

ATTACHMENT D

Original Promissory Note, Deed of Trust,
CC&Rs and Notice of Affordability
Restrictions

**RESIDENTIAL COMPLIANCE PROGRAM
PROMISSORY NOTE**

NOTICE TO BORROWER
THIS DOCUMENT CONTAINS PROVISIONS
RESTRICTING ASSUMPTIONS AND IS SECURED BY
A SECOND DEED OF TRUST ON RESIDENTIAL PROPERTY

\$ 14,508

RCA No. # 17-11-09

Place: City of Victorville
14343 Civic Drive
Victorville, CA 92392

Date: November 9, 2017

For value received, **Refugio Elizarraras** (together, "Borrower"), hereby promises to pay to the CITY OF VICTORVILLE, a Municipal corporation (the "City"), the principal sum of **Fourteen Thousand Five Hundred Eight Dollars and 00/100 (\$14,508)**, together with simple interest at the rate of 3% on the unpaid principal balance from the date of this promissory note (the "RCP Loan"), until all sums due hereunder are repaid.

RECITALS

A. Whereas, the City of Victorville Residential Compliance Program (RCP) was authorized and approved by the City Council on May 3, 2016 for the purpose of providing assistance to income eligible households to address existing Health & Safety Code violations, Municipal Code violations and make eligible improvements required to meet Section 8 Housing Quality Standards for properties with the City of Victorville; and

B. Whereas, the RCP is currently being funded by Community Block Development Grants (CDBG) from the Department of Housing and Urban Development, as authorized by Title I of the Housing and Community Development Act of 1974, as amended.

C. Whereas, the Borrower has applied for and been approved for the RCP Loan to assist Borrower in the rehabilitation of that certain real property located in the City at 12455 Sunny Vista Avenue, Victorville, CA, 92395, as legally described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property") under a Residential Compliance Program (the "RCP") administered on behalf of the City by the Development Department of the City of Victorville (the "Program"); and

D. Whereas, under the terms of the Program, Borrower is required to execute a promissory note to evidence the RCP Loan obligations and to execute and record upon the Property that certain Declaration of Conditions, Covenants and Restrictions of even date herewith (the "CC&Rs") to implement other Program requirements and which CC&Rs are incorporated herein by this reference; and

E. Whereas, the Borrower and the City desire to implement the terms and conditions of the RCP Loan under this promissory note (together, this "RCP Loan").

TERMS AND CONDITIONS

Section 1. RCP Loan Repayment Terms. The Borrower agrees to repay the RCP Loan as follows:

- a. The Term of this RCP Loan shall be ten (10) years from the date of execution.
- b. Interest shall accrue on the principal amount of this RCP Loan at a rate of three (3) percent except in the event of Default by Borrower as provided elsewhere under this RCP Loan.
- c. For the term of this Note, and to the extent the undersigned still occupies the residence to which this note applies, monthly payments of principal and interest will not be required provided.
- d. After the expiration of the first five (5) years of the term of this Note, to the extent the original purchaser still occupies the residence to which this Note applies, the City shall forgive 50% of the principle balance and interest component on the Note.
- e. Upon the expiration of the term of this Note and to the extent the original purchaser still occupies the residence which is subject of this Note, then this Note and all principal and interest otherwise due and owing may be forgiven by the City, in its sole discretion.
- f. The principal and interest amount of this RCP Loan shall be due and payable to the City in full and remitted to the City in accordance with Section 1 hereof, (i) the date the Property or any portion thereof is sold, transferred, conveyed or otherwise disposed of by the Borrower, (ii) the date the Property is no longer the primary residence of Borrower as defined under applicable Internal Revenue Code provisions, (iii) the date of the transfer of any interest in the Property or any portion thereof, including without limitation, the transfer of a rental or leasehold interest, or the security interest of a mortgage lien holder not approved by the City, or (iv) the date of prepayment of the entire original RCP Loan balance (the "Term"). Voluntary prepayments prior to the end of the Term will be accepted and applied as follows: RCP Loan prepayments will be credited to the Interest first, and then to RCP Loan balance. Borrower may repay the RCP Loan balance at any time with no penalty.
- g. The Term shall not terminate and the RCP Loan shall not be due and payable to the City upon transfer of the Property to the surviving joint tenant of Borrower by devise, descent or operation of the law, on the death of a joint tenant Borrower, a transfer of the Property where the Borrower's spouse becomes an owner of the Property, a transfer of the Property resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes an owner of the Property, or transfer to an inter vivos trust in which the Borrower(s) is/are and remains the beneficiary and occupant of the Property. For purposes of clarification, in the event that a person who is not a principal resident acquires the Property by devise or inheritance, or in the event that a co-signer or co-mortgagor who is not a principal resident acquires the Property by any means, such event triggers immediate repayment of the RCP Loan.
- h. Notwithstanding any language contained herein to the contrary, this RCP Loan may be deemed not immediately due and payable at the sole discretion of the City Manager, Assistant City Manager, or assignee if the transfer of title is otherwise in accordance with the provisions of those certain CC&Rs in favor of the City, recorded in connection with this RCP Loan.
- i. Notwithstanding the foregoing and in the event of foreclosure or transfer in lieu of foreclosure of the Property, the Property is subject to continued affordability. The City may exercise the right of first refusal or option to purchase the resale restricted Property when Borrower is in default or the Property is in foreclosure, within 90 days of receiving notification of the Borrower default or the Property foreclosure.

Section 2. Security for RCP Loan: Subordination.

In order to provide security for this RCP Loan, the Borrower and the City (herein individually as the "Party" and collectively as the "Parties") hereto agree that the Borrower shall execute and record against the Property the Deed of Trust with Assignment of Rents of even date herewith attached hereto as Exhibit "B" and incorporated herein by this reference (the "Deed of Trust"). The Deed of Trust may be subordinated to a deed of trust of a mortgage loan obtained by Borrower to refinance the existing loan or loans encumbering the Property as of the execution date of this RCP Loan, provided that such refinance loan meets those requirements set forth in Article IV of the CC&Rs as determined by the City Manager or Assistant City Manager, in his/her sole discretion. Accordingly, the holder of the mortgage loan on the Property may foreclose and acquire title to the Property free and clear of all interests of the RCP Loan. However, the financing of the RCP Loan may be maintained if a provider assumes the mortgage loan and cures all outstanding defaults under said mortgage. There shall be no covenants or restrictions recorded against the Property that restrict the use and resale of the Property and which do not otherwise comply with the policies on resale restrictions of the other mortgage loan obtained by Borrower.

Section 3. Events of Default.

