

RESALE RESTRICTION, REFINANCE RESTRICTION, AND OPTION TO  
PURCHASE AGREEMENT

(MAMMOTH LAKES HOUSING, INC.)

ADMINISTRATIVE CHECKLIST

(Remove Upon Completion)

**BLANK LINES: CHECKLIST**

- \_\_\_\_\_ Name of Project, if applicable, p. 1, document title
- \_\_\_\_\_ Owner's Name and Address of Home Purchased, p. 1
- \_\_\_\_\_ Date, p. 1, first paragraph
- \_\_\_\_\_ Address of Home, p. 2, Recital D
- \_\_\_\_\_ First Lender's Name, p. 2, Recital F
- \_\_\_\_\_ Home Address, p. 4, Section 2
- \_\_\_\_\_ Original Purchase Price of Home, p. 8, Section 11.A(1).
- \_\_\_\_\_ Median Income for 4 Person Household on Date of Purchase by Owner,  
p. 8, Section 11.A(1).
- \_\_\_\_\_ Income Level of Eligible Purchaser Shall Not Exceed, p. 10, Section  
12.B(3).
- \_\_\_\_\_ Signatures, p. 21
- \_\_\_\_\_ Include Exhibit A, Property Description
- \_\_\_\_\_ Notary

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

The Town of Mammoth Lakes  
P.O. Box 1609  
Mammoth Lakes, CA 93546  
Attention: Mammoth Lakes Housing, Inc.

NO FEE RECORDING PURSUANT  
TO GOVERNMENT CODE SECTION 27383

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**RESALE RESTRICTION, REFINANCE RESTRICTION, AND OPTION TO  
PURCHASE AGREEMENT**

**(INSERT PROJECT, IF APPLICABLE)**

Owner: \_\_\_\_\_

Home: \_\_\_\_\_

This Resale Restriction, Refinance Restriction, and Option to Purchase Agreement (the "Agreement") is entered into as of this \_\_\_\_\_<sup>th</sup> day of \_\_\_\_\_ 20\_\_\_\_, by and between Mammoth Lakes Housing, Inc., a California nonprofit public benefit corporation ("MLH") and \_\_\_\_\_ (referred to in this Agreement sometimes as "Buyer" and sometimes as "Owner").

**RECITALS**

A. The Town Council of the Town of Mammoth Lakes, State of California (the "Town"), adopted Zoning Code amendment 2005-05 amending the Town of Mammoth Lakes Municipal Code chapters 17.08 (definitions) and 17.52 (conversion of existing residential facilities) and repealing and restating Chapter 17.36 (affordable housing mitigation regulations).

B. The goal of these amendments was to further the creation of affordable housing in Mammoth Lakes sufficient to mitigate the increased affordable housing demands created by new development, including the needs of part-time employees, full-time employees, and non-working household members. The continued development of Mammoth Lakes will result in an increase in service-oriented employment opportunities and consequently the need for living accommodations.

C. To implement the affordable housing program described above, the Town delegated the authority to implement and monitor the program to MLH. MLH adopted certain Workforce Housing Policies and Guidelines (the "Workforce Housing Guidelines") to further

implement the Town's affordable housing program. Implementation of the program furthers MLH's charitable purposes.

D. Buyer intends to purchase a home located at [REDACTED] in the Town of Mammoth Lakes and more particularly described in Exhibit A attached hereto and incorporated herein (the "Home"). The Town requires the Buyer to execute this Agreement as a condition to the Buyer's purchase of the Home pursuant to Town Council Resolution #2204-43.

E. The purpose of this Agreement is to place resale controls on the Home and to require the payment of any excess proceeds of sale to MLH for use in other affordable housing programs. This Agreement also provides MLH an option to purchase the Home at a restricted price, given in consideration of the economic benefits to the Owner resulting from purchase of the Home at a below market price.

F. The Owner is receiving a first mortgage loan from [REDACTED] (the "First Lender") for purchase of the Home (the "First Mortgage Loan"). The First Mortgage Loan is secured by a deed of trust to be recorded concurrently herewith (the "First Mortgage Deed of Trust").

G. This Agreement is secured by a deed of trust on the Home, recorded concurrently herewith (the "MLH Deed of Trust"). This Agreement and the MLH Deed of Trust shall be subordinate to the lien of the First Mortgage Deed of Trust.

NOW, THEREFORE, in consideration of the benefits received by the Owner and MLH hereunder, the Owner and MLH agree, as follows:

1. DEFINITIONS.

The following terms are specially defined for this Agreement and their definitions can be found in the sections indicated below:

- A. "Actual Net Sales Proceeds" – Section 13B
- B. "Agreement" - First sentence of the Agreement on page 1
- C. "Buyer" or "Owner" – First sentence of the Agreement on page 1
- D. "Eligible Capital Improvements" - Section 11A(2)
- E. "Eligible Purchaser" - Section 12B
- F. "Excess Rents" – Section 4
- G. "Excess Sales Proceeds" - Section 13A
- H. "Market Value" – Section 11B

- I. "First MLH Response Notice" - Section 8
- J. "First Lender" - Recital F
- K. "First Mortgage Deed of Trust" - Recital F
- L. "First Mortgage Loan" - Recital F
- M. "Home" - Recital D and Section 2
- N. "Indexed Price" - Section 11A
- O. "Market Purchaser" - Section 12E
- P. "Marketing Period" - Section 12A
- Q. "Market Sale Expiration Date" – Section 12E
- R. "Maximum Restricted Resale Price" - Section 11
- S. "MLH" - First sentence of the Agreement on page 1
- T. "MLH Deed of Trust" - Recital G
- U. "MLH Option" - Section 10
- V. "Permitted Encumbrance Amount" – Section 23
- W. "Projected Net Sales Proceeds" – Section 13C
- X. "Owner" - First sentence of the Agreement on Page 1
- Y. "Owner's Notice of Failure to Locate Eligible Purchaser" - Section 12E
- Z. "Owner's Notice of Intent to Transfer" - Section 7
- AA. "Second MLH Response Notice" - Section 12E
- BB. "Town of Mammoth Lakes" - Recital A
- CC. "Transfer" - Section 6
- DD. "Workforce Housing Guidelines" – Recital C

The following exhibits are attached to this Agreement:

- (1) Exhibit A: Legal Description of the Property
- (2) Exhibit B: Form of Owner Occupancy Certification
- (3) Exhibit C: Form of Request to Lease Home for Hardship
- (4) Exhibit D: Form of Owner's Notice of Intent to Transfer
- (5) Exhibit E: Form of Owner Acknowledgement of First MLH Response Notice
- (6) Exhibit F: Form of Request for MLH Approval of Improvements to the Home
- (7) Exhibit G: Form of Owner's Notice of Failure to Locate Eligible Purchaser
- (8) Exhibit H: Form of Owner Request for Determination of Permitted Encumbrance Amount (Refinance of First Mortgage Loan)

2. DESCRIPTION OF HOME.

This Agreement concerns the real property commonly known as [REDACTED], Mammoth Lakes, California 93546, which is more fully described in Exhibit A attached hereto and incorporated in this Agreement by this reference (the "Home").

3. OWNER CERTIFICATIONS; OWNER OCCUPANCY REQUIREMENT.

The Owner certifies that the financial and other information previously provided in order to qualify to purchase the Home is true and correct as of the date first written above. The Owner shall occupy the Home as the Owner's principal place of residence. The Owner shall be considered as occupying the Home if the Owner is living in the unit for at least nine (9) months out of each calendar year. The Owner shall not engage in any business activity on or in the Home. The Owner shall provide an annual written certification to MLH, in the form shown in Exhibit B of this Agreement, that the Owner is occupying the Home as his or her principal place of residence, and meeting the requirements of the Workforce Housing Guidelines. The Workforce Housing Guidelines are hereby incorporated into this Agreement.

