



CITY OF MONTEREY PARK

VILLA GARFIELD **RESALE** APPLICATION -PACKET

Agreement to Retain Affordability to Low- and Moderate-Income Households - As part of the entitlement process for the approval of the construction of the Garfield Villas condominiums project, the City approved a Density Bonus application. As a result of the Density Bonus application approval, the City and Developer entered into Agreements that restrict occupancy of the Villa Garfield Condominiums to Low-Income Households or Moderate-Income Households where income is defined as gross household income up to 120% of Los Angeles County area median, adjusted for household size, as published by State HCD annually.

ELIGIBILITY TO PURCHASE - The City Agreements require that the sale of a dwelling unit in this project must meet the following:

1. At least one person residing in the dwelling must be 55 years of age or older. (CC&Rs governed by HOA)
2. The Maximum Sales Price cannot exceed the original sales price plus other cost items identified in the Master Agreement; and
3. Purchaser must qualify under one of the following (Amendment to Master Agreement):
 - a. A Low-Income Qualified Household or a Moderate-Income Qualified Household (in accordance with the modification of the phrase "Qualified Household" set forth below), or
 - b. A purchaser of any income who agrees to lease the Low-Income Affordable Unit or Moderate Income Affordable Unit at an Affordable Rent only to Low Income Affordable Households or Moderate Income Affordable Households.
4. **Unit Rented to Qualified Household** - "Affordable Rent" shall mean as follows: (a) for tenants qualifying as Low Income Qualified Households, "Affordable Rent" shall be set at one-third (1/3) of 80% of the most recently published monthly median area income, as adjusted for household size, for "Los Angeles-Long Beach-Santa Ana, California" as defined by the U.S. Department of Housing and Urban Development ("HUD"); and (2) for tenants qualifying as Moderate Income Qualified Households, "Affordable Rent" shall be set at one-third (1/3) of 120% of the most recently published monthly median area income, as adjusted for household size, for "Los Angeles-Long Beach-Santa Ana, California" as defined by HUD.
5. **Income Limit** – The current 120% of Los Angeles County area median, adjusted for household size, as published by State HCD annually as of **June 1, 2024** is as follows:

Household Size (No. of persons)	1	2	3	4	5	6	7	8
Maximum Gross Annual Income	\$82,500	\$94,300	\$106,050	\$117,850	\$127,300	\$136,700	\$146,150	\$155,550

Based on California State Housing and Community Development FY 2024 Income Limits for Los Angeles County. (**Income will be verified.** Utilizing fraud to receive public funds is in violation of the Law.)

Income includes all income for all persons residing in the unit from all income sources including but not limited to from wages, consistent family contributions, retirement, assets.

6. **SELLER** – The Seller must submit a letter intent to sell to the City. Based on the date this letter is received, the City will determine the maximum Sales Price.
7. **BUYER** - An application must be submitted by the Buyer and submitted to the City for review and approval of qualification to purchase the unit.



CITY OF MONTEREY PARK VILLA GARFIELD **RESALE** APPLICATION -PACKET

The following items are required at the time of your application submittal for City approval of the resale of the property:

1. This Checklist Submit this checklist along with the items below.	☐
2. Owner's Intent to Sell Prior to offering the property for sale, the current owner must submit a letter to the City of Monterey Park notifying the City of the intent to sell the property and intended sales price. The City must approve the sales price. The City will determine the maximum sales price, which is based on the original sales price, CPI index, the documented cost of selling the property and the documented improvements to the property since the current owner took ownership. To expedite the calculation of the sales price, it is recommended that the letter of intent to sell also include the documented cost of selling the property and the documented improvements to the property since the current owner took ownership.	☐
3. Application for Qualification Signed by the buyer(s). Provide proof of identification for buyer(s) and occupant(s).	☐
4. Certification Regarding Purchase Price Signed by the seller(s) and buyer(s).	☐
5. Proof of Age of Occupants	☐
6. Proof of Income of ALL Occupants Provide proof of income of occupants • 2 current paystubs • Recent pension or other retirement statement(s) • Recent social security benefit statement • Most recent federal income tax return – all pages and schedule, 1099s, W-2s etc. • 3 recent checking account statements • 1 recent savings account statement • IRA distribution statements, etc.	☐
7. Proof of Marriage for Occupants (if applicable)	☐
8. Purchase Agreement and Joint Escrow Instructions	☐
9. Certification of Income Tax and Employment Status	☐
10. Rental Certification (if applicable). This must be completed if the unit is intended to be a rental unit. The buyer does not intend to live in the unit but will be renting the unit to a income qualified senior household.	☐
11. Affordable Housing Agreement and Resale Restrictions – SAMPLE To be provided to Buyer(s). Completed copy for recording purposes provided to escrow up approval of the buyer.	☐