The following shall, at the sole option of the City, constitute a default of this RCP Loan by the Borrower (an "Event of Default"):

a. The failure of the Borrower to timely remit to the City the principal RCP Loan balance with any accrued interest, or any other amounts due the City within ten (10) days of expiration of the Term (or sooner where applicable);

b. The failure of the Borrower to observe and comply with any other requirements of this RCP Loan, the Deed of Trust, the CC&Rs or the Program.

None of the foregoing shall constitute an Event of Default until the City has provided the Borrower with twenty (20) days notice of said breach, and said notice period has elapsed without a cure of the breach by the Borrower.

Section 4. Remedies on Default.

If an Event of Default shall occur, the City shall have the remedies set forth below. Such remedies are not exclusive, and the City may exercise any or all of them in such order as it may determine. A failure to exercise a remedy if there is an Event of Default shall not constitute a waiver of that Event of Default or a waiver of the City's right to exercise such remedy in the case of other Events of Default. The remedies available to the City are:

a. The City may, at its sole option, declare all amounts of this RCP Loan principal balance plus any applicable interest or other charges immediately due and payable. Until paid to the City or reduced to Judgment, all delinquent amounts due the City under this RCP Loan shall accrue interest at a rate of five percent (5%) per annum, simple interest.

b. The City may bring suit or take such other action as it deems reasonable to enforce its rights against the Borrower.

c. The City shall have such other rights and remedies as are available in law or equity.

d. In the event of any suit, arbitration or mediation concerning this RCP Loan, the prevailing party shall be entitled to collect its costs of suit and its reasonable attorneys' fees.

e. In the event of this RCP Loan shall be reduced to judgment, such judgment shall bear interest at the maximum legal rate until its collection, but in no event shall the total amount of interest payable hereunder exceed the maximum amount of interest permitted under the usury laws of the State of California.

Section 5. General Provisions.

The following provisions apply to the agreement of the parties set forth in this RCP Loan:

a. Prepayment. The Borrower may prepay any and all amounts due the City under this RCP Loan at any time. The Borrower understands and acknowledges that prepayment of the entire amount due the City under this RCP Loan terminates the Term.

b. Assignment. City may, at its option, assign or transfer its right to receive payments under this RCP Loan without obtaining the consent of Borrower. Borrower may not assign or transfer any portion of this RCP Loan without prior written consent of the City.

c. Any changes, modifications or addenda to this RCP Loan must be in writing, signed by all parties and approved by the Interim Deputy City Manager.

d. Nothing contained in this RCP Loan shall be construed to require, or have the effect of requiring, the City to take any action which is inconsistent with any applicable law, rule or regulation which governs the City's actions.

e. Any notice, payment or instrument required or permitted by this RCP Loan, or desired to be given by any party hereto, to be given or delivered to any party or other person shall be deemed to have been received: (i) on the day of delivery if personally delivered; (ii) on the day following the date such notice is sent by recognized overnight delivery service; (iii) on the date sent if sent by electronic facsimile; or (iv) on the date two (2) days after deposit in the United States mail, certified or registered mail, with postage prepaid. Notices shall be addressed as follows:

Borrower: Refugio Elizarraras
12455 Sunny Vista Avenue
Victorville, CA 92395

City: City of Victorville
14343 Civic Drive,
Victorville, California, 92392
Attn: Development Department

With a copy to: Green de Bortnowsky, LLP
23801 Calabasas Rd., Ste. 1015
Calabasas, CA 91302
Attn: Andre de Bortnowsky

Any party may change its address for delivery of notice by delivering written notice of such change to the other parties.

f. The captions to sections of this RCP Loan are for convenience only and are not part of this RCP Loan.

g. If any portion of this RCP Loan is declared by a court of competent jurisdiction to be invalid or unenforceable, such portion shall be deemed severed from this RCP Loan and the remaining parts shall remain in full force and effect as though such invalid or unenforceable provision had not been a part of this RCP Loan.

h. Nothing contained in this RCP Loan shall create or be deemed to create any form of joint venture, partnership or any form of association of any kind or nature between the City and the Borrower.

i. Demand, protest and notice of demand and protest are hereby waived by Borrower and Borrower hereby waives, to the extent authorized by law, any and all homestead and other exemption rights that otherwise would apply to the debt evidenced by this RCP Loan.

j. This RCP Loan, the Deed of Trust and the CC&Rs executed coincident herewith are further subject to all of the terms and conditions of the Program as on file with the City.

[END OF PAGE]

IN WITNESS WHEREOF, Borrower(s) has executed this RCP Loan as of the day and year first written above.

"Borrower(s)"



Refugio Elizarraras

EXHIBIT "A"

PROPERTY LEGAL DESCRIPTION

LOT 493 OF TRACT 5319, IN THE CITY OF VICTORVILLE, COUNTY OF SAN BERNARDINO, CALIFORNIA AS PER MAP RECORDED IN BOOK 63, PAGE(S) 74-86, INCLUSIVE OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 3093-461-26

**12455 Sunny Vista Avenue
Victorville, CA 92395**

EXHIBIT "B"

DEED OF TRUST

(Attached)



BOB DUTTON
ASSESSOR – RECORDER – CLERK

P Counter

Lisa Perera
RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

CITY OF VICTORVILLE
14343 CIVIC DRIVE
VICTORVILLE, CA 92392
Re: RCP Loan No. # 17-11-09
Attn Development Department

Doc# 2018 – 0198245



Titles	1	Pages	11
Fees			0.00
Taxes			0.00
CA SB2 Fee			0.00
Others			0.00
Paid			\$0.00

(SPACE ABOVE FOR RECORDER'S USE ONLY)

Exempt from recording fees pursuant to Cal. Govt. Code § 27383

RESIDENTIAL COMPLIANCE PROGRAM

DEED OF TRUST

**NOTICE TO BORROWER
THIS DEED OF TRUST CONTAINS PROVISIONS
RESTRICTING ASSUMPTIONS**

RCP CASE No. # 17-11-09

This Deed of Trust is made on November 09, 2017, by Refugio Elizarraras, (the "Borrower") and City of Victorville, (the "Trustee"), whose business address is 14343 Civic Drive, Victorville, CA 92392-5001 in favor of the City of Victorville, a Municipal Corporation ("Lender") or Assignee, whose address is City of Victorville, 14343 Civic Drive, Victorville CA 92392-5001

1. BORROWER, IN CONSIDERATION OF THE INDEBTEDNESS HEREIN RECITED AND THE TRUST HEREIN CREATED, HEREBY IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee in trust, with power of sale and right of entry and possession, all of Borrower's right, title and interest now held or hereafter acquired in and to the following: (a) all of that certain real property (the "Property") located at 12455 Sunny Vista Avenue, Victorville, California, 92395 in the County of San Bernardino, and the State of California, which is more particularly described in Exhibit A (attached) which is incorporated herein by this reference; and (b) all buildings, improvements and fixtures now or hereafter erected thereon, and all appurtenances, easements, and articles of property now or hereafter affixed to, placed upon or used in connection with the Property, together with all additions to, substitutions for, changes in or replacements of the whole or any part of said articles of property; all of which are hereby pledged and assigned, transferred, and set over onto Trustee, and for purposes of this Deed of Trust declared to be part of the realty; provided, however, that furniture and other personal property of Borrower now or hereafter situated on said real property are not intended to be included as part of the Property.

