly after completion of construction and development of all six (6) residential units to be developed on the Site (as set forth in the OPA) and upon the written request by the Participant, the Agency is required to furnish the Participant with a Final Certificate of Completion; and

WHEREAS, the issuance by the Agency of the Final Certificate of Completion shall be conclusive evidence that the Participant has complied with the terms of the OPA pertaining to construction and development of the improvements upon the Site; and

WHEREAS, the Participant has requested that the Agency furnish the Participant with the Final Certificate of Completion; and

WHEREAS, the Agency has conclusively determined that construction of the improvements on the Site as required by the OPA has been satisfactorily completed;

NOW, THEREFORE:

1. As provided in the OPA, the Agency does hereby certify that construction of all three (3) of the individual residential units as required by the OPA has been fully and satisfactorily performed and completed.
2. The OPA therefore shall be removed from title to the Site.
3. This Final Certificate of Completion shall not be deemed or construed to constitute evidence of compliance with or satisfaction of any obligation of the Participant to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the construction of the improvements on the Site. This Final Certificate of Completion is not a notice of completion as referred to in Section 3093 of the California Civil Code.

IN WITNESS WHEREOF, the Agency has executed this Certificate of Completion as of this \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

PASO ROBLES REDEVELOPMENT AGENCY

By:  
Executive Director  
"AGENCY"  
ACCEPTED BY:

HABITAT FOR HUMANITY FOR SAN LUIS OBISPO COUNTY, a California nonprofit  
public benefit corporation

By:  
Its:  
"PARTICIPANT"

10.24



EXHIBIT G

Recording Requested By and  
When Recorded Return To:

Paso Robles Redevelopment Agency  
1000 Spring Street  
Paso Robles, CA 93446

AFFORDABLE HOUSING COVENANT  
AND RESTRICTIONS ON SALE

This Agreement dated \_\_\_\_\_ is between the PASO ROBLES REDEVELOPMENT AGENCY (the "Agency") and HABITAT FOR HUMANITY FOR SAN LUIS OBISPO COUNTY, a California non-profit public benefit corporation ("Grantee").

RECITALS

A. The Agency intends to create affordable home ownership opportunities for persons and families of low and moderate income. The Grantee owns that certain real property as described in Exhibit A attached hereto and incorporated herein ("Property").

B. In working with the Agency to create affordable housing, Grantee has agreed to construct sales housing on the Property and to sell it at an Affordable Housing Cost to a person or family of very low income (the "owner"). For purposes of furthering the Agency's intent, the Agency has made cash contributions to the affordability of the housing units to be constructed on the Property in the form of a grant (the "Agency Assistance").

C. The Agency and Grantee desire by the execution of this Agreement to assure the Property meets the requirements of Health and Safety Code Sections 33334.2 and 33413 and remain affordable for the longest feasible period.

NOW THEREFORE, the parties acknowledge and agree as follows:

Article 1. Definitions

1.01 "Affordable Housing Cost" shall be as defined in Health and Safety Code Section 50052.5 or any successor thereto for persons and families of low or moderate income whose incomes do not exceed 80% of area median income, as adjusted for family size. If the statute is no longer in effect and no successor statute is enacted, the Agency shall establish the Affordable Housing Cost for purposes of this Agreement.

1.02. "Persons and families of low or moderate-income" means persons and families whose income does not exceed 80% of area median income, as adjusted for family size.

1.03. Persons and families meeting the definitions under Section 1.02 shall be referred to as "Eligible Households."

## Article 2. AFFORDABILITY Restrictions during first TEN years

### 2.01. Affordability Requirements.

A. For a period of ten (10) years from the date of this Agreement, owner, by and for itself and any successors in interest, hereby covenants and agrees that the Property shall only be sold to Eligible Households at an Affordable Housing Cost (unless sold pursuant to Section 2.02.B hereof) and that during such period the other requirements of this Article 2 shall apply.