CITY OF MONTEREY PARK
VILLA GARFIELD
CERTIFICATION OF PURCHASE
PRICE

Under penalty of perjury, I hereby certify that the total consideration listed in the Sale Escrow Instructions dated _____ and submitted to the City of Monterey Park, (purchase price) _____, for the property of _____ **South Garfield Avenue, Unit Number _____, Monterey Park, CA 91754** ("Property"), is the only consideration exchanged for the Property. I hereby certify that no other consideration has been exchanged between the buyer, _____, or the buyer's family members, heirs, executors, agents, representatives, successors, assigns, subsidiaries, related entities, affiliated and sister corporations, officers, owners and employees (collectively, the "Buyer") and the seller, _____, or the seller's family members, heirs, executors, agents, representatives, successors, assigns, subsidiaries, related entities, affiliated and sister corporations, officers, owners and employees (collectively, the "Seller") for the Property.

I have read, or have had read to me, this certification, and I understand that any omission or falsification of this certification, or any consideration exchanged by the Buyer or Seller in addition to the amount listed above, will result in my/our disqualification from the program and may result in further legal action against me/us.

SELLER(S):

Print Name

Signature

Date

Print Name

Signature

Date

BUYER(S):

Print Name

Signature

Date

Print Name

Signature

Date

Do Not Write Below This Line

Unit Number _____

Date stamp

("Tenant") is eligible to participate in this affordable housing program and that Owner's or Tenant's household, as applicable, is a Qualified Household.

1.7 Owner understands that as a condition to purchasing the Property, Owner must enter into this Agreement and fully abide by its terms.

2. **Term of Agreement and General Covenants.**

2.1 This Agreement is binding upon Owner and Owner's heirs, legal representatives, executors, successors in interest and assigns for a minimum period of 55 years measured from the date of the City's issuance of the Occupancy Permit for the Property (the "Term"). Upon the expiration of the Term, at the request of the then current Owner, the City shall prepare and record a memorandum of termination of this Agreement.

2.2 During the Term of this Agreement, the Property is to be (i) occupied only by a Qualified Household, and (ii) shall be held, occupied, leased, used, encumbered, hypothecated and conveyed subject to the terms, conditions, covenants, restrictions and limitations of this Agreement, which are intended to constitute both equitable servitudes and covenants running with the land.

2.3 Any purchaser of or successor in interest or assignee of the Property or any portion thereof, will be deemed to have taken title with knowledge of this Agreement, and to have personally covenanted, consented to and accepted the terms, covenants, conditions, restrictions and limitations set forth in this Agreement.

3. **Transfer of the Property.**

During the Term of this Agreement, the Property may not be transferred, sold, leased or assigned ("Transfer") without the written approval of the City's Economic Development Director ("Director") or the Director's designee.

3.1 **Notice of intent to sell.** Prior to offering the property for sale, Owner shall notify the City in writing of Owner's intent to sell the Property. The notice must specify the Owner's asking price for the Property.