2. FOR THE PURPOSE OF SECURING:

2.1. Repayment of the indebtedness evidenced by that certain Promissory Note of the Borrower dated June 7, 2017, and entitled City of Victorville Residential Compliance Program Promissory Note "RCP Case No. 17-09-13" (the "Note") of the Borrower in the principal amount **Fourteen Thousand Five Hundred Eight Dollars and 00/100 (\$14,508)**, together with simple interest on such indebtedness according to the terms of the Note, and any and all amendments, modifications, extensions or renewals of the Note. The Note and this Deed of Trust are subject to the terms, conditions, and restrictions of the Community Development Block Grants (CDBG) from

the Department of Housing and Urban Development, as authorized by Title I of the Housing Community Development Act of 1974, as amended.

2.2. Payment of such additional sums, with interest thereon:

(a) As may hereafter be borrowed from Lender by the then-record owner of the Property and evidenced by a promissory note or notes reciting that it or they are so secured and all modifications, extensions, or renewals of the Note; and

(b) As may be incurred, paid, or advanced by Lender, or as may otherwise be due to Trustee or Lender, under any provision of this Deed of Trust and any modification, extension, or renewal of this Deed of Trust; and

(c) As may otherwise be paid or advanced by Lender to protect the security or priority of this Deed of Trust.

2.3. Performance of each obligation, covenant, and agreement of Borrower contained in this Deed of Trust, the Note, or any other document executed by Borrower in connection with the loan(s) secured by this Deed of Trust, and all amendments to these documents whether set forth in this Deed of Trust or incorporated in this Deed of Trust by reference.

3. BORROWER COVENANTS:

Borrower hereby covenants to maintain and protect the security of this Deed of Trust, to secure the full and timely performance by Borrower of each and every obligation, covenant, and agreement of Borrower under the Note and this Deed of Trust, and as additional consideration for the obligation(s) evidenced by the Note, Borrower covenants as follows:

3.1. Title. That Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, and that Borrower will warrant and defend generally the title of the Property against all claims and demands subject to any declarations, easements, or restrictions listed in the schedule of exemptions to coverage in any title insurance policy insuring Lender's interest in the Property.

3.2. Payment of Principal and Interest. That Borrower shall promptly pay, when due, the principal and interest on the Note, and such other charges as are provided in the Note and such other amounts as are provided under this Deed of Trust.

3.3. Maintenance of the Property. (a) To keep the Property in a decent, safe, sanitary, tenantable condition and repair and permit no waste thereof; (b) not to commit or suffer to be done or exist on or about the Property any condition causing the Property to become less valuable; (c) remove, demolish or structurally alter any buildings and improvements now or hereinafter located on the Property; (d) to repair, restore or rebuild promptly any buildings or improvements on the Property that may become damaged or be destroyed while subject to the lien of this Deed of Trust; (e) to comply with all applicable laws, ordinances and governmental regulations affecting the Property or requiring any alteration or improvement thereof, and not to suffer or permit any violations of any such law, ordinance or governmental regulation, nor of any covenant, condition or restriction affecting the Property; (f) not to initiate or acquiesce in any change in any zoning or other land use or legal classification which affects any of the Property without the Lender's written consent; and (g) not to alter the use of all or any part of the Property without the prior written consent of the Lender.

3.4. Appear and Defend. Borrower shall appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Lender or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which the Lender or Trustee may appear, and in any suit brought by the Lender to foreclose this deed.

3.5. Payment of Taxes and Utility Charges. Borrower shall pay, at least ten (10) days before delinquency all taxes and assessments affecting the Property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, fines and impositions attributable to the Property, leasehold payments or ground rents, if any, and any interest on the Property or any part thereof; all costs, fees and expenses of this trust. Borrower shall make such payments when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph and Borrower shall promptly furnish to Lender receipts evidencing all such payments made.

3.6. Insurance. To keep the Property insured with loss payable to the Lender, against loss or damage by fire and such other hazards, casualties and contingencies and by such companies on such forms and in the amount of the replacement cost of the Property, and to deliver the original of all such policies to the Lender, together with receipts satisfactory to the Lender evidencing payment of the premiums. All such policies provide that the Lender shall be given thirty (30) days advance written notice of the cancellation, expiration or termination of any such policy or any material change in the coverage afforded by it. Renewal policies and any replacement policies, together with premium receipts satisfactory to the Lender, shall be delivered to the Lender at least thirty (30) days prior to the expiration of existing policies. Neither Trustee nor the Lender shall by reason of accepting, rejecting, approving or obtaining insurance incur any liability for the existence, nonexistence, form or legal sufficiency of such insurance, or solvency of any insurer for payment of losses. All insurance proceeds for such losses must be utilized for the repair or restoration of the insured property.

3.7. Payments and Discharge of Liens. Borrower will pay, when due, all claims of every kind and nature which might or could become a lien on the Property or any part thereof; provided, however, that the following are excepted from this prohibition: (a) liens for taxes and assessments which are not delinquent although by law are given the status of a lien, and (b) such of the above claims as are, and only during the time they are, being contested by Borrower in good faith and by appropriate legal proceedings, and Borrower shall post security for the payment of these contested claims as may be requested by the Lender. Borrower shall not default in the payment or performance of any obligation secured by a lien, mortgage or deed of trust which is superior to this Deed of Trust.

4. IT IS MUTUALLY AGREED THAT:

4.1. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and Section 2.1 shall be applied by Lender first to interest payable on the Note and then to the principal due on the Note.

4.2. Future Advances. Upon request by Borrower, Lender, at Lender's option, may make future advances to Borrower. All such future advances, with interest thereon, shall be added to and become a part of the indebtedness secured by this Deed of Trust when evidenced by promissory note(s) reciting that such note(s) are secured by this Deed of Trust.

4.3. Disbursements to Protect Lender's Security. All sums disbursed by Lender to protect and preserve the Property, this Deed of Trust, or Lender's security for the performance of Borrower's obligations under the Note shall be and be deemed to be an indebtedness of Borrower secured by this Deed of Trust.