4. NO LEASING OF HOME.

The Owner shall not lease the Home to another party, including leasing the Home to a roommate while occupying the Home, unless such lease is first approved in writing by MLH, if permitted by applicable funding restrictions. If funding restrictions permit, MLH shall approve the leasing of the Home only if ALL of the following conditions are met: (1) the Owner demonstrates to MLH's reasonable satisfaction that the Owner will incur substantial hardship if he or she is not permitted to lease the Home to a third party; (2) the term of the lease is not greater than twelve (12) months and cannot be extended without MLH approval; (3) the lease

requires the tenant to maintain the Home and surrounding property in good condition and prohibits subleasing; and (4) the rent for the Home does not exceed the lesser of: (i) thirty percent (30%) of the income of the tenant household that is renting the Home, or (ii) the Owner's monthly cost of principal and interest on the First Mortgage Loan and property insurance and property taxes associated with Home. In the event Owner intends to lease the Home pursuant to this section, Owner shall promptly give MLH written notice in the form attached as Exhibit C to this Agreement. If funding restrictions prohibit leasing of the Home, MLH shall inform the Owner, and any leasing of the Home, including leasing the Home to a roommate while occupying the Home, shall be prohibited. Any lease of the Home in violation of this Agreement is prohibited, and shall be a default under this Agreement and the MLH Deed of Trust. The Owner further agrees that, in the event the Owner leases the Home to a third party in violation of this Section 4, any excess rents ("Excess Rents") paid to the Owner by the lessee over the "Affordable Rent" shall be due and payable to MLH immediately upon receipt thereof by the Owner. Such Excess Rents shall be considered a recourse debt of the Owner to MLH, which MLH may collect by legal action against the Owner and/or by foreclosure under the MLH Deed of Trust.

5. MAINTENANCE AND INSURANCE REQUIREMENTS.

- A. The Owner shall maintain the Home, including landscaping, in good repair and in a neat, clean and orderly condition and will not commit waste or permit deterioration of the Home.
- B. The Owner shall maintain a standard all risk property insurance policy equal to the replacement value of the Home (adjusted every five (5) years by appraisal, if requested by MLH), naming MLH as an additional insured. Additional insurance requirements are set forth in Section 5 of the MLH Deed of Trust.

6. RESTRICTIONS ON RESALE OF THE HOME.

Any Transfer of the Home will be subject to the provisions of this Agreement including, without limitation, the MLH Option described in Section 10 below. "Transfer" means any sale, assignment or transfer, voluntary or involuntary, of any interest in the Home, including, but not limited to, a fee simple interest, a joint tenancy interest, a life estate, a leasehold interest, or an interest evidenced by a land contract by which possession of the Home is transferred and Owner retains title. Any Transfer without satisfaction of the provisions of this Agreement is prohibited. Transfers by devise or inheritance to an existing spouse, Domestic Partner, child, surviving joint tenant, or a spouse as part of a dissolution proceeding, or in connection with marriage shall not be considered a Transfer for the purposes of this Agreement, but all such transferees shall continue to be bound by the requirements of this Agreement. For purposes of this Section 6, "Domestic Partners" shall mean persons registered as domestic partners under California law.

7. NOTICE OF INTENDED TRANSFER; PREPARATION OF HOME FOR SALE.

- A. In the event the Owner intends to Transfer or vacate the Home, the Owner shall promptly give MLH written notice of such intent (the "Owner's Notice of Intent to Transfer"), in the form shown in Exhibit D attached to this Agreement. The

Owner shall give MLH the Owner's Notice of Intent to Transfer prior to notifying real estate brokers or lenders of Owner's intent to Transfer the Home and prior to listing of the Home on the Multiple Listing Service. The Owner's Notice of Intent to Transfer shall be sent to MLH by certified mail, return receipt requested at the address provided in Section 30 of this Agreement. The Owner's Notice of Intent to Transfer shall include the information necessary for MLH to determine the Indexed Price of the Home, including the following information:

- (1) the address of the Home;
- (2) the date of purchase of the Home by the Owner;
- (3) the purchase price of the Home paid by the Owner at the time of his/her purchase;
- (4) a copy of the HUD-1 Settlement Statement or equivalent document from the close of escrow on the Owner's purchase of the Home;
- (5) if Owner has made Eligible Capital Improvements to the Home that he/she wishes to include in the calculation of Indexed Price, a description of the improvements, the date the improvements were made, a copy of the letter granting prior MLH approval of the improvements, evidence of cost of the improvements, and an appraisal of the value added to the Home by the Eligible Capital Improvements;
- (6) the date on which Owner intends to vacate Home;
- (7) the date Home will be placed on the market; and
- (8) the name and phone number of the person to contact to schedule inspection of the Home by MLH.

B. The Owner may not wish to contract with a real estate broker to sell the Home until the Owner has received the First MLH Response Notice pursuant to Section 8A below, as the services of a broker will not be required if MLH exercises the MLH Option to purchase the Home pursuant to Sections 8A and 10 below.

C. Following delivery to MLH of the Owner's Notice of Intent to Transfer, the Owner shall prepare the Home for sale, as follows:

- (1) within thirty (30) days of the date of the Owner's Notice of Intent to Transfer, the Owner shall allow MLH, or its designee, to inspect the Home to determine its physical condition, and, if requested by MLH, following such inspection, the Owner shall obtain and deliver to MLH a home inspection report prepared by a licensed home inspector;
- (2) if the Home is vacant, the Owner shall maintain utility connections until the close of escrow on the Transfer;

(3) in the event of an MLH purchase of the Home, the Owner shall permit a final walk-through of the Home by MLH, or MLH's designee, in the final three (3) days prior to close of escrow on the Transfer.

8. MLH RESPONSE TO OWNER'S NOTICE OF INTENDED TRANSFER.

MLH shall respond in writing (the "First MLH Response Notice") to the Owner's Notice of Intent to Transfer within forty-five (45) days of MLH receipt of a complete Owner's Notice of Intent to Transfer that includes all information required under Section 7. The First MLH Response Notice shall inform the Owner of MLH's election to proceed under one of the following two alternatives:

- A. MLH Exercise of MLH Purchase Option. The First MLH Response Notice may notify the Owner that MLH elects to exercise the MLH Option, or assign its right to an Eligible Purchaser, to purchase the Home, as granted in Section 10 below, and shall include MLH's calculation of the Maximum Restricted Resale Price to be paid by MLH pursuant to Section 11 below and the transaction fee to be paid by the Owner pursuant to Section 10 below.
- B. Owner Sale at Restricted Sale Price to Eligible Purchaser. Alternatively, the First MLH Response Notice may notify the Owner that MLH will not at this time exercise MLH's Option to purchase the Home and that the Owner may proceed to sell the Home to an Eligible Purchaser at a price not to exceed the Maximum Restricted Resale Price, pursuant to the procedure set forth in Section 12 below. In this event, the First MLH Response Notice shall include the following information: (1) the maximum qualifying income for an Eligible Purchase; (2) the certifications required of an Eligible Purchaser; and (3) the Maximum Restricted Resale Price the Owner may receive for the Home, calculated by MLH pursuant to Section 11 below.

9. OWNER ACKNOWLEDGMENT OF MLH RESPONSE NOTICE.

No later than seven (7) days following the date of the First MLH Response Notice, the Owner shall acknowledge in writing to MLH, in the form shown in Exhibit E attached to this Agreement, that he/she has received MLH Response Notice and still intends to Transfer the Home.