3.2 **Restrictions on sale price.** In all cases, the "Maximum Sale Price" that Owner may realize from the sale of the Property will be limited to:

3.2.1 The original sale price, which is \$ _____ plus

3.2.2 An adjustment to the original sales price based on the percentage increase in the Consumer Price Index for All Urban Consumers, Los Angeles- Riverside- Orange County, California, All Items, 1982-84 = 100, published by the United States Department of Labor, Bureau of Labor Statistics, from the time the current Owner purchases the Property, until the City or its designee receives the notification of intent to sell, plus

3.2.3 The original cost of any structural or permanent fixed improvements added; provided that before the cost of such improvements may be added to the sales price, Owner must provide written documentation of the same to the City, plus

3.2.4 The seller's closing costs in accordance with customary practices for residential sales in Los Angeles County, minus

3.2.5 The amount needed to remedy any deficiencies in the Property, as determined by the City, including, but not limited to:

3.2.5.1 Violations of applicable building, plumbing, electric, fire or housing codes which would cause the Home to be uninhabitable;

3.2.5.2 Repair of built-in appliances originally furnished to Owner by the Developer which are not in good working order so that such appliances are operable;

3.2.5.3 Any other corrective work required by law to make the Home habitable.

3.3 **Sale by Owner.** The Owner may sell the Property to any person, who need not be a Qualified Household, subject to the Maximum Sale Price limitations set forth in Section 3.2 above. Owner shall not charge such purchaser any fees in addition to the Maximum Sale Price. The subsequent purchaser shall be subject to the requirements of this Agreement.

3.4 **Rent and Income Restrictions.**

(1) The Unit if occupied by any Tenant shall be rent-restricted and occupied (in the case of a one-bedroom unit) by Low Income Households, as defined in the Master Agreement, or (in the case of a "one bedroom plus" or two-bedroom unit) by Moderate Income Households, as defined in the Master Agreement.

(i) In the event that a unit is rent-restricted and occupied by Low Income Households, rent shall be no greater than that considered as "Affordable Rent" for Low Income Households as set forth in the Amendment. If an occupant of the unit initially qualifies, but subsequently no longer qualifies as a Low Income Household, then the occupant may continue to occupy the unit provided the occupant qualifies as a Moderate Income Household as defined in the Master Agreement. If the occupant does not qualify as a Moderate Income Household, then the occupant must vacate the Project within thirty (30) days of the date of disqualification.

(ii) In the event that a unit is rent-restricted and occupied by Moderate Income Households, rent shall be no greater than that considered as "Affordable Rent" for Moderate Income Households as set forth in the Amendment. If an occupant of the unit no longer qualifies as a Moderate Income Household, then the occupant must vacate the Project within thirty (30) days of the date of disqualification.



CITY OF MONTEREY PARK

VILLA GARFIELD APPLICATION FOR QUALIFICATION

This following must be fully executed and submitted to the City prior to close of escrow.

BUYER	
Name(s): _____	
Project Address: _____ Number Street	Phone Number (Day): _____
City State Zip Code	Phone Number (Evening): _____
Condo Type: ☐ 1 Bdrm ☐ 2 Bdrm ☐ Sale Price: _____	Phone Number (Cell): _____
Sale Price:(Adjusted by prior year CPI): _____	E-mail Address (optional): _____
Qualifying as Income Household: ☐ Low ☐ Moderate	Relationship to Occupant: _____ (If family documentation is required)

OCCUPANT		☐ SPOUSE ☐ CO-OCCUPANT	
Name:		Name:	
SSN:	Date of Birth:	SSN:	Date of Birth:
Rental Rate:		Rental Rate:	

EMPLOYMENT AND INCOME

OCCUPANT		☐ SPOUSE ☐ CO-OCCUPANT	
Current Employer:		Current Employer:	
Employer Address:		Employer Address:	
Business Phone:		Business Phone:	
Position:		Position:	
Length of Time Currently Employed:	Current Annual Gross Income:	Length of Time Currently Employed:	Current Annual Gross Income:
List and Explain any Additional Sources of Income within the Household: 			

HOUSEHOLD INCOME INFORMATION

Complete the following for all persons residing at the unit:

Occupant Name:	Age:			Annual Income:
Name:	Age:		Relationship:	Annual Income:
Name:	Age:		Relationship:	Annual Income:
Name:	Age:		Relationship:	Annual Income:
Name:	Age:		Relationship:	Annual Income:
Enter Household Size: _____ persons		Enter Total Annual Household Income: \$ _____		

List All Applicable Savings and Checking Account Information for Each Account Held:

Name of Bank/Saving and Loan/Credit Union/Other Financial Institution:	Account Number:
Address:	Savings or Checking:
Current Account Balance:	

Name of Bank/Saving and Loan/Credit Union/Other Financial Institution:	Account Number:
Address:	Savings or Checking:
Current Account Balance:	

Name of Bank/Saving and Loan/Credit Union/Other Financial Institution:	Account Number:
Address:	Savings or Checking:
Current Account Balance:	

The prospective buyer and occupant must provide supporting documentation as the City reasonably deems appropriate, including without limitation, income tax returns and/or W-2s, 1099s, social security and paycheck stubs of the prospective buyer or occupant.

ASSETS					
Family Member(s)	Asset Description	Current Cash Value of Assets	Actual Income from Assets		
3. Net Cash Value of Assets.....		3.			
4. Total Annual Income from assets.....		4.			
5. If line 3 is greater than \$5,000, multiply line by _____ (Passbook Rate) and enter results here; otherwise, leave blank		5.			
ANNUAL INCOME					
Family Member(s)	a. Wages / Salaries	b. Benefits Pensions	c. Public Assistance	d. Other income	e. Asset Income
					Enter the greater of lines 4 or 5 from above in e.
6. Totals	a.	b.	c.	d.	e.
7. Enter total of items from 6a. Through 6e. This is <i>Annual Income</i>					7.

Under penalty of perjury, I/we hereby certify that the aforementioned statements are true. I/we understand that if at any time this information is found to be false, incorrect or incomplete, I/we may be disqualified from purchasing or renting at the Villa Garfield Mixed-Use Senior Housing Project and may result in further legal action against me/us.

Buyer's Signature

Date

Spouse's/Co-Buyer's Signature

Date

Do Not Write Below This Line

Unit Number _____

Date stamp



CITY OF MONTEREY PARK
VILLA GARFIELD
CERTIFICATION OF INCOME TAX
AND EMPLOYMENT STATUS

Instructions: This form is to be completed by each prospective occupant or owner, as applicable.

Under penalty of perjury, I hereby certify the following (*check all that apply*):

Initial Check

- _____ ☐ I am currently unemployed and *not* receiving State benefits.
- _____ ☐ I am currently unemployed and receiving State benefits.
- _____ ☐ I am under the age of 18.
- _____ ☐ I am unemployed and my gross income was less than amount required to file.*
- _____ ☐ I am employed but my gross income was less than amount required to file.*
- _____ ☐ I am unemployed or retired and filing Federal Income Taxes.

*Single	under 65	\$10,150
	65 or older	\$11,700
*Married filing jointly	under 65 (both spouses)	\$20,300
	65 or older (one spouse)	\$21,500
	65 or older (both spouses)	\$22,700

Source: IRS data

I certify that the information provided, to the best of my knowledge, is true and correct. I further understand that any misinterpretation, omission or falsification will result in my disqualification from the program and may result in further legal action against me.

Print Name

Date

Signature

Date

Do Not Write Below This Line

Unit Number _____

Date stamp



CITY OF MONTEREY PARK

VILLA GARFIELD

CERTIFICATION REGARDING UNIT RENTAL

Instructions: This form is to be completed by each prospective owner.

The Villa Garfield Senior Affordable Housing Complex is designed to provide housing for senior citizens. At least one resident must be a senior citizen who intends to reside in the dwelling unit as his or her primary residence on a permanent basis. In addition, all other residents in the unit must meet certain criteria (see CC&Rs, Article III, section 3.02).

Also, each unit must be occupied by either a Low Income Household or a Moderate Income Household. In the event an occupant or tenant no longer qualifies as either a Low Income Household or a Moderate Income Household, then the occupant or tenant must vacate the unit within thirty (30) days (Affordable Housing Agreement and Resale Restrictions, section 3.4).