4.4. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's

interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, arrangements or proceedings involving a bankrupt or decedent, foreclosure of any mortgage secured by the Property or sale of the Property under a power of sale of any instrument secured by the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearance, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this Section 4.4, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the highest rate permissible under applicable law. Nothing contained in this Section 4.4 shall require Lender to incur any expense or take any action hereunder.

4.5. Inspection. Lender or its agent may make or cause to be made reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to any such inspection specifying reasonable cause for the inspection

4.6. Awards and Damages. All judgments, awards of damages, settlements and compensation made in connection with or in lieu of (a) taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (b) any damage to or destruction of the Property or any part thereof by insured casualty, and (c) any other injury or damage to all or any part of the Property, are hereby assigned to and shall be paid to the Lender. The Lender is authorized and empowered (but not required) to collect and receive any such sums and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as the Lender shall determine at its option. The Lender shall be entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. All or any part of the amounts so collected and recovered by the Lender may be released to Borrower upon such conditions as the Lender may impose for its disposition. Application of all or any part of the amounts collected and received by the Lender or the release thereof shall not cure or waive any default under this Deed of Trust. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sum secured by this Deed of Trust.

4.7. Prohibition on Transfers of Interest. With the exception of the transfers permitted in Section 4.11 below, if all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, Lender may, at Lender's option, declare all the sums secured by this Security Instrument to be immediately due and payable. If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with Section 6.9 hereof. Such notices shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by Section 5.2(a) hereof.

4.8. Sale or Forbearance. No sale of the Property, forbearances on the part of the Lender or extension of the time for payment of the indebtedness hereby secured shall operate to release, discharge, waive, modify, change or affect the liability of Borrower either in whole or in part.

4.9. The Lender's Rights to Release. Without affecting the liability of any person for payment of any indebtedness hereby secured (other than any person released pursuant hereto), including without limitation any one or more endorsers or guarantors, and without affecting the lien hereof upon any of the Property not released

pursuant hereto, at any time and from time to time without notice: (a) The Lender may, at its sole discretion, (I) release any person now or hereafter liable for payment of any or all such indebtedness, (II) extend the time for or agree to alter the terms of payment of any or all of such indebtedness, and (III) release or accept additional security for such indebtedness, or subordinate the lien or charge hereof; and (b) Trustee, acting pursuant to the written request of the Lender, may reconvey all or any part of the Property, consent to the making of any map or plot thereof, join in granting any assessment thereon, or join in any such agreement of extension or subordination.

4.10. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing indebtedness secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any. The recitals in the reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof.

4.11. Requirement of Owner-occupancy and Permitted Transfers. Borrower shall occupy the Property as Borrower's principal place of residence during the term of the Note. Notwithstanding any other provision of the Note or this Deed of Trust, the following transfers shall not be deemed to be a default under the Note or this Deed of Trust:

- (a) The transfer of the Property to the surviving joint tenant by devise, descent or operation of the law, on the death of a joint tenant.
- (b) A transfer of the Property where the spouse becomes an owner of the property;
- (c) A transfer of the Property resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes an owner of the Property.
- (d) A transfer to an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.

4.12. Subordination of RCP Loan. Notwithstanding any language to the contrary, the RCP Loan contemplated herein is classified as a Community Seconds Mortgage by Fannie Mae. The RCP Loan shall be a subordinate mortgage to any first mortgage on the Property delivered to Fannie Mae. Accordingly, the holder of the first mortgage on the Property may foreclose and acquire title to the Property free and clear of all interests of the RCP Loan. However, the financing of the RCP Loan may be maintained if a provider assumes the first mortgage and cures all outstanding defaults under said mortgage. No covenants or restrictions recorded against the Property shall restrict the use and resale of the Property that do not otherwise comply with Fannie Mae's policies on resale restrictions.

5. EVENTS OF DEFAULT:

5.1. Events of Default. Any one or more of the following events shall constitute a default under this Deed of Trust (a) failure of the Borrower to pay the indebtedness secured hereby or any installment thereof, whether principal, interest or otherwise, when and as the same become due and payable, whether at maturity or by acceleration or otherwise; or (b) failure of Borrower to observe or to perform any covenant condition or agreement to be observed or performed by Borrower pursuant to the Note or this Deed of Trust including but not limited to the occupancy of property by Borrower provision; or (c) the occurrence of any event which, under the terms of the Note, shall entitle the Lender to exercise the rights or remedies thereunder; or (d) the occurrence of any event which, under

the terms of the First Note and First Deed of Trust shall entitle the Lender to exercise the rights or remedies thereunder.

5.2. Acceleration and Sale.

(a) Acceleration. Except as provided in Section 4.7, upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, upon Borrower's failure to make any payment or to perform any of its obligations, covenants and agreements pursuant to the Note, Lender shall mail notice to Borrower as provided in Section 6.9 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, no less than 30 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect from the Borrower, or sale proceeds, if any, all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph, including, but not limited to, reasonable attorney's fees.

(b) Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust, Borrower will have the right to have any proceedings begun by Lender to enforce this Deed of Trust discontinued at any time prior to five (5) days before sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of the judgment enforcing this Deed of Trust if: (1) Borrower pays Lender all sums which would be then due under this Deed of Trust and the Note, had no acceleration occurred; (2) Borrower pays all reasonable expenses incurred by Lender and Trustee in enforcing the covenants and agreements of Borrower contained in this Deed of Trust, remedies including, but not limited to, reasonable attorneys' fees; and (3) Borrower takes such action as Lender may reasonably require to assure that the lien of this Deed of Trust, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby will remain in full force and effect as if no acceleration had occurred.

(c) Sale. After delivery to Trustee of a Notice of Default and Demand for Sale and after the expiration of such time and the giving of such notice of default and sale as may then be required by law, and without demand on Borrower Trustee shall sell the Property at the time and place of sale fixed by it in said notice of sale, at public auction to the highest bidder for cash in lawful money of the United States of America, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale and from time to time thereafter may postpone such sale by public announcement at the time and place fixed by the preceding postponement. Any person, including Borrower, Trustee or the Lender, may purchase at such sale. Upon such sale by Trustee it shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty expressed or implied. The recitals in such deed of any matters or facts shall be conclusive proof of their truthfulness. Upon sale by Trustee and after deducting all costs, expenses and fees of Trustee and of this Deed of Trust, Trustee shall apply the proceeds of sale to the payment of the principal indebtedness hereby secured, whether evidenced by the Note or otherwise, or representing advances made or costs or expenses paid or incurred by the Lender under this Deed of Trust, or the secured obligations or any other instrument evidencing or securing any indebtedness hereby secured and to the payment of all other sums then secured thereby, including interest as provided in this Deed of Trust, the secured obligations or any other such

instrument, in such order as the Lender shall direct; and then the remainder, if any, shall be paid to the person or persons legally entitled thereto.