10. MLH PURCHASE OPTION.

The Owner agrees that MLH shall have the option to purchase the Home (the "MLH Option") for an amount equal to the LESSER of: (i) the Fair Market Value of the Home; or (ii) the Indexed Price of the Home, determined pursuant to Section 11A of this Agreement. MLH may, instead of purchasing the Home itself, assign its right to purchase the Home pursuant to the MLH Option to another public agency, a nonprofit corporation, or to an Eligible Purchaser (the "MLH-Designated Purchaser"). The Owner shall pay MLH a transaction fee equal to three



percent (3%) of the sales price if MLH (or its assignee) exercises the MLH Option and purchases the Home. The MLH Option may be exercised at two separate times as follows:

- A. The MLH Option may be exercised by MLH in the First MLH Response Notice, as described in Section 8A above, to be sent by MLH to the Owner within forty-five (45) days of MLH's receipt of a complete Owner's Notice of Intent to Transfer. If the First MLH Response Notice notifies the Owner that MLH will exercise the MLH Option to purchase, MLH shall purchase the Home within ninety (90) days of the date of the First MLH Response Notice.
- B. The MLH Option may also be exercised by MLH in the Second MLH Response Notice (as described in Section 12E below), to be sent by MLH to the Owner within fifteen (15) days of receipt of the Owner's Notice of Failure to Locate Eligible Purchaser. If the Second MLH Response Notice states that MLH will exercise the MLH Option, MLH shall purchase the Home within seventy-five (75) days of the date of the Second MLH Response Notice.

11. DETERMINATION OF RESTRICTED SALE PRICE FOR MLH PURCHASE OR RESTRICTED SALE

If MLH or a MLH-Designated Purchaser exercises the MLH Option, or if the Owner sells to an Eligible Purchaser, the maximum sales price (the "Maximum Restricted Resale Price") that the Owner shall receive from MLH, a MLH-Designated Purchaser or the Eligible Purchaser for purchase of the Home shall be the LESSER of the Indexed Price or the Fair Market Value.

A. Indexed Price.

(1) The Indexed Price of the Home means the sales price of the Home at the time of purchase by the Owner, which was [REDACTED] Dollars (\$ [REDACTED]), increased by the percentage of increase in the Median Income from the date of the original purchase of the Home by the Owner to the date of receipt by MLH of the Owner's Notice of Intent to Transfer, and, where applicable, adjusted pursuant to subsection (2) below to reflect the cost of deferred maintenance. "Median Income" shall refer to the median yearly income, adjusted for a household size of four, in Mono County as published by the California Department of Housing and Community Development ("HCD"), or, in the event such income determination is no longer published by HCD, or has not been updated for a period of at least eighteen (18) months, as published by the United States Department of Housing or other federal agency. As of the date of Owner's purchase of the Home, the Median Income for a household of four persons is [REDACTED] Dollars (\$ [REDACTED]).

(2) Where applicable, the Indexed Price shall include an upward adjustment reflecting the value of any substantial structural or permanent fixed improvements which the Owner has made to the Home after purchase of the Home. No such adjustment shall be made except for improvements: (a) made or installed by the Owner which conformed with applicable building codes at the time of installation; (b) approved in writing in advance by MLH or its designee; and (c) whose initial costs exceed one percent (1%) of the purchase price paid for the

Home by the Owner. A form for use in requesting MLH approval of a Home improvement and a list of types of improvements that may allow for adjustment is attached to this Agreement as Exhibit F. Improvements meeting the above requirements are referred to in this Agreement as "Eligible Capital Improvements." The adjustment to the Indexed Price for such Eligible Capital Improvements shall be limited to appraised increases in value to the Home as a result of the improvements (pursuant to an appraisal performed as described in Section 11B below), including any depreciation in value of the capital improvements since the time of installation, and not the cost of construction of the improvements to the Home, but in no event shall the adjustment for Eligible Capital Improvements exceed fifteen percent (15%) of the Indexed Price. The Indexed Price shall include a downward adjustment, where applicable, in an amount necessary to repair any violations of applicable building, plumbing, electric, fire or housing codes or any other provisions of the applicable Building Code, as well as any other repairs needed to put the Home into a "sellable condition". Items necessary to put a Home into sellable condition shall be determined by MLH or its designee, and may include cleaning, painting and making needed structural, mechanical, electrical, plumbing and fixed appliance repairs and other deferred maintenance repairs.

- B. Fair Market Value. In certain circumstances it may be necessary to determine the fair market value of the Home without taking account of the resale restrictions imposed by this Agreement (the "Fair Market Value"). These circumstances include: (1) where the parties wish to determine if the Indexed Price exceeds the Fair Market Value in order to determine the Maximum Restricted Resale Price pursuant to Section 11; (2) where the parties wish to determine the value of Eligible Capital Improvements in order to calculate the Indexed Price pursuant to Section 11A; and (3) where the Owner wishes to refinance the First Mortgage Loan as described in Section 23 below, and it is necessary to determine the Maximum Restricted Resale Price in order to calculate the maximum principal amount of the refinanced First Mortgage Loan. If it is necessary to determine the Fair Market Value of the Home, it shall be determined by a certified MAI or other qualified real estate appraiser approved in advance by MLH. If possible, the appraisal shall be based upon the sales prices of comparable properties sold in the market area during the preceding three (3)-month period. The cost of the appraisal shall be shared equally by MLH and the Owner, unless the appraisal is obtained from a new purchaser, or unless the appraisal is necessary because the Owner wishes to refinance the First Mortgage Loan pursuant to Section 23 below, in which event the Owner shall pay the cost of the appraisal. In the event that the Owner has made capital improvements to the Home (which have been approved in advance by MLH pursuant to Section 11A of this Agreements) which have increased the value of the Home or if damage or deferred maintenance has occurred while the Owner owned the Home which has decreased the value of the Home, the appraisal shall specifically ascribe a value to these adjustment factors and state what the fair market value of the Home would be without utilizing the procedures outlined in Section 11A above for calculating the Indexed Price. In the event that damage or deferred maintenance has occurred while the Owner owned the Home which has decreased the value of the Home would be without utilizing the procedures outlined in Section 11A the appraisal shall specifically

ascribe a value to this adjustment factor and state what the fair market value of the Home would be without such adjustment by utilizing the procedures outlined in Section 11A above for calculating the Indexed Price. Nothing in this section shall preclude the Owner and MLH from establishing the Fair Market Value of the Home by mutual agreement in lieu of an appraisal pursuant to this section.