Under penalty of perjury, I hereby certify the following (*check all that apply*):

Initial Check

- | | | |
|-------|--------------------------|--|
| _____ | ☐ | At least one senior citizen will be residing in the dwelling unit as their primary residence. |
| _____ | ☐ | All other residents in the unit meet the criteria established in the CC&Rs. |
| _____ | ☐ | The rent charged for this unit will be less than the amount which is equivalent to 30% of the tenant's combined household income due to affordability covenants. |

I have read and understand the above information about the Villa Garfield Senior Affordable Housing Complex. I certify that the information provided, to the best of my knowledge, is true and correct. I further understand that any misinterpretation, omission or falsification will result in my disqualification from the program and may result in further legal action against me.

Print Name

Date

Signature

Date

Do Not Write Below This Line

Unit Number _____

Date stamp

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City Clerk
City of Monterey Park
320 West Newmark Avenue
Monterey Park, California 91754

No Recording Fee: Gov. Code § 27383

To be provided to Buyer(s).
Completed copy for recording
purposes provided to escrow up
approval of the buyer.

(Space above this line for Recorder's use)

AFFORDABLE HOUSING AGREEMENT AND RESALE RESTRICTIONS

THIS AFFORDABLE HOUSING AGREEMENT AND RESALE RESTRICTIONS (“Agreement”) is effective as of _____ and is entered into by and between the CITY OF MONTEREY PARK, a California general law city and municipal corporation (“City”) and _____ (“Owner”), collectively referred to herein as “Parties.” The Parties agree as follows:

1. Recitals.

1.1 On May 2, 2007, the City and Villa Garfield, Inc., a California corporation, entered into that certain Master Agreement and Covenant Concerning Use and Resale of Residential Units (“Master Agreement”), which was recorded as document no. 20071489942 in the official records of Los Angeles County.

1.2 In June 2016, the City and Villa Garfield, Inc., entered into an Amendment to the Master Agreement (“Amendment”), which was recorded as document no. 20180066829 in the official records of Los Angeles County.

1.3 Owner hereby acknowledges receipt of a copy of both the Master Agreement and the Amendment, which are hereby incorporated by this reference. Unless otherwise defined in this Agreement, all initially capitalized terms have the meaning ascribed to such terms in the Master Agreement and Amendment.

1.4 The purpose of this Agreement is to effectuate the Master Agreement, as amended, and the provision of Affordable Housing to “Qualified Households” set forth therein and to guarantee that such housing remains affordable for a minimum period of 55 years, measured as provided in Section 2 hereof .

1.5 This Agreement applies to the real property including the home located thereon at 421 S. Garfield Avenue, Unit #5, Monterey Park, California 91754 (“Property” or “Home”), which is more particularly described in Exhibit A.

1.6 Owner has provided documentation to the City demonstrating that Owner or the tenant household to which Owner has agreed to lease the Affordable Unit

("Tenant") is eligible to participate in this affordable housing program and that Owner's or Tenant's household, as applicable, is a Qualified Household.

1.7 Owner understands that as a condition to purchasing the Property, Owner must enter into this Agreement and fully abide by its terms.

2. **Term of Agreement and General Covenants.**

2.1 This Agreement is binding upon Owner and Owner's heirs, legal representatives, executors, successors in interest and assigns for a minimum period of 55 years measured from the date of the City's issuance of the Occupancy Permit for the Property (the "Term"). Upon the expiration of the Term, at the request of the then current Owner, the City shall prepare and record a memorandum of termination of this Agreement.

2.2 During the Term of this Agreement, the Property is to be (i) occupied only by a Qualified Household, and (ii) shall be held, occupied, leased, used, encumbered, hypothecated and conveyed subject to the terms, conditions, covenants, restrictions and limitations of this Agreement, which are intended to constitute both equitable servitudes and covenants running with the land.