(d) Assignment of Rents; Appointment of Receiver; Lender in Possession. Upon acceleration under paragraph (a) of Section 5.2 hereof or abandonment of the Property, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property (if any) including those past due. All rents collected by Lender or the Receiver shall be applied first to payment of the costs of management of the Property and collection of rents including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Security Instrument. Lender and the receiver shall be liable to account only for those rents actually received. The provisions of this paragraph and paragraph (a) of Section 5.2 shall operate subject to the claims of prior lien holders.

5.3. Exercise of Remedies; Delay. No exercise of any right or remedy by the Lender or Trustee hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law, and no delay by the Lender or Trustee in exercising any such right or remedy hereunder shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder.

5.4. Trustee Substitution. The irrevocable power to appoint a substitute trustee or trustees hereunder is hereby expressly granted to the Lender, to be exercised at any time hereafter, without specifying any reason therefore by filing for record in the office where this Deed of Trust is recorded a deed of appointment, and said power of appointment of successor trustee or trustees may be exercised as often as and whenever the Lender deems advisable. The exercise of said power of appointment, no matter how often, shall not be deemed an exhaustion thereof, and upon recording of such deed or deeds of appointment, the trustee or trustees so appointed shall thereupon, without further act or deed of conveyance, succeed to and become fully vested with identically the same title and estate in and to the Property hereby conveyed and with all the rights, powers, trusts and duties of the predecessor in the trust hereunder, with the like effect as if originally named as trustee or as one of the trustees.

5.5. Remedies Cumulative. No remedy herein contained or conferred upon the Lender or Trustee is intended to be exclusive of any other remedy or remedies afforded by law or by the terms hereof to the Lender or Trustee but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

5.6. Continued Affordability. Notwithstanding the foregoing and in the event of foreclosure or transfer in lieu of foreclosure of the Property, the Property is subject to continued affordability. The City may exercise the right of first refusal or option to purchase the resale restricted Property when Borrower is in default or the Property is in foreclosure, within 90 days of receiving notification of the Borrower default or the Property foreclosure. The City hereby ensures, to the maximum extent practicable and for the longest feasible term, that the sale, rental, or redevelopment of the Property will remain affordable to individuals or families whose incomes do not exceed 80% of area median income; for units originally assisted with funds by any state or federal housing program to remain affordable; and/or to individuals and families whose incomes do not exceed 50% of area median income.

6. MISCELLANEOUS PROVISIONS:

6.1. Successors, Assigns, Gender, Number. The covenants and agreements contained in this Deed of Trust shall bind, and the benefit and advantages under it shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties. Wherever used, the singular number shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders.

6.2. Headings. The headings are inserted only for convenience of reference and in no way define, limit, or describe the scope or intent of this Deed of Trust, or of any particular provision thereof, or the proper construction thereof.

6.3. Actions on Behalf of the Lender. Except as otherwise specifically provided herein, whenever any approval, notice, direction, consent, request or other action by the Lender is required or permitted under this Deed of Trust, such action shall be in writing.

6.4. Terms. The words "the Lender" means the present Lender, or any future owner or holder, including pledgee of the indebtedness secured hereby.

6.5. Obligations of Borrower. If more than one person has executed this Deed of Trust as "Borrower," the obligations of all such persons hereunder shall be joint and several.

6.6. Incorporation by References. The provisions of the NSP and HOME security instruments and the documents relating to that program are incorporated by reference as though set out verbatim.

6.7. Severability. If any provision of this Deed of Trust shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

6.8. Indemnification. Borrower will indemnify and hold the Lender, its officers and agents harmless against any and all losses, claims, demands, penalties and liabilities which the Lender, its officers or agents may sustain or suffer by reason of anything done or omitted in good faith pursuant to or in connection with this Deed of Trust and not assert any claim against the Lender, its officers or agents by reason of any action so taken or omitted. Borrower shall, at Borrower's expense, defend, indemnify, save and hold the Lender, its officers and agents harmless from any and all claims, demands, losses, expenses, damages (general, punitive or otherwise), causes of action (whether legal or equitable in nature) asserted by any person, firm, corporation or other entity arising out of this Deed of Trust and Borrower shall pay the Lender upon demand all claims, judgments, damages, losses or expenses (including reasonable legal expense) incurred by the Lender as a result of any legal action arising out of this Deed of Trust.

6.9. Notice. Except for any notice required under applicable law to be given in another manner (a) any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by certified mail directed to the Property Address or any other address Borrower designates by notice to Lender as provided herein; and, (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's mailing address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall deem to have been given to Borrower or Lender when given in the manner designated herein.

6.10. Beneficiary Statement. Lender may collect a fee for furnishing the beneficiary statement in an amount not to exceed the amount as provided by Section 2943 of the Civil Code of California.

6.11. Use of Property. Borrower shall not permit or suffer the use of any of the Property for any purpose other than as a single family residential dwelling.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust on the day and year set forth above.
By signing below, Borrower agrees to the terms and conditions as set forth above.

MAILING ADDRESS FOR NOTICES:

12455 Sunny Vista Ave.
(Street)

Victorville, California 92395
(City) (State) (Zip)

SIGNATURE OF BORROWER(s):


Refugio Elizarraras

ALL CAPACITY 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 SAN BERNARDINO _____

On APRIL 24, 2018 before me, Melissa Wycoff, Notary Public
(Date) (Name and title of the officer)

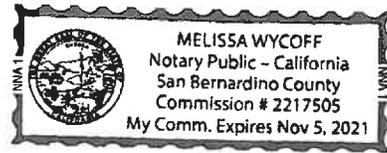
personally appeared REFUGIO ELIZARRARAS
(Name of person signing)

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.

Melissa Wycoff
Signature of officer



(Seal)

EXHIBIT "A"

Legal Description

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

LOT 493 OF TRACT 5319, IN THE CITY OF VICTORVILLE, COUNTY OF SAN BERNARDINO, CALIFORNIA AS PER MAP RECORDED IN BOOK 63, PAGE(S) 74-86, INCLUSIVE OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 3093-461-26

**12455 Sunny Vista Avenue
Victorville, CA 92395**



BOB DUTTON
ASSESSOR - RECORDER - CLERK

P Counter

Lisa Perca
RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)

CITY OF VICTORVILLE)
14343 CIVIC DRIVE)
VICTORVILLE, CA 92392)
Re: RCP Loan No. # **17-11-09**)
Attn: Development Department)

Doc# 2018-0198246



Titles	1	Pages	12
Fees			0.00
Taxes			0.00
CA SB2 Fee			0.00
Others			0.00
Paid			\$0.00

(Space Above for Recorder's Use)

(Exempt from Recording Fees Per Government. Code Sections 27383 and/or 6103)

RESIDENTIAL COMPLIANCE PROGRAM
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS

RCP No. # 17-11-09

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS

RCP CASE NO. 17-06-07

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS (this "Declaration") is made by and between **Refugio Elizarraras** as (the "Homeowner") and the City of Victorville (herein individually as the "Party" and collectively as the "Parties") as of the date set forth below, in favor of and for the benefit of the City of Victorville (both as defined below), with reference to the following.