B. OWNER FOR ITSELF AND FOR ANY SUCCESSORS IN INTEREST, HEREBY COVENANTS AND AGREES THAT THE UNIT MAY ONLY BE SOLD TO AN ELIGIBLE HOUSEHOLD (DEFINED IN SECTION 1.03 ABOVE) AT THE PURCHASE PRICE ESTABLISHED IN ACCORDANCE WITH SECTION 1.01, OR MAY ONLY BE SOLD TO A NON-ELIGIBLE HOUSEHOLD IN ACCORDANCE WITH THE PROVISIONS OF SECTION 2.02.B HEREOF, FOR THE PERIOD OF TIME BEGINNING ON THE DATE OF THIS AGREEMENT AND ENDING ON THE DATE TEN (10) YEARS THEREAFTER. THERE SHALL BE NO SALE OR OTHER TRANSFER OF THE PROPERTY WITHOUT THE CERTIFICATION BY THE AGENCY THAT THE PURCHASER/TRANSFeree IS AN ELIGIBLE HOUSEHOLD AND THAT THE PROPERTY IS BEING TRANSFERRED AT AN AFFORDABLE HOUSING COST, EXCEPT AS PROVIDED IN SECTION 2.02.B. ANY SALE OR OTHER TRANSFER OF THE UNIT IN VIOLATION OF THIS COVENANT SHALL BE VOID.

### 2.02. Sale of Property.

A. Prior to any proposed sale or other transfer of all or any part of the Property, the owner of the Property shall submit to the Agency a copy of the prospective purchaser's/transferee's income certification and a list of all assets owned by the prospective purchaser/transferee or other financial information in a form approved by the Agency along with the income certification to be provided to any lender making a loan on the Property. The Agency may require documentation evidencing and supporting the income and other financial information contained in the certifications. Within ten (10) business days from receipt of the income certifications, Agency shall render a decision of eligibility or noneligibility. If the prospective purchaser/transferee does not qualify as an Eligible Household, the Agency shall notify owner and owner shall be obligated to locate another purchaser/transferee who qualifies as an Eligible Household, or such sale or transfer shall be subject to the provisions of Section 2.02.B, below. The requirements of, and the information to be provided to the Agency under, this subsection A are separate from and in addition to any requirements or information required to be provided for permanent loan financing from any lender to be secured by the prospective purchaser for the purchase of the

Affordable Unit. ANY ATTEMPT TO TRANSFER TITLE OR ANY INTEREST THEREIN IN VIOLATION OF THESE COVENANTS SHALL BE SUBJECT TO THE PROVISIONS OF SECTION 2.02.B, BELOW.

B. In the event the owner is unable to locate an Eligible Household to purchase the Property at a price acceptable to the owner, the owner may sell or transfer the Property to a non-Eligible Household subject to the provisions of this subsection B. Upon the first sale of the Property to a non-Eligible Household, the Agency shall be reimbursed the amount of the Agency Assistance, which for the Property is \$\_\_\_\_\_. Upon the Agency's receipt of the full amount of the Agency Assistance, this Agreement shall automatically terminate without need of any further act or instrument.

C. The following transfers of title to the Property or any interest therein are not subject to these affordability restrictions: transfer by gift, devise or inheritance to the spouse, issue or adopted child of the owner of the Property; transfer resulting from the death of an owner when the transfer is to a co-owner or joint tenant; transfer by an owner to any person who becomes a co-owner of the Property provided the owner retains at least a 33% interest in the Property and the co-owner agrees to become a co-owner under the resale restriction agreement; transfer of title to a spouse resulting from divorce, decree of dissolution or legal separation or from a property settlement agreement incidental to such a decree in which one of the owners becomes the sole owner; or acquisition of title to the Property or interest therein in conjunction with marriage; a transfer between co-owners or a transfer by owner into an inter vivos trust in which Owner is a beneficiary and owner continues to occupy the Property.

D. The owner may transfer the Unit if all of the following conditions are satisfied:

1. The transferee(s) intend(s) to occupy the Unit as owner's principal place of residence and the transferee(s) must be an Eligible Household. Agency will allow co-signers not meeting the above conditions for purposes of obtaining loans so long as the transferee(s) of the Unit meet(s) the conditions set forth above.

2. Owner must notify Agency at least fifteen (15) working days prior to the date of transfer of the Unit and otherwise comply with all the requirements of this Agreement.

3. The transferee shall execute such documents as may be required by the Agency pursuant to which the transferee shall assume the obligations and duties and agree to be bound by the restrictions of this Agreement.

2.03. THE OWNER (AND EACH SUBSEQUENT purchaser) of the Property shall occupy the Property as its principal residence for the duration of its ownership. Upon request by the Agency, the owner of the Property shall submit an affidavit to the Agency certifying that the Property is the owner's principal residence.