2.3 Any purchaser of or successor in interest or assignee of the Property or any portion thereof, will be deemed to have taken title with knowledge of this Agreement, and to have personally covenanted, consented to and accepted the terms, covenants, conditions, restrictions and limitations set forth in this Agreement.

3. **Transfer of the Property.**

During the Term of this Agreement, the Property may not be transferred, sold, leased or assigned ("Transfer") without the written approval of the City's Economic Development Director ("Director") or the Director's designee.

3.1 **Notice of intent to sell.** Prior to offering the property for sale, Owner shall notify the City in writing of Owner's intent to sell the Property. The notice must specify the Owner's asking price for the Property.

3.2 **Restrictions on sale price.** In all cases, the "Maximum Sale Price" that Owner may realize from the sale of the Property will be limited to:

3.2.1 The original sale price, which is \$ _____ plus

3.2.2 An adjustment to the original sales price based on the percentage increase in the Consumer Price Index for All Urban Consumers, Los Angeles- Riverside- Orange County, California, All Items, 1982-84 = 100, published by the United States Department of Labor, Bureau of Labor Statistics, from the time the current Owner purchases the Property, until the City or its designee receives the notification of intent to sell, plus

3.2.3 The original cost of any structural or permanent fixed improvements added; provided that before the cost of such improvements may be added to the sales price, Owner must provide written documentation of the same to the City, plus

3.2.4 The seller's closing costs in accordance with customary practices for residential sales in Los Angeles County, minus

3.2.5 The amount needed to remedy any deficiencies in the Property, as determined by the City, including, but not limited to:

3.2.5.1 Violations of applicable building, plumbing, electric, fire or housing codes which would cause the Home to be uninhabitable;

3.2.5.2 Repair of built-in appliances originally furnished to Owner by the Developer which are not in good working order so that such appliances are operable;

3.2.5.3 Any other corrective work required by law to make the Home habitable.

3.3 **Sale by Owner.** The Owner may sell the Property to any person, who need not be a Qualified Household, subject to the Maximum Sale Price limitations set forth in Section 3.2 above. Owner shall not charge such purchaser any fees in addition to the Maximum Sale Price. The subsequent purchaser shall be subject to the requirements of this Agreement.

3.4 **Rent and Income Restrictions.**

(1) The Unit if occupied by any Tenant shall be rent-restricted and occupied (in the case of a one-bedroom unit) by Low Income Households, as defined in the Master Agreement, or (in the case of a "one bedroom plus" or two-bedroom unit) by Moderate Income Households, as defined in the Master Agreement.

(i) In the event that a unit is rent-restricted and occupied by Low Income Households, rent shall be no greater than that considered as "Affordable Rent" for Low Income Households as set forth in the Amendment. If an occupant of the unit initially qualifies, but subsequently no longer qualifies as a Low Income Household, then the occupant may continue to occupy the unit provided the occupant qualifies as a Moderate Income Household as defined in the Master Agreement. If the occupant does not qualify as a Moderate Income Household, then the occupant must vacate the Project within thirty (30) days of the date of disqualification.

(ii) In the event that a unit is rent-restricted and occupied by Moderate Income Households, rent shall be no greater than that considered as "Affordable Rent" for Moderate Income Households as set forth in the Amendment. If an occupant of the unit no longer qualifies as a Moderate Income Household, then the occupant must vacate the Project within thirty (30) days of the date of disqualification.

(2) The income of all persons residing in a unit shall be considered for purposes of calculating the applicable income.

3.5 **Reporting Requirements.** Semi-annual rental reports and annual income re-certifications for each occupant of the restricted units must be submitted to the City. The reports, at a minimum, shall include:

1. Tenant's name and unit occupied;
2. The number of persons in the unit;
3. Initial occupancy date;
4. Rent paid per month;
5. Gross income per year and income category;
6. Percent of rent paid in relation to income;
7. Sources of income; and
8. Method of verification of income.