12. SALE OF HOME BY OWNER IF MLH DOES NOT EXERCISE OPTION TO PURCHASE.

In the event the First MLH Response Notice notifies the Owner to proceed to sell the Home to an Eligible Purchaser at a price not exceeding the Maximum Restricted Resale Price, the Owner may proceed to sell the Home in compliance with the following requirements:

- A. Marketing Period. The Owner shall have sixty (60) days from the date of the First MLH Response Notice (the "Marketing Period") to market the Home and find an Eligible Purchaser. During the Marketing Period, the Owner shall use bona fide good faith efforts to sell the Home to an Eligible Purchaser in compliance with this Section 12, including keeping the Home in an orderly condition, listing the Home on the Multiple Listing Service, making the Home available to show to agents and prospective buyers, and providing buyers with Eligible Purchaser requirements, including income qualifications and MLH's form of disclosure statement summarizing the terms of the buyer's resale agreement. If the Owner has not located an Eligible Purchaser within this sixty (60)-day marketing period, the Owner may request an additional sixty (60)-day marketing period. A proposed purchaser ("Proposed Purchaser"), who the Owner believes will qualify as an Eligible Purchaser, shall be referred to MLH or its designee for an eligibility determination.
- B. Eligible Purchaser. A Proposed Purchaser shall qualify as an "Eligible Purchaser" if he or she meets the following requirements, as determined by MLH:
- (1) Intent to Owner Occupy. The Proposed Purchaser shall certify that he or she will occupy the Home as his or her principal place of residence throughout his or her ownership and that his or her household meets the requirements of the Workforce Housing Guidelines.
  - (2) Agreement to Sign Resale Restriction Agreement and MLH Deed of Trust and to Cooperate with MLH. The Proposed Purchaser shall agree to sign a resale restriction, refinance restriction, and option to purchase agreement, restricting future resale and refinance of the Home, and a deed of trust securing such agreement, both in the form provided by MLH, and shall agree to cooperate fully with MLH in promptly providing all information requested by MLH to assist MLH in monitoring the Proposed Purchaser's compliance with the resale restriction agreement.
  - (3) Income Eligibility. The combined maximum income for all household members of the Proposed Purchaser shall not exceed [REDACTED] percent [REDACTED] % of Mono County

Area Median Income, adjusted for household size, as published annually by HCD. In the event such income determinations are no longer published by HCD, or are not updated for a period of at least eighteen (18) months, income eligibility shall be calculated using median income determinations published by the United States Department of Housing and Urban Development or other federal agency.

C. Maximum Sales Price. The purchase price for the sale of the Home by the Owner to the Eligible Purchaser shall not exceed the Maximum Restricted Resale Price calculated by MLH pursuant to Section 11 above, as set forth in the First MLH Response Notice.

D. Disclosure and Submittals. The Owner and the Proposed Purchaser shall provide the following information and documents to MLH:

(1) The name, address and telephone number in writing of the Proposed Purchaser.

(2) A signed financial statement of the Proposed Purchaser in a form acceptable to MLH and any other supporting documentation requested by MLH. The financial information shall be used by MLH to determine the income eligibility of the Proposed Purchaser.

(3) The proposed sales contract and all other related documents which shall set forth all the terms of the sale of the Home. Said documents shall include at least the following terms: (a) the sales price; and (b) the price to be paid by the Proposed Purchaser for the Owner's personal property, if any, for the services of the Owner, if any, and any credits, allowances or other consideration, if any.

(4) A written certification from the Owner and the Proposed Purchaser in a form acceptable to MLH that the sale shall be closed in accordance with the terms of the sales contract and other documents submitted to and approved by MLH. The certification shall also provide that the Proposed Purchaser or any other party has not paid and will not pay to the Owner, and the Owner has not received and will not receive from the Proposed Purchaser or any other party, money or other consideration, including personal property, in addition to what is set forth in the sales contract and documents submitted to MLH. The written certification shall also include a provision that in the event a Transfer is made in violation of the terms of this Agreement or false or misleading statements are made in any documents or certification submitted to MLH, MLH shall have the right to foreclose on the Home or file an action at law or in equity as may be appropriate. In any event, any costs, liabilities or obligations incurred by the Owner and the Proposed Purchaser for the return of any moneys paid or received in violation of this Agreement or for any of the Owner's and/or the Proposed Purchaser's costs and legal expenses, shall be borne by the Owner and/or the Proposed Purchaser and they shall hold MLH and its designee harmless and reimburse MLH's and its designee's expenses, legal fees and costs for any action they reasonably take in good faith in enforcing the terms of this Agreement.

(5) An executed buyer's resale agreement and deed of trust from the Proposed Purchaser in forms provided by MLH. The recordation of the new deed of trust and buyer's resale agreement shall be a condition of MLH's approval of the proposed sale.

(6) the name of the title company escrow holder for the sale of the Home, the escrow number, and name, address, and phone number of the escrow officer.

(7) Upon the close of the proposed sale, certified copies of the recorded the MLH Deed of Trust and buyer's resale agreement, a copy of the final sales contract, settlement statement, escrow instructions, and any other documents which MLH may reasonably request.

E. Failure To Locate Eligible Purchaser; Unrestricted Sale Prior to Market Sale Expiration Date. If, despite bona fide good faith documented marketing efforts (including listing the Home on the Multiple Listing Service for the entire Marketing Period), the Owner is unable to locate an Eligible Purchaser during the Marketing Period and any extensions to the Marketing Period granted by MLH, the Owner shall provide written notice to MLH of this fact (including documentation of the Owner's marketing efforts and the Multiple Listing Service listing), in the form shown in Exhibit G attached to this Agreement (the "Owner's Notice of Failure to Locate Eligible Purchaser"). Within fifteen (15) days of receipt of the Owner's Notice of Failure to Locate Eligible Purchaser, MLH shall provide a second response notice to the Owner (the "Second MLH Response Notice") stating either (1) that MLH will exercise the MLH Option to purchase the Home pursuant to Section 10, or (2) that the Owner may, on or before the date which is the one year anniversary after the date of the Second MLH Response Notice (the "Market Sale Expiration Date"), Transfer the Home to a person of the Owner's choosing (a "Market Purchaser") who is not an Eligible Purchaser, at an unrestricted price which is at or near Fair Market Value (supported by an MAI or other qualified appraisal), but shall pay all Excess Sales Proceeds to MLH as set forth in Section 13 below. If the Owner does not Transfer the Home to a Market Purchaser prior to the Market Sale Expiration Date, the Owner's right to sell to a Market Purchaser pursuant to this Section 12(E) shall expire. If the Owner wishes to Transfer the Home after the Market Sale Expiration Date, the Owner shall provide MLH a new Owner's Notice of Intent to Transfer pursuant to Section 7 above and comply with the requirements of Sections 7 through 13 of this Agreement.

F. Sale to Market Purchaser. If the Owner Transfers the Home to a Market Purchaser pursuant to Section 12E above, the purchaser shall not be required to execute a buyer's resale agreement, and MLH shall reconvey the liens of this Agreement and the MLH Deed of Trust from the Home, provided that the Owner pays the Excess Sales Proceeds to MLH pursuant to Section 13 below. The Owner shall provide MLH with the following documentation associated with such a Transfer:

(1) the name and address of the purchaser;

(2) the final sales contract and all other related documents which shall set forth all the terms of the sale of the Home, including a HUD-1 Settlement Statement. Said documents shall include at least the following terms: (a) the sales price; and (b) the price to be paid by the Market Purchaser for the Owner's personal property, if any, for the services of the Owner, if any, and any credits, allowances or other consideration, if any.

(3) a written certification, from the Owner and the Market Purchaser in a form acceptable to MLH that the sale shall be closed in accordance with the terms of the sales contract and other documents submitted to and approved by MLH. The certification shall also provide that the Market Purchaser or any other party has not paid and will not pay to the Owner, and the Owner has not received and will not receive from the Market Purchaser or any other party, money or other consideration, including personal property, in addition to what is set forth in the sales contract and documents submitted to MLH. The written certification shall also include a provision that in the event a Transfer is made in violation of the terms of this Agreement or false or misleading statements are made in any documents or certification submitted to MLH, MLH shall have the right to foreclose on the Home or file an action at law or in equity as may be appropriate. In any event, any costs, liabilities or obligations incurred by the Owner and the Market Purchaser for the return of any moneys paid or received in violation of this Agreement or for any costs and legal expenses, shall be borne by the Owner and/or the Market Purchaser and they shall hold MLH and its designee harmless and reimburse their expenses, legal fees and costs for any action they reasonably take in good faith in enforcing the terms of this Agreement.