Article 3.     DEFAULTS

3.01.   Default and Foreclosure

A.     A request for notice of default and any notice of sale under any deed of trust or mortgage with power of sale encumbering the Unit shall be recorded by the Agency in the Office of the Recorder of the County of San Luis Obispo. Any notice of default given pursuant to Civil Code Section 2924B, or as later amended, shall constitute a notice of intent to sell hereunder, and the Agency, its designee or assignee may exercise its preemptive right to purchase pursuant to the provisions of Section 2.05 of this instrument, provided however, that, notwithstanding any language contained in this instrument to the contrary with regard to the rights of the lien holder, the Agency, its designee or assignee, must complete such purchase no later than the end of the period established by California Civil Code Section 2924c for reinstatement of a monetary default under the deed of trust or mortgage.

B.     In the event of default and foreclosure, the Agency, its designee or assignee, shall have the same right as the owner to cure defaults and redeem the Unit prior to foreclosure sale. Such redemption shall be subject to the same fees, charges and penalties which would otherwise be assessed against the owner. Nothing herein shall be construed as creating any obligation on the part of the Agency to cure any such default, nor shall this right to cure and redeem operate to extend any time limitations in the default provisions of the underlying deed of trust or mortgage.

C.     In the event that no request for notice is filed, the right to purchase of the Agency, its designee or assignee, shall run from the date the notice of default is given to the owner, and any such purchase must be completed within the period established in this Section 3.01. In the event the Agency, its designee or assignee, elects not to exercise its rights to purchase upon default, and a foreclosure sale is consummated, any surplus proceeds to which the owner may be entitled following foreclosure under California state law shall be paid as follows: After any required payment of encumbrances (including without limitation any amounts owing under the Note executed by owner evidencing the Agency Loan), that portion of surplus, if any, up to but not exceeding the net amount that the owner would have received above had the Agency exercised its right to purchase the Premises on the date of the foreclosure sale, shall be paid to the owner on the date of the foreclosure sale; the balance of surplus, if any, shall be paid to the Agency, its successors or assigns.

D.     In the event that the Agency, its designee or assignee does not elect to purchase the Unit pursuant to the provisions of this Section and the Unit is sold through judicial or nonjudicial foreclosure or by deed in lieu of foreclosure, the purchaser of the Unit shall receive title free and clear of the provisions of this Agreement (unless the purchaser at such sale is the owner).

3.02.   Notice of Prohibited Transfer. Upon receiving notification of a Prohibited Transfer under the provisions of Article 2 hereof, Agency will give written notice to the owner specifying the nature of the Prohibited Transfer. If the violation is not corrected to the satisfaction of the Agency within ten (10) days after the date of the notice, or within such further time as Agency determines is necessary to correct the violation, Agency may declare a default under this

Agreement. Upon the declaration of a default, Agency may apply to a court of competent jurisdiction for specific performance of the Agreement, for an injunction prohibiting a proposed sale or transfer in violation of this Agreement, for a declaration that the Prohibited Transfer is void, or for any such other relief as may be appropriate. In addition, Agency shall have the right to exercise its right of first refusal to purchase the Unit.

3.03. Attorney Fees and Costs. If any action is brought to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs.

#### Article 4. General

4.01. Notices. Notices required to be sent to the Agency hereunder shall be sent by certified mail, return receipt requested, to the following address:

Executive Director  
Paso Robles Redevelopment Agency  
1000 Spring Street  
Paso Robles, CA 93446

4.02. Duration. The covenants set forth herein shall be covenants running with the land in accordance with Section 33334.3(f) and 33413(c) of the Health and Safety Code, or any successor statutes, and shall inure to the benefit of the Agency, the City of El Paso de Robles and their successors and assigns enforceable by the Agency, the City of El Paso de Robles or their successors or assigns, without regard to whether the Agency is or remains an owner of any land or interest to which such covenants relate for a period of ten (10) years from the date of recording this Agreement, unless sooner terminated as provided herein. The Agency and such aforementioned parties, in the event of any breach of any such covenants contained herein, shall have the right to exercise all of its rights and remedies allowed by law and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach. The covenants and agreements established in this Agreement, without regard to technical classification and designation, shall be binding upon all parties having any right, title, or interest in the Property, or any portion thereof and on their heirs, successors in interest and assigns until the covenants terminate. The parties agree that all future deeds or transfers of interest shall show the restrictions of this Agreement and, during the duration of this Agreement, any transfer of the Property shall be subject to the terms and conditions of this Agreement.