4. **Non-Discrimination Covenant.**

Owner covenants that there shall be no discrimination against any person or group of persons on account of age, ancestry, color, disability, marital status, medical condition including Acquired Immune Deficiency Syndrome (AIDS) or the Human Immune Deficiency Virus (HIV), mental or physical disability, national origin, race, religion, sex, or sexual preference/orientation in the sale, transfer, use, rental, occupancy, tenure or enjoyment of the Property, or any part thereof, and that Owner and all such persons claiming by, or through Owner, shall refrain from restricting the sale, transfer, use, rental, occupancy, tenure or enjoyment of the Property, or any part thereof, on the basis of age, ancestry, color, disability, marital status, medical condition including Acquired Immune Deficiency Syndrome (AIDS) or the Human Immune Deficiency Virus (HIV), mental or physical disability, national origin, race, religion, sex, or sexual preference/orientation of any person.

5. **City Approval of Financing; Subordination to Lenders; and Foreclosure Protections.**

5.1 During the Term of this Agreement, Owner may not enter into any financing agreement that will be secured by a mortgage or deed of trust recorded against the Property without the written approval of the Director. Owner shall provide the City with at least 15 days' advance written notice of any proposed financing that will be secured by a deed of trust

recorded against the Property, which notice must include: (i) reasonable documentation evidencing the amount of such financing and (ii) the current Maximum Sale Price. Under no circumstances may the total amount of encumbrances recorded against the Property exceed the current Maximum Sale Price. Within 15 days of receipt of the notice of proposed financing and reasonable documentation of the amount of such financing and current Maximum Sale Price, the Director shall give written consent to the financing if the proposed financing and the total amount of existing encumbrances recorded against the Property do not exceed the current Maximum Sale Price.

5.2 Provided that Owner complies with the requirements of Section 5.1, the City agrees that this Agreement may be subordinated to the liens, rights, duties and obligations created by a deed of trust recorded in the first position (i.e., senior to all other deeds of trust recorded against the Property), and does not impair the rights of an institutional lender that is the maker of a loan secured by a deed of trust recorded in the first position, or such lender's assignee or successor in interest to:

5.2.1 foreclose or take title to the Property under the remedies in the deed of trust; or

5.2.2 accept a deed or assignment in lieu of foreclosure in the event of default by a trustor; or

5.2.3 sell the Property to any person at any price, subsequent to exercising its rights under the deed of trust.

5.3 Owner agrees to record in the Los Angeles County Recorder's office a request for a copy of any notice of default and any notice of sale under any deed of trust or mortgage with the power of sale encumbering the Property as provided in California Civil Code section 2924(b). The request must specify that any notice will be provided to the City at the address set forth in Section 10 [Notices] of this Agreement. Any notice of sale given under Civil Code section 2924(f) or any service of summons or other papers in a judicial foreclosure will constitute a notice of intent to sell as provided in Section 3 of this Agreement, and in the event the Property is transferred through a trustee's sale, judicial foreclosure or deed in lieu of foreclosure, any surplus that the Owner may be entitled to under California Code of Civil Procedure section 727 must be paid as follows:

The portion of the surplus, if any, that equals the net amount Owner would have received after payments of all encumbrances, will be paid to Owner up to the amount of the Maximum Sale Price; the balance of the surplus will be paid to the City.

The recordation of this Agreement establishes constructive notice of a lien in favor of the City secured by the Property in the amount of the surplus to be paid to the City as described in this Section.

5.4 In the event of a transfer of the Property by foreclosure, where

the transferee is not a Qualified Household, the transferee, upon a subsequent transfer of the Property, will be bound by this Agreement.

6. **Event of Default.**

If either Party defaults as to any of the terms or conditions of this Agreement, the defaulting Party will have 30 days after service upon it of written notice of such default to cure the default by rendering a performance reasonably satisfactory to the other Party; provided, however, that for any default which cannot be remedied within 30 days, the defaulting Party must commence performance within 30 days of notice and diligently work thereafter to render a full and complete performance to the reasonable satisfaction of the other Party. The failure to cure a default within the prescribed period will constitute an “Event of Default.”