(4) a copy of the MAI or other qualified appraisal for the Home.

(5) upon the close of the proposed sale, a copy of the final sales contract, HUD-1 Settlement Statement, escrow instructions, and any other documents which MLH may reasonably request.

### 13. PAYMENT TO MLH OF EXCESS SALES PROCEEDS.

- A. Calculation of Amount of Excess Sales Proceeds; Payment to MLH. If the Owner Transfers the Home at an unrestricted price pursuant to Section 12E above, or if the Owner makes a Transfer in violation of this Agreement, the Owner shall pay the Excess Sales Proceeds to MLH. For purposes of this Agreement, "Excess Sales Proceeds" shall mean the amount by which the Actual Net Sales Proceeds received by the Owner from the Market Purchaser exceed the Projected Net Sales Proceeds that would have been received by the Owner if the Home were sold at the Maximum Restricted Resale Price (in the amount that was stated in the First MLH Response Notice). This amount shall be a debt of the Owner to MLH, evidenced by this Agreement, secured by the MLH Deed of Trust. The Owner acknowledges that MLH shall have no obligation to cause reconveyance of this Agreement or of the MLH Deed of Trust until the Excess Sales Proceeds are paid to MLH.

- B. Actual Net Sales Proceeds Definition. For purposes of this Agreement, "Actual Net Sales Proceeds" shall mean the gross sales proceeds from the sale of the Home to a Market Purchaser pursuant to Section 12E above or from a Transfer in violation of this Agreement, less the following closing costs approved in writing by MLH and actually paid by the Owner, as shown in the HUD-1 Settlement Statement from the sale: (1) real estate broker's fee; (2) standard CLTA title insurance for the Market Purchaser; and (3) Mono County transfer tax.
- C. Projected Net Sales Proceeds Definition. For purposes of this Agreement, "Projected Net Sales Proceeds" shall mean the Maximum Restricted Resale Price for the Home (in the amount that was stated in the First MLH Response Notice), less the following projected closing costs of the Owner for a sale of the Home at the Maximum Restricted Resale Price, calculated by MLH using the rates for these costs incurred in the actual sale to the Market Purchaser: (1) real estate broker's fee; (2) standard CLTA title insurance for the buyer; and (3) Mono County transfer tax.
- D. Purpose of Payment; Use of Funds by MLH. The Owner and MLH acknowledge that the formula for calculation of the amount of Excess Sales Proceeds due from the Owner to MLH pursuant to this Section is intended to cause the Owner to receive the same Net Sales Proceeds from sale of the Home at an unrestricted price to an Market Purchaser as the Owner would receive from sale of the Home to MLH or to an Eligible Purchaser at the Maximum Restricted Resale Price. MLH shall utilize the Excess Sales Proceeds for MLH affordable housing programs.

14. DEFAULTS.

- A. The following events shall constitute a Default by the Owner under this Agreement:
- (1) MLH determines that the Owner has made a misrepresentation to obtain the benefits of purchase of the Home or in connection with its obligations under this Agreement;
  - (2) The Owner fails to owner occupy the home, as required pursuant to Section 4 above, and such failure continues following written notice by MLH and sixty (60) days opportunity to cure following the date of such notice.
  - (3) The Owner makes a Transfer in violation of this Agreement;
  - (4) The Owner otherwise fails to comply with the requirements of this Agreement or the MLH Deed of Trust and such violation is not corrected to the satisfaction of MLH within ten (10) days after the date of written notice by MLH to the Owner of such violation; or

(5) A notice of default is issued under the First Mortgage Loan or other financing secured by the Home.

(6) Recordation of a notice of default and/or notice of sale pursuant to California Civil Code section 2924 (or successor provisions) under any deed of trust or mortgage with a power of sale encumbering the Home;

(7) A lien is recorded against the Home in violation of Section 23; or

(8) Commencement of a proceeding or action in bankruptcy, whether voluntary or involuntary, pursuant to Title 11 of the United States Code or other bankruptcy statute, or any other insolvency, reorganization, arrangement, assignment for the benefit of creditors, receivership or trusteeship, in which the Owner is the debtor.

B. Upon a declaration of Default by MLH under this Agreement, MLH may:

(1) If applicable, declare all Excess Sales Proceeds immediately due and payable without further demand and invoke the power of sale under the MLH Deed of Trust;

(2) Declare a default under the MLH Deed of Trust and invoke the power of sale and/or other remedies under the MLH Deed of Trust;

(3) Apply to a court of competent jurisdiction for such relief at law or in equity as may be appropriate; and

(4) Exercise the MLH Purchase Option Upon Default as described in Section 16 below.

#### 15. NOTICE OF DEFAULT AND FORECLOSURE.

A request for notice of default and any notice of sale under any deed of trust or mortgage with power of sale encumbering the Home shall be recorded by MLH in the Office of the Recorder of the County of Mono for the benefit of MLH. MLH may declare a Default under this Agreement upon receipt of any notice given to MLH pursuant to Civil Code Section 2924b, and may exercise its rights as provided in Sections 14 and 16.

In the event of default and foreclosure, MLH shall have the same right as the Owner to cure defaults and redeem the Home prior to the foreclosure sale. Nothing herein shall be construed as creating any obligation of MLH 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.

If MLH failed to file the request for notice of default, MLH's right to purchase the Home shall commence from the date a notice of default is given by MLH to the Owner.

#### 16. PURCHASE OPTION UPON DEFAULT.



- A. Notwithstanding, and in addition to, the remedies provided MLH in Section 14, and the MLH Option provided to MLH in Section 10, the Owner hereby grants to MLH the option to purchase the Home following written notice by MLH to the Owner of the declaration of a Default by MLH under this Agreement. This option to purchase is given in consideration of the economic benefits received by the Owner resulting from purchase and ownership of the Home made possible by MLH.
- B. MLH shall have thirty (30) days after a Default is declared to notify the Owner and the First Lender of its decision to exercise its option to purchase under this Section 16. Not later than ninety (90) days after the notice is given by MLH to the Owner of MLH's intent to exercise its option under this Section 16, MLH shall purchase the Home for the Maximum Restricted Resale Price calculated in the manner set forth in Section 11.

17. NONLIABILITY OF MLH.

- A. No Obligation to Exercise Option. MLH shall have no obligation to exercise any option granted it under this Agreement. In no event shall MLH become in any way liable or obligated to the Owner or any successor-in-interest to the Owner by reason of its option to purchase under Sections 10 and 16 nor shall MLH be in any way obligated or liable to the Owner or any successor-in-interest to the Owner for any failure to exercise its option to purchase.
- B. Nonliability for Negligence, Loss, or Damage. Owner acknowledges, understands and agrees that the relationship between Owner, MLH, and the Town is solely that of an owner and administrators of an affordable housing program, and that MLH and the Town do not undertake or assume any responsibility for or duty to Owner to select, review, inspect, supervise, pass judgment on, or inform Owner of the quality, adequacy or suitability of the Home or any other matter. MLH and the Town owe no duty of care to protect Owner against negligent, faulty, inadequate or defective building or construction or any condition of the Home and Owner agrees that neither Owner, or Owner's heirs, successors or assigns shall ever claim, have or assert any right or action against MLH or the Town for any loss, damage or other matter arising out of or resulting from any condition of the Home and will hold MLH and the Town harmless from any liability, loss or damage for these things.
- C. Indemnity. Owner agrees to defend, indemnify, and hold MLH and the Town and their officers, employees, agents, board members and/or council members harmless from all losses, damages, liabilities, claims, actions, judgments, costs, and reasonable attorneys fees that MLH or the Town may incur as a direct or indirect consequence of: (1) Owner's default, performance, or failure to perform any obligations as and when required by this Agreement or the MLH Deed of

Trust; or (2) the failure at any time of any of Owner's representations to MLH to be true and correct.