RECITALS

A. The Development Department administers a Residential Compliance Program (the "RCP") on behalf of the City of Victorville, a Municipal corporation (the "City") with funds received by the City as part of a grant allocation of Community Development Block Grants (CDBG) from the Department of Housing and Urban Development, as authorized by Title I of the Housing and Community Development Act of 1974, as amended.

B. Under the Program, Homeowner has been approved by the City for a loan (the "RCP Loan") to assist Homeowner in the rehabilitation of that certain real property located in the City at: **12455 Sunny Vista Avenue, Victorville, CA, 92395** as legally described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property"); and

C. Under the terms of the Program, Homeowner is required to comply with certain terms and conditions for the Term (as defined in Article V below) including without limitation, Property occupancy, reporting, maintenance, repair, refinance, resale and other restrictions, all as described in this Declaration (collectively, the "Program Requirements"); and

D. Homeowner and the City desire to implement the Program Requirements under this Declaration which is to be recorded upon the Property and intended to bind the Owner and its successors and assigns to the Property during the Term.

NOW, THEREFORE, the Parties hereto agree and covenant as follows:

ARTICLE I

DEFINITIONS

1. "Breach" means the failure of Homeowner to perform or observe any covenant, condition or restriction required by this Declaration within the time periods provided herein following notice and opportunity to cure.
2. "City" means the City of Victorville, California and its successors and assigns.
3. "County" means the County of San Bernardino, California.
4. "Declaration" means this Declaration of Covenants, Conditions, and Restrictions.

5. "Homeowner" means the person or persons set forth in the first paragraph of this Declaration, and their successors and assigns.
6. "Legal Description" means the legal description of the Property which is attached hereto as Exhibit "A" and incorporated herein.
7. "Low Income Household" means households earning not greater than the maximum area median income for low income (80% of the area median income) households in San Bernardino County, adjusted for household size, as set forth by regulation of the Federal Department of Housing and Urban Development and in accordance to Sections 50079.5 and 50093 of the California Health and Safety Code.
8. "RCP Loan" is provided as a deferred payment loan at 3% interest in an amount of \$1,000 and up to \$15,000. Loans provided are secured against the property for the term of ten (10) years. The loan may be forgiven should you remain the property owner and occupy the residence as your principal residence for no less than the 10 year term.
9. "Property" means that certain real property located within the City of Victorville as set forth in the Recitals and legally described in the Exhibit "A".
10. "Term" shall have that meaning set forth in Article V hereof.
11. "Transfer" shall mean any sale, assignment, conveyance, lease or transfer, voluntary or involuntary, of any interest in the Property. Without limiting the generality of the foregoing, Transfer shall include (i) a transfer by devise, inheritance or intestacy to a party; (ii) a life estate; (iii) creation of a joint tenancy interest; (iv) a gift of all or any portion of the Property; (v) any voluntary conveyance of the Property; (vi) the conveyance of a lien holder interest in the Property such as a deed of trust, trust deed or similar security agreement; or (vii) the transfer or conveyance of the Property to a spouse in connection with a dissolution of marriage.
12. "Transferee" shall mean any natural person or entity who obtains ownership, possessory rights or security interests in the Property pursuant to a Transfer.
13. "Very Low Income Household" means households earning not greater than the maximum annual income for very low income (50% of the area median income) households in San Bernardino County, adjusted for household size, as set forth by regulation of the Federal Department of Housing and Urban Development and in accordance to Section 50093 of the California Health and Safety Code.

ARTICLE II

NONDISCRIMINATION/RESIDENCY COVENANTS

Section 2.1. Non-Discrimination. There shall be no discrimination against or segregation of any person, or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, or on the basis of domestic partnership status or arrangement, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property; nor shall the Declarant, itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessee or vendees of the Property. This covenant shall remain in effect without limitation as to time.

Notwithstanding the immediately preceding paragraph, with respect to familial status, the immediately preceding paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the immediately preceding paragraph shall be construed to affect Sections 51.2., 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the Government Code shall apply to the immediately preceding paragraph.

Section 2.2. Owner-Occupancy. The Property shall be owned and occupied by Homeowner as Homeowner's primary residence during the Term of this Declaration and Homeowner shall, at the time of recordation of this Declaration, be persons or families of Very Low to Low Income, earning less than 80 percent (80%) of the current annual median income for the San Bernardino County area, adjusted for family size appropriate to the unit (as those terms are defined under California Health and Safety Code Section 50093). Homeowner(s) shall not enter into an agreement for the rental or lease of the Property, and Homeowner(s) shall not otherwise rent or lease the Property. In the event that a person who is not a principal resident acquires the Property by devise or inheritance, or in the event that a co-signer or co-mortgagor who is not a principal resident acquires the Property by any means, such event triggers immediate repayment of the RCP Loan, principal and interest. Occupancy of each residential unit shall be restricted to not more than three (3) persons for each one-bedroom dwelling unit, not more than five (5) persons for each two-bedroom dwelling unit, not more than seven (7) persons for each three-bedroom dwelling unit and not more than nine (9) persons for any four-bedroom unit where such occupancy is consistent with State standards as effective or as may be effective or amended. The covenants in this Section shall run with the land during the Term.

ARTICLE III

DUTIES OF HOMEOWNER

Section 3.1. Inspection. Homeowner shall permit the periodic inspection of the Property upon reasonable notice of not less than twenty-four (24) hours, for the purpose of ensuring the Property is owned and maintained in compliance with this Declaration and all applicable provisions of the City Municipal Code (the "Code"). Homeowner shall repair and correct any health and safety violations noted by the City within the time provided under each such citation or order.

Section 3.2. Residence Maintenance. Homeowner shall maintain the Property in good order and repair at all times during the Term of this Declaration including without limitation, exterior painted surfaces, roofing, windows and doors of any structures located on the Property.

Section 3.3. Graffiti Removal. All graffiti, and defacement of any type, including marks, words and pictures must be removed from the Property and any necessary painting or repair completed within one (1) week of creation or within one (1) week after notice to Homeowner from the City, whichever is less.