7. **City’s Remedies.**

If there is an Event of Default by Owner, the City may pursue any remedy in equity and at law, including but not limited to injunctive relief and specific performance. In addition to any other remedy, the City will also have the right to purchase the Property. The amount to be paid to the Owner by the City will be as set forth in Section 3.2 [Maximum Sale Price] with the date of valuation set as the date of the City’s written notice that it intends to pursue this remedy. If the City and the Owner are unable to agree upon the fair market value of the Property to be acquired, the City may institute an action in eminent domain to acquire the Property and this Agreement then will constitute a stipulation on the part of Owner that the only issue to be determined in such an eminent domain action will be the fair market value of the Property and that the date of valuation will be as set forth in this Section. In addition to any other remedies, if Owner sells the Property at more than the Maximum Sale Price, Owner will be obligated to the City for that sum of money in excess of the Maximum Sale Price. After deducting its reasonable costs and expenses for pursuing any remedy against Owner, the City shall apply any remaining sum it recovers toward its housing programs.

8. **Benefit of Agreement.**

All of the terms, covenants and conditions in this Agreement are for the benefit of the City, both in and for its own right, and for the purposes of protecting the interests of the public health, safety and welfare and other parties, public or private, who may benefit from this Agreement, and the same shall run with the land.

9. **Assignment of Agreement.**

This Agreement is binding upon Owner, its executors, administrators and assigns and all persons claiming under or through Owner. Wherever this Agreement uses the term “Owner” is deemed to include Owner, its executors, administrators and assigns and all persons claiming under or through Owner. The City may assign its rights and obligations under this Agreement without the consent of Owner.

10. **Notices.**

Written notice, demands and communications between the City and Owner shall be deemed sufficient if hand delivered or sent by registered or certified mail, postage prepaid, return receipt requested, to the City and the Owner at the addresses set forth below, which either party may, from time to time, change by giving notice in accordance with this Section.

To City:

City of Monterey Park
320 West Newmark Avenue
Monterey Park, California 91754
Attention: Director of Economic and Community Development

To Owner:

Notices will be deemed given as of the date of personal service, or three (3) consecutive calendar days after deposit of the same in the custody of the United States Postal Service.

11. **General Provisions.**

11.1 **Governing Law.** This Agreement is to be interpreted and construed in accordance with the laws of the State of California.

11.2 **Waiver and Amendment.** No provision of this Agreement, or default under any provision, can be waived except in writing. Waiver of any provision or default will not be deemed to be a waiver of any other provision, or of any subsequent default of the same or other provision. This Agreement may be amended only by a written agreement signed by the Parties.

11.3 **Integration.** This Agreement contains the entire agreement and understanding between the Parties as to its subject matter. No representations, oral or otherwise, express or implied, other than those contained herein, have been made by the Parties. All exhibits referred to in this Agreement are hereby incorporated in the Agreement by this reference, regardless of whether or not the exhibits are actually attached to the Agreement.

11.4 Severability. If any term, provision, covenant or condition of this Agreement is held in a final disposition by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will continue in full force and effect.

11.5 Attorneys' Fees. The prevailing party in any action brought to enforce this Agreement will be entitled to reasonable attorneys' fees and costs.

[Signatures on the following page.]

SAMPLE

THE PARTIES hereto have caused this Agreement to be executed by the following signatories as of the date first written above:

THE CITY OF MONTEREY PARK

OWNER

Ron Bow,
City Manager

By: _____
Name

By: _____
Name

ATTEST:

City Clerk

APPROVED AS TO FORM:

Karl H. Berger
City Attorney

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

SAMPLE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On _____ before me, _____, Notary
Public, personally appeared _____, who 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 he
executed the same in his authorized capacity, and that by his signatures on the instrument the person, or the entity
upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph
is true and correct.

Witness my hand and official seal.

Signature _____ (Seal)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On _____ before me, _____, Notary
Public, personally appeared _____, who 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 he
executed the same in his authorized capacity, and that by his signatures on the instrument the person, or the entity
upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph
is true and correct.

Witness my hand and official seal.

Signature _____ (Seal)