18. RESTRICTIONS ON FORECLOSURE PROCEEDS.

If a creditor acquires title to the Home through a deed in lieu of foreclosure, a trustee's deed upon sale, or otherwise, the Owner shall not be entitled to the proceeds of sale to the extent that such proceeds otherwise payable to the Owner when added to the proceeds paid or credited to the creditor exceed the Maximum Restricted Resale Price. The Owner shall instruct the holder of such excess proceeds to pay such proceeds to MLH (in addition to any other amounts due MLH from the Owner pursuant to this Agreement), in consideration of the benefits received by the Owner through purchase of the Home.

19. RESTRICTION ON INSURANCE PROCEEDS.

If the Home is damaged or destroyed and the Owner elects not to rebuild or repair the Home, the Owner shall pay MLH the portion of any insurance proceeds received by the Owner for such destruction or damage which is in excess of the Maximum Restricted Resale Price calculated pursuant to Section 11 above.

20. TERM OF AGREEMENT.

All the provisions of this Agreement, including the benefits and burdens, run with the Home and this Agreement shall bind, and the benefit hereof shall inure to, the Owner, his or her heirs, legal representatives, executors, successors in interest and assigns, and to MLH and its successors, until the earlier of (i) sixty (60) years from the date of purchase of the Home by Owner, or (ii) the date of Transfer of the Home to MLH or another purchaser in compliance with this Agreement (including execution by the purchaser of a new copy of this Agreement).

21. SUPERIORITY OF AGREEMENT.

The Owner covenants that he or she has not, and will not, execute any other agreement with provisions contradictory to or in opposition to the provisions hereof, and that, in any event, this Agreement is controlling as to the rights and obligations between and among the Owner, MLH and their respective successors.

22. SUBORDINATION.

Notwithstanding any provision herein, this Agreement shall not diminish or affect the rights of the First Lender under the First Lender Deed of Trust or any subsequent First Lender deeds of trust hereafter recorded against the Home in compliance with Section 23 of this Agreement.

Notwithstanding any other provision hereof, the provisions of this Agreement and the MLH Deed of Trust shall be subordinate to the lien of the First Lender Deed of Trust and shall not impair the rights of the First Lender, or such lender's assignee or successor in interest, to

exercise its remedies under the First Lender Deed of Trust in the event of default under the First Lender Deed of Trust by the Owner. Such remedies under the First Lender Deed of Trust include the right of foreclosure. After such foreclosure, this Agreement and the MLH Deed of Trust shall be forever terminated and shall have no further effect as to the Home or any transferee thereafter.

23. REFINANCE OF FIRST MORTGAGE LOAN; NO JUNIOR LOANS OR EQUITY LINES OF CREDIT.

At no time shall the total principal amount of all debt secured by the Home exceed the greater of (i) ninety percent (90%) of the Maximum Restricted Resale Price calculated as of the date of the Owner's request to refinance; and (ii) the total debt on the Home existing at the time of purchase (the "Permitted Encumbrance Amount"). Mortgage loans which include negative amortization are prohibited. Mortgage loans or equity lines of credit junior in lien priority to this Agreement and the MLH Deed of Trust are not permitted. Refinanced first mortgage loans are only permitted to the extent that the total amount of all debt secured by the Home does not exceed the Permitted Encumbrance Amount. Owner shall contact MLH to determine the Permitted Encumbrance Amount prior to refinance or obtaining additional debt secured against the Home. A form for use by the Owner in requesting the Permitted Encumbrance Amount is attached as Exhibit H to this Agreement. MLH and the Owner agree that the requirements of this Section 23 are necessary to ensure the continued affordability of the Home to Owner and to minimize the risk of loss of the Home by Owner through default or foreclosure. Owner further acknowledges that violation of the provisions of this Section 23 shall constitute a Default under this Agreement, and MLH may then exercise any of the remedies set forth herein, including, without limitation, exercise of the MLH Purchase Option upon Default.

24. NONDISCRIMINATION.

The Owner covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, age, disability, sex, sexual orientation, marital status, ancestry or national origin in the sale, transfer, use, occupancy, tenure or enjoyment of the Home, nor shall the Owner or any person claiming under or through the Owner establish or permit any such practice or practices of discrimination or segregation with reference to the use, occupancy, or transfer of the Home. The foregoing covenant shall run with the land.

25. RIGHTS OF HUD AND VA.

Notwithstanding any other provision in this Agreement to the contrary, this Agreement shall not diminish or affect the rights of the United States Department of Housing and Urban Development ("HUD") or the Veterans Administration ("VA") under the First Mortgage Deed of Trust or any subsequent First Lender deeds of trust hereafter recorded against the Home in compliance with Section 23 above. Notwithstanding any other provisions in this Agreement to the contrary, all of the provisions of this Agreement shall terminate and have no further force and

effect if the title is acquired by HUD or VA, or another party upon foreclosure of a deed of trust securing a loan insured by HUD or guaranteed by VA.

26. HUD FORBEARANCE RELIEF.

Notwithstanding other provisions of this Agreement, the MLH Option on Default pursuant to Section 16 above shall not be exercised by MLH when a deed of trust insured by HUD is secured by the Home, and: (i) the owner is undergoing consideration by HUD for assignment forbearance relief; or (ii) the owner is undergoing consideration for relief under HUD's Temporary Mortgage Assistance Payment (TMAP) program.

27. INVALID PROVISIONS.

If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

28. CONTROLLING LAW.

The terms of this Agreement shall be interpreted under the laws of the State of California. The venue for any legal action pertaining to this Agreement shall be Mono County, California.

29. NO WAIVER.

No delay or omission in the exercise of any right or remedy of MLH upon any default by Owner shall impair such right or remedy or be construed as a waiver. MLH's failure to insist in any one or more instance upon the strict observance of the terms of this Agreement shall not be considered a waiver of MLH's right thereafter to enforce the provisions of the Agreement. MLH shall not waive its rights to enforce any provision of this Agreement unless it does so in writing, signed by an authorized agent of MLH.

30. NOTICES.

All notices required herein shall be sent by certified mail, return receipt requested or express delivery service with a delivery receipt or personal delivery with a delivery receipt and shall be deemed to be effective as of the date received or the date delivery was refused as indicated on the return receipt as follows:

To the Owner:

At the address of the Home.

To MLH:

Mammoth Lakes Housing, Inc.  
P.O. Box 260  
Mammoth Lakes, CA 93546  
Attention: Executive Director

With a copy to:

The Town of Mammoth Lakes  
P.O. Box 1609  
Mammoth Lakes, CA 93546  
Attention: Mammoth Lakes Housing, Inc.

The parties may subsequently change addresses by providing written notice of the change in address to the other parties in accordance with this Section.

31. THIRD-PARTY BENEFICIARY.

The Town shall be a third party beneficiary of the provisions of this Agreement with the ability to enforce all of the provisions of this Agreement on behalf of MLH.

32. INTERPRETATION OF AGREEMENT.

The terms of this Agreement shall be interpreted so as to avoid speculation on the Home and to insure to the extent possible that its sales price and mortgage payment remain affordable to persons and families of lower income.

33. EXHIBITS.

Any exhibits referred to in this Agreement are incorporated in this Agreement by such reference.