Section 3.4. Landscaping All landscaping surrounding the Property shall be maintained in a manner consistent with the rules, regulations and standards promulgated under the Code. In addition, the yard areas shall not contain the following: (a) lawns with grasses in excess of nine (9) inches in height, (b) trees, shrubbery, lawns, and other plant life which are dying from lack of water or other necessary maintenance, (c) trees and shrubbery grown uncontrolled without proper pruning, (d) vegetation so overgrown as to be likely to harbor rats or vermin, (e) dead, decayed or diseased trees, weeds and other vegetation, and (f) inoperative irrigation system(s).

Section 3.5. Damage and Destruction Affecting Property; Duty to Rebuild. If all or any portion of the Property and the improvements thereon is damaged or destroyed by fire or other casualty, it shall be the duty of Homeowner to rebuild, repair or reconstruct the Property in a timely manner to restore it to Code compliance

condition. In the event of damage or destruction due to casualty, Homeowner shall be obligated to proceed with all due diligence and commence reconstruction within two (2) months after the damage occurs and complete reconstruction within six (6) months after damage occurs unless prevented by causes beyond the reasonable control of Homeowner.

Section 3.6. Nuisance. Homeowner, its successors and assigns, shall not permit or suffer anything to be done or kept upon the Property which will increase the rate of insurance on the Property, or on the contents thereof, or impair the structural integrity thereof or which will obstruct or interfere with the rights of another property owner, or annoy them by unreasonable noise or otherwise, nor shall the Homeowner commit or permit any nuisance on the Property or fail to keep the Property free of rubbish, clippings and trash or commit or suffer any illegal act to be committed thereon. No signage of any kind shall be permitted upon the Property except as permitted under the Victorville Municipal Code.

Section 3.7. Vehicles. The Homeowner, its successors and assigns, shall not permit the parking, storing or keeping of any vehicle except wholly within the parking areas designated thereof, nor shall it permit the parking, storing or keeping of any large commercial type vehicle (dump truck, cement mixer truck, oil or gas truck, etc.), or any recreational vehicle (camper unit, camper shell detached from a private passenger vehicle, motor home, trailer, boat trailer, mobile home or other similar vehicle), boats over twenty (20) feet in length or any vehicle other than a private passenger vehicle upon any portion of the Property, including parking spaces, except for emergency repairs thereto and then only to the extent necessary to enable movement thereof to a proper repair facility. No inoperable vehicle shall be stored or kept anywhere on the Property in view. The City shall have the right to remove, at the vehicle owner's expense, any vehicle parked, stored or kept in violation of the provisions of this Agreement. In addition, all vehicles shall be parked, stored and maintained in accordance with any additional requirements of the Victorville Municipal Code.

Section 3.8. Pest Control. To the extent reasonably possible, the Property shall be maintained by Homeowner free from infestation of termites, insects, vermin or rodents.

Section 3.9. Gaming. No games of chance shall be permitted on or about the Property except as permitted under the Victorville Municipal Code.

Section 3.10. Notice of Transfer. Homeowner shall notify the City of Homeowner's desire to transfer the Property or any interest therein at least thirty (30) days prior to the desired transfer date. Said notification shall also apply to refinancing activities as described elsewhere in this Declaration. Homeowner understands and agrees that no transfer may occur until approved by the City. Any transfer not approved by the City is void and unenforceable.

Section 3.11. Certification. During the Term, Homeowner shall, within thirty (30) days of receipt of written demand from the City, complete, sign and return to the City, a certification provided by the City under which Homeowner will be required to declare under penalty of perjury, Homeowner's compliance with the covenants, conditions and restrictions of this Declaration. Homeowner understands and acknowledges that the City will require said certification annually, but may also require a Homeowner certification more frequently in the City's sole discretion.

Section 3.12. City Liens. The City shall be permitted to place a lien against the Property to recover the costs of providing any necessary maintenance or other work to the Property under this Section and to recover reasonable attorney's fees associated therewith or associated with any other breach of this Declaration.

ARTICLE IV

PROPERTY REFINANCING AND EQUITY LINE/LOAN RESTRICTIONS; SUBORDINATION OF CC&RS

Section 4.1. Refinancing and Line of Credit Restrictions. Homeowner may not, during the Term, refinance the purchase money loan used to acquire the Property (the "Purchase Loan"), unless the refinance loan (the "New Loan") provides a reasonable and tangible net benefit to the Homeowner which may include a reduction in the interest rate and monthly mortgage payment of any "like-kind" loan ("like-kind" being defined as the identical loan product), a reduction in the New Loan amortization period, or the refinance is necessary in response to a bona fide need or an order of a court of competent jurisdiction. In no event shall a Homeowner be permitted to refinance into an adjustable rate or balloon payment loan product, including without limitation, mortgage loan products commonly known as intermediate ARMs such as 3/1, 5/1, 7/1 or interest only products. In addition to the above, in no event shall the New Loan balance exceed the pay-off balance due under the Purchase Loan in addition to customary and reasonable loan closing costs and expenses such as lender points (not to exceed 1%) and fees, title, escrow and recording charges and pre-paid mortgage interest (the "Cash-Out limitation"). In no event shall a Homeowner be permitted to obtain a home equity line of credit or home equity loan secured by a deed of trust or similar security instrument upon the Property (collectively, "Lines of Credit"). Any New Loan approved by the City shall remain subject to this Section.

Section 4.2. City Approval. Prior to consummation of the refinance, the City shall be provided with a copy of the New Loan promissory note, deed of trust and a copy of the estimated closing/settlement statement disclosing all loan and escrow costs, fees, yield spread premiums, pay-off amounts and all other costs and expenses being incurred in connection with the refinance. The City shall, in its sole but reasonable discretion, approve or disapprove the refinance based upon the above factors within twenty (20) business days of receipt of a request for approval of the refinance. The refinancing restrictions contained in this Section shall not be construed or understood to confer any rights upon a lender other than the City and exists solely for the benefit of the City to assist them in the administration of this Declaration.

Section 4.3. No Restraint on Alienation. The Homeowner understands and agrees that the terms and conditions of this Section are not unreasonable restraints on Property alienation rights and necessary in order to comply with the covenants set forth in this Agreement.

Section 4.4. Subordination. The City have found that no other economically feasible method of financing, refinancing or assisting Homeowners pursuant to the Program on substantially comparable terms and conditions exist without their willingness to subordinate this Declaration to the lien of a purchase money lender or subsequent lender refinancing the purchase money lender. Therefore, the City will subordinate the lien of this Declaration to the lien of the purchase money lender and the lien of an City approved New Loan on the Property provided the form and content of any required subordination agreement meets with the reasonable approval of the City.