4.03. Successors and Assigns.

A. The Owner, by and for itself and each successor to any interest in the Property, hereby specifically acknowledges and agrees to be bound by the covenants contained herein. Any successor to Owner shall execute a Affordability Agreement and Restrictions on Sale in substantially the same form as this Agreement or such other agreements or documents as may be reasonably requested by Agency.

B. The parties agree that all future deeds or transfers of interest shall show the restrictions of this agreement and during the duration of this agreement, any transfer of the UNIT shall be subject to the terms and conditions of this agreement.

C. In the event the Agency is no longer in existence during the term of this Agreement, all right, title and interest of the Agency shall inure to the benefit of the City of El Paso de Robles.

4.04. Subordination. Agency agrees to subordinate the terms and conditions of this Agreement to financing obtained by Grantee through construction financing obtained by Grantee, in an amount not to exceed \_\_\_\_\_ Thousand Dollars (\$\_\_\_\_\_,000.00), upon terms and conditions approved by Agency. Upon completion of construction, the Agency further agrees to subordinate the terms and conditions of this Agreement to permanent mortgage financing obtained by an individual owner of each of the Affordable Units to be developed on the Property in an amount not to exceed \_\_\_\_\_ Thousand Dollars (\$\_\_\_\_\_,000.00), upon terms and conditions approved by Agency. As a condition to any such subordination, to the extent any such construction or permanent mortgage financing is not provided pursuant to an adopted federal or state program, the lender must agree, and the applicable loan documents must obligate the lender, to send written notice of any default by the owner to the Agency, must permit the Agency to cure any default within ninety (90) days following notice of the default, allow the Agency to foreclose the under its Deed of Trust without the lender accelerating its debt and permit the Agency to transfer the Site to another housing developer without the lender accelerating its debt.

4.05. Amendment.

This Agreement may be amended only in writing by Agency and the Grantee or owner, as applicable, of the Property.

"AGENCY"

PASO ROBLES REDEVELOPMENT AGENCY

By: \_\_\_\_\_  
Executive Director

"GRANTEE"

HABITAT FOR HUMANITY FOR SAN LUIS OBISPO COUNTY

By: \_\_\_\_\_  
Its: \_\_\_\_\_





EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

[To Be Inserted.]

EXHIBIT H

RECORDED AT THE REQUEST OF AND  
WHEN RECORDED RETURN TO:

Paso Robles Redevelopment Agency  
1000 Spring Street  
Paso Robles, California 93446

THIS SPACE RESERVED FOR RECORDER'S USE

MEMORANDUM  
OF  
OWNER PARTICIPATION AGREEMENT

This Memorandum of Participation Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by and between THE PASO ROBLES REDEVELOPMENT AGENCY (the "Agency"), and HABITAT FOR HUMANITY FOR SAN LUIS OBISPO COUNTY, a California nonprofit public benefit corporation (the "Participant").

1. This is a Memorandum of Owner Participation Agreement (the "OPA") respecting certain real property situated in the City of El Paso de Robles, County of San Luis Obispo, State of California, as more particularly described on Exhibit A attached hereto (the "Site").
2. This Memorandum of OPA is made upon all the terms and conditions in the OPA relating to the Site between Agency and Participant of even date herewith and all of said terms and conditions are incorporated by reference herein.
3. Development of the Site is governed by the terms and conditions of the OPA.

IN WITNESS WHEREOF, the respective parties hereto have executed this Memorandum.

AGENCY:

PARTICIPANT:

PASO ROBLES  
REDEVELOPMENT AGENCY

HABITAT FOR HUMANITY FOR  
SAN LUIS OBISPO COUNTY

By \_\_\_\_\_  
Executive Director

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Attest:

By \_\_\_\_\_  
Secretary

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 1999, before me, the undersigned notary public, personally appeared \_\_\_\_\_,

- personally known to me
- proved to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that \_\_\_\_\_ executed the same in \_\_\_\_\_ authorized capacity, and that by \_\_\_\_\_ signature on the instrument the person, or entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

\*\*\*\*\*

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 1999, before me, the undersigned notary public, personally appeared \_\_\_\_\_,

- personally known to me
- proved to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that \_\_\_\_\_ executed the same in \_\_\_\_\_ authorized capacity, and that by \_\_\_\_\_ signature on the instrument the person, or entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_