34. MONITORING AND INSPECTION BY MLH.

- A. MLH (or its designee) may enter the Home for inspection following two (2) business days advance written notice.
- B. The Owner shall retain all records related to compliance with obligations under this Agreement for a period of not less than five (5) years, and shall make such records available to MLH or its designee for inspection and copying upon five (5) business days advance written notice.
- C. MLH shall monitor Owner's compliance with the requirements of this Agreement on an annual basis. Owner shall cooperate with MLH monitoring and provide required certifications and other information required by MLH to determine compliance within ten (10) days of receipt of a written request by MLH.

35. COVENANTS RUNNING WITH THE LAND.

- A. Owner hereby subjects the Home to the covenants and restrictions set forth in this Agreement. Owner hereby declares its express intent that the covenants and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon all parties having any interest in the Home throughout the term of this Agreement set forth in Section 20. Each and every contract, deed, lease or other instrument covering, conveying or otherwise transferring the Home or any interest therein, as the case may be, shall conclusively be held to have been executed, delivered and accepted subject to this Agreement regardless of whether the other party or parties to such contract have actual knowledge of this Agreement.
- B. The Owner and MLH hereby declare their understanding and intent that: (i) the covenants and restrictions contained in this Agreement shall be construed as covenants running with the land pursuant to California Civil Code Section 1468 and not as conditions which might result in forfeiture of title by Owner, (ii) the burden of the covenants and restrictions set forth in this Agreement touch and concern the Home in that the Owner's legal interest in the Home may be rendered less valuable thereby; and (iii) the benefit of the covenants and restrictions set forth in this Agreement touch and concern the land by enhancing and increasing the enjoyment and use of the Home by Eligible Purchasers, the intended beneficiaries of such covenants and restrictions.
- C. All covenants and restrictions contained herein without regard to technical classification or designation shall be binding upon Owner for the benefit of MLH and Eligible Purchasers and such covenants and restrictions shall run in favor of such parties for the entire period during which such covenants and restrictions shall be in force and effect without regard to whether MLH is an owner of any land or interest therein to which such covenants and restrictions relate.

36. OWNER'S ACKNOWLEDGMENT OF RESALE RESTRICTION.

Owner hereby acknowledges and agrees that:

- A. Owner hereby subjects the Home to certain restrictions, and limits the price for which Owner may sell the Home and the persons to whom Owner may sell the Home. The resale price limitation and other provisions contained in this Agreement, restrict the full benefits of owning the Home. Owner may not enjoy the same economic or other benefits from owning the Home that Owner would enjoy if this Agreement did not exist.
- B. Absent the provisions of this Agreement, the Home could not be made available to Eligible Purchasers at an affordable price, including Owner.

- C. Owner understands all of the provisions of this Agreement. In recognition of the acknowledgments and agreements stated in this Section 36, Owner accepts and agrees to the provisions of this Agreement with the understanding that this Agreement will remain in full force and effect as to the Home following any Transfer of the Home throughout the term of this Agreement.
  
- D. OWNER UNDERSTANDS THAT THE DETERMINATION OF THE MAXIMUM RESTRICTED RESALE PRICE OF THE PROPERTY TO AN ELIGIBLE PURCHASER CAN BE MADE ONLY AT THE TIME OF THE PROPOSED TRANSFER, TAKING INTO CONSIDERATION INCREASES IN MEDIAN INCOME AND OTHER FACTORS THAT CANNOT BE ACCURATELY PREDICTED AND THAT THE SALES PRICE PERMITTED HEREUNDER MAY NOT INCREASE OR DECREASE IN THE SAME MANNER AS OTHER SIMILAR REAL PROPERTY WHICH IS NOT ENCUMBERED BY THIS AGREEMENT. OWNER FURTHER ACKNOWLEDGES THAT AT ALL TIMES IN SETTING THE SALES PRICE OF THE PROPERTY THE PRIMARY OBJECTIVE OF MLH AND THIS AGREEMENT IS TO PROVIDE HOUSING TO ELIGIBLE PURCHASERS AT AFFORDABLE HOUSING COST. THE MAXIMUM RESTRICTED RESALE PRICE WILL ALMOST CERTAINLY BE LESS THAN OTHER SIMILAR PROPERTIES THAT HAVE NO RESTRICTIONS.

37. SUBJECT TO MARKET FORCES

Except as specifically stated in this Agreement, resale of the Home is subject to normal market forces. Nothing herein shall be construed to constitute a representation or guarantee by MLH that on resale the Owner will obtain any profit or return on investment. The Owner hereby recognizes, acknowledges and understands that neither MLH nor the Town of Mammoth Lakes is required or obligated in any manner to aid the Owner in receiving any particular resale price. The Owner further recognizes, acknowledges, and understands that, depending on market conditions at the time of resale, the Owner may incur a loss upon resale of the Home.

IN WITNESS WHEREOF, the parties have executed this Agreement on or as of the date first written above.

MAMMOTH LAKES HOUSING, INC.:

OWNER:

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

By: \_\_\_\_\_  
(Type Name)

Title: \_\_\_\_\_  
(Type Name and Title)

By: \_\_\_\_\_  
(Type Name)

STATE OF CALIFORNIA )  
 )  
COUNTY OF \_\_\_\_\_ )

On , before me, , 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.

\_\_\_\_\_  
Name: \_\_\_\_\_ (seal)  
Notary Public

STATE OF CALIFORNIA )  
 )  
COUNTY OF \_\_\_\_\_ )

On , before me, , 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.

\_\_\_\_\_  
Name: \_\_\_\_\_ (seal)  
Notary Public



EXHIBIT A

Legal Description of the Home

EXHIBIT B

Form of Owner Occupancy Certification

To: Mammoth Lakes Housing, Inc. ("MLH")  
From: \_\_\_\_\_ ("Owner")  
Property Address: \_\_\_\_\_ ("Home")  
Date: \_\_\_\_\_

By signature below, I \_\_\_\_\_ **[insert name or names of Owner]** hereby certify to MLH under penalty of perjury that I/we occupy the home located at \_\_\_\_\_ **[insert address]** (the "Home") as my/our principal place of residence and that I/we have occupied the Home for \_\_\_\_\_ ( ) **[insert number]** months of the calendar year \_\_\_\_\_ **[insert previous calendar year]**. Attached to this letter is a copy of \_\_\_\_\_ **[insert utility bill]** showing my place of residence. I/we am/are employed as required by the Workforce Housing Guidelines. No business activity is engaged in or on the Home.

The Owner hereby certifies that the above information is true and correct and this Owner Occupancy Certification is signed under penalty of perjury on \_\_\_\_\_, 20\_\_.

By: \_\_\_\_\_  
Owner **[type name]**

By: \_\_\_\_\_  
Owner **[type name]**

Due Date: February 1 of each calendar year.

Attach copy of utility bill showing address of Home.

EXHIBIT C

Form of Request to Lease Home for Hardship

To: Mammoth Lakes Housing, Inc. ("MLH")

From: \_\_\_\_\_ ("Owner")

Property Address: \_\_\_\_\_ ("Home")

Date: \_\_\_\_\_

Owner hereby notifies MLH that it desires to lease the Home to \_\_\_\_\_ ("Lessee") because Owner will incur substantial hardship otherwise.

DESCRIBE NATURE OF HARDSHIP:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Owner and Lessee shall enter into a written lease (the "Lease") with the following provisions:

- 1) The term of the Lease shall not be greater than twelve (12) months and shall not be subject to renewal without the prior written consent of MLH.
- 2) The tenant must maintain the Home and surrounding property in good condition.
- 3) The tenant may not sublease the Home.
- 4) The rent must not exceed the lesser of: (i) 30% of the tenant's monthly income or (ii) the Owner's monthly housing costs as set forth in Section 4 of the Resale Restriction.

The Owner here by certifies that the above information is true and correct and is signed under penalty of perjury on \_\_\_\_\_, 201\_.

By: \_\_\_\_\_  
Owner [type name]

By: \_\_\_\_\_  
Owner [type name]

EXHIBIT D

Form of Owner's Notice of Intent to Transfer

To: Mammoth Lakes Housing, Inc. ("MLH")  
From: \_\_\_\_\_ ("Owner")  
Property Address: \_\_\_\_\_ ("Home")  
Date: \_\_\_\_\_

Please be notified pursuant to Section 7 of the Resale Restriction, Refinance Restriction, and Option to Purchase Agreement between Owner and MLH dated \_\_\_\_\_, that the Owner intends to transfer the Home listed above.

A. The following information is provided to MLH pursuant to Section 7 of the Resale Agreement:

1. Address of Home: \_\_\_\_\_
2. Date Owner purchased Home: \_\_\_\_\_
3. Purchase Price paid by Owner when Home was purchased: \_\_\_\_\_
4. Date Owner intends to vacate Home: \_\_\_\_\_
5. Date Home will be placed on market: \_\_\_\_\_
6. Name and phone number of person for MLH to contact to schedule inspection:  
\_\_\_\_\_ and \_\_\_\_\_  
(name) (phone number)

B. As required by Section 7 of the Resale Restriction, Refinance Restriction, and Option to Purchase Agreement, the following document is attached to this Notice:

1. Copy of HUD-1 Settlement Statement from Owner's purchase of the Home
2. If Owner has made Eligible Capital Improvements to the Home that Owner wishes to include in MLH's calculation of Indexed Price, check box below.

Yes, I have made Eligible Capital Improvements pursuant to Section 11 of the Resale Agreement. They are \_\_\_\_\_ [describe improvements] and were completed on \_\_\_\_\_ [insert date]. I attach the following documents to this letter:

- a. copy of MLH letter granting prior approval of these improvements;
- b. evidence of cost of these improvements;
- c. appraisal showing value added to Home by the improvements.

C. I have not yet listed the Home for sale with a multiple listing service, or contacted a real estate broker or financial institution. I agree to prepare the Home for sale by:

- 1. obtaining a pest control report within thirty (30) days of the date of this notice,
- 2. repairing all damage noted in the pest report within the sooner of: (i) sixty (60) days from the date of this notice, or (ii) two (2) weeks prior to close of escrow or the transfer of the Home,
- 3. allowing MLH or its designee to inspect the Home within thirty (30) days of this notice,
- 4. if requested by MLH following MLH's inspection, I will obtain a home inspection report from a licensed home inspector,
- 5. maintaining utility connections until the Home is transferred,
- 6. permitting a walk through by MLH prior to close of escrow or the transfer.

This Owner's Notice of Intent to Transfer is certified by Owner to be true and correct and is signed on \_\_\_\_\_ [insert date] under penalty of perjury.

By: \_\_\_\_\_  
Owner

By: \_\_\_\_\_  
Owner

EXHIBIT E

Form of Owner Acknowledgement of First MLH Response Notice

Name: \_\_\_\_\_

Address of Home: \_\_\_\_\_

Date: \_\_\_\_\_

I, \_\_\_\_\_ (insert name) hereby acknowledge that I received the First MLH Response Notice (as described in Section 8 of the Resale Restriction, Refinance Restriction, and Option to Purchase Agreement on \_\_\_\_\_ (insert date).

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

EXHIBIT F

Form of Request for MLH Approval of Improvements to the Home

To: Mammoth Lakes Housing, Inc. ("MLH")  
From: \_\_\_\_\_ ("Owner")  
Property Address: \_\_\_\_\_ ("Home")  
Date: \_\_\_\_\_

I hereby request MLH approval of the following capital improvements I intend to make to my Home:

Description of Improvements: \_\_\_\_\_  
\_\_\_\_\_  
Estimated Cost: \_\_\_\_\_  
Original Purchase Price: \_\_\_\_\_

A copy of the building permit (if required) is attached.

MLH will respond in writing to this request.

**NOTE: Owner should retain copies of contracts, invoices, and receipts for all completed capital improvements. These documents will be necessary to establish the restricted resale price of the Home upon subsequent transfer.**

**NOTE: Only improvements described on the following page may be approved by MLH as Eligible Improvements.**

\* Notice: Proposed Improvements must cost at least one percent (1%) of the purchase price paid for the Home by the Owner and must be approved by MLH in writing prior to construction.

## **ELIGIBLE CAPITAL IMPROVEMENTS**

1. The term "Eligible Capital Improvement" as used in the Agreement shall only include the following:
  - a. Improvements or fixtures erected, installed or attached as permanent, functional, non-decorative improvements to real property, excluding repair, replacement and/or maintenance improvements;
  - b. Improvements for energy and water conservation;
  - c. Improvements for the benefit of seniors and/or handicapped persons;
  - d. Improvements for health and safety protection devices;
  - e. Improvements to add and/or finish permanent/fixed storage space; and/or
  - f. Improvements to finish unfinished space.
  
2. Eligible Capital Improvements as used in this Agreement shall **NOT** include the following:
  - a. Landscaping;
  - b. Upgrades/replacements of plumbing and mechanical fixtures and other similar items included as part of the original construction of the Improvement;
  - c. The cost of adding decks and balconies, and any extension thereto;
  - d. Jacuzzis, saunas, steam showers and other similar items; and/or
  - e. Improvements required to repair, replace and maintain existing fixtures, appliances, plumbing and mechanical fixtures, painting, carpeting and other similar items.



EXHIBIT G

Form of Owner's Notice of Failure to Locate Eligible Purchaser

To: Mammoth Lakes Housing, Inc. ("MLH")  
From: \_\_\_\_\_ ("Owner")  
Property Address: \_\_\_\_\_ ("Home")  
Date: \_\_\_\_\_

The Owner hereby certifies to MLH that he/she has made bona fide good faith efforts (including listing the Home in the Multiple Listing Service) to locate an Eligible Purchaser for the Home, but has been unable to locate an Eligible Purchaser.

A copy of the multiple listing for the Home is attached.

Signed under penalty of perjury:

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

EXHIBIT H

Form of Owner Request for Determination of Permitted Encumbrance Amount  
(Refinance of First Mortgage Loan)

To: Mammoth Lakes Housing, Inc. ("MLH")  
From: \_\_\_\_\_ ("Owner")  
Property Address: \_\_\_\_\_ ("Home")  
Date: \_\_\_\_\_

The Owner hereby requests MLH to provide a calculation of the Permitted Encumbrance Amount necessary to determine eligibility for refinancing the First Mortgage Loan. The Owner provides the following information which it certifies to be true and correct:

- 1. Original Purchase Price of Home \$ \_\_\_\_\_
- 2. Original Principal Amount of First Mortgage Loan \$ \_\_\_\_\_
- 3. Original Principal Amount of Any Other Loans Secured by the Home \$ \_\_\_\_\_
- 4. Outstanding Principal Balance of First Mortgage Loan \$ \_\_\_\_\_
- 5. Outstanding Principal Amount of Any Other Loans Secured by the Home \$ \_\_\_\_\_
- 6. Principal Amount of Proposed New Loan(s) \$ \_\_\_\_\_
- 7. Is Proposed New Loan(s) Fully Amortized? \_\_\_\_\_
- 8. Describe Terms of Proposed New Loan(s): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
The Owner hereby certifies the above information is true and correct and this Owner Request is executed under penalty of perjury on \_\_\_\_\_ [insert date].

By: \_\_\_\_\_  
Owner

By: \_\_\_\_\_  
Owner