Section 4.5. Compliance with Fannie Mae's Resale Restrictions. This Declaration contains no covenants or restrictions recorded against the Property that restrict the use and resale of the Property and which do not otherwise comply with Fannie Mae's policies on resale restrictions. This Declaration and the RCP Loan referenced herein complies with Fannie Mae's Community Seconds guidelines (and with Fannie Mae's requirements related to shared appreciation in property value, if applicable). The presence of resale restrictions do not impair Fannie Mae's legal rights to cure a default under the mortgage terms, to foreclose on the mortgage, or to otherwise protect Fannie Mae's interests under the mortgage. Fannie Mae shall have first claim to insurance settlements and condemnation proceeds.

Section 4.6. Continued Affordability. Notwithstanding the foregoing and in the event of foreclosure or transfer in lieu of foreclosure of the Property, the Property is subject to continued affordability. The City may exercise the right of first refusal or option to purchase the resale restricted Property when Borrower is in default or the Property is in foreclosure, within 90 days of receiving notification of the Borrower default or the Property foreclosure. The City hereby ensures, to the maximum extent practicable and for the longest feasible term, that the sale, rental, or redevelopment of the Property will remain affordable to individuals or families whose incomes do not exceed 80% of area median income; for units originally assisted with funds by any state or federal housing program to remain affordable; and/or to individuals and families whose incomes do not exceed 50% of area median income.

ARTICLE V

TERM

The term of this Declaration shall be ten (10) years, commencing upon the date this Declaration is recorded in the Official Records of San Bernardino County, California, or until such time the RCP Loan has been repaid in full to the Development Department as required under the Program (the "Term"). Upon expiration or termination of the Term, the City shall execute a release of the encumbrance of this Declaration from the Property upon request of the Homeowner or its successors or assigns to the Property provided all amounts due and payable the City under the Program have been paid.

ARTICLE VI

BREACH; ENFORCEMENT

Section 6.1. Breach. The failure of Homeowner or its successor in interest to the Property to observe or otherwise comply with any of the covenants, conditions, restrictions or other requirements of this Declaration, all of which exists for the benefit of the City, shall be an "event of default" under this Declaration. The failure to cure an event of default within twenty (20) days of receipt of a notice thereof from the City shall be a "breach" of this Declaration.

Section 6.2. Remedies. Breach of the covenants contained in this Declaration may be enjoined, abated or remedied by appropriate legal proceeding in law or in equity. The City shall be entitled to recover all reasonable attorneys' fees incurred by the City as a consequence of the breach of this Declaration.

Section 6.3. Rights of the City. As a party to this Declaration, the City is entitled to the following rights:

- a. The City has the right, but not the obligation, to enforce all of the provisions of this Declaration.
- b. Any amendment to the Declaration shall require the written consent of the City.
- c. This Declaration does not in any way infringe on the right or duties of the City to enforce any of the provisions of the Code including, but not limited to, the abatement of dangerous buildings.

Section 6.4. Cumulative Remedies. The remedies herein provided for breach of the covenants contained in this Declaration shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

Section 6.5. Failure to Enforce. The failure to enforce any of the covenants contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter.

ARTICLE VII

GENERAL PROVISIONS

Section 7.1. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in all force and effect.

Section 7.2. Construction. The provisions of this Declaration shall be liberally construed for the purpose of maintaining the Property. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

Section 7.3. Amendments. This Declaration may be amended only by the written agreement of Homeowner and the City.

Section 7.4. Notices. The City may cause a Request for Notice of Default to be recorded on the Property subsequent to the recordation of the First Lien Deed of Trust or mortgage requesting a statutory notice of default as set forth in California Civil Code Section 2924b.

Any notice permitted or required to be delivered as provided herein to Homeowner shall be in writing and may be delivered either personally or by first-class or registered mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of same has been deposited in the United States Mail, postage prepaid, addressed to Homeowner. Such address may be changed from time to time by notice in writing to the City, which shall be made by certified mail to the City of Victorville, 14343 Civic Drive, Victorville, California 92392, Attn: Development Department, and shall be effective upon receipt.

Section 7.5. Covenants to Run with the Land. All conditions, covenants, and restrictions contained in this Declaration shall be covenants running with the land, and shall, in any event, without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of and enforceable by the City and their successors and assigns, against Homeowner, its successors and assigns to the Property or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof.

Section 7.6. Governing Law. This Declaration shall be governed by the laws of the State of California. Any legal action brought under this Declaration shall be instituted in the Superior Court of the County of San Bernardino, State of California, in an appropriate municipal court in that county or in the Federal District Court in the District of California in which San Bernardino County is located.

Section 7.7. Time of Essence. Time is of the essence in the performance of this Declaration.

Section 7.8. Legal Advice; Acknowledgments. Homeowner represents and warrants the following: it has carefully read this Declaration, and in signing this Declaration and agreeing to be bound by the same and the Program, does so with full knowledge of any rights which they may have: has received independent legal advice from legal counsel as to the matters set forth in this Declaration and the Program, or has knowingly chosen not to consult legal counsel: and, has freely signed this Declaration and all Program documents including without limitation, the RCP Loan documents, and agreed to be bound by the same, without any reliance upon any agreement, promise, statement or representation by or on behalf of the City, or its respective agents, employees, or attorneys, except as specifically set forth in this Declaration, and without duress or coercion, whether economic or otherwise. This Declaration shall be interpreted as though prepared jointly by both the Homeowner and the City.

[END OF PAGE]

N WITNESS WHEREOF, the City of Victorville and Homeowner have caused this Declaration to be duly authorized, this 9th day of November 2017.

Dated: 4/24/18

"HOMEOWNER"

BY: 
Refugio Elizarraras

BY: _____

Dated: 4/27/18

CITY OF VICTORVILLE
DEVELOPMENT DEPARTMENT

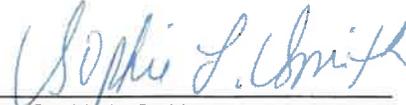
BY: 
Sophie L. Smith
Deputy City Manager

EXHIBIT "A"

PROPERTY LEGAL DECIPTION

LOT 493 OF TRACT 5319, IN THE CITY OF VICTORVILLE, COUNTY OF SAN BERNARDINO, CALIFORNIA AS PER MAP RECORDED IN BOOK 63, PAGE(S) 74-86, INCLUSIVE OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 3093-461-26

**12455 Sunny Vista Avenue
Victorville, CA 92395**

ALL CAPACITY 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 SAN BERNARDINO _____

On APRIL 24, 2018 before me, Melissa Wycoff, Notary Public _____,
(Date) (Name and title of the officer)

personally appeared REFUGIO ELIZABARRAS _____,
(Name of person signing)

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.

Melissa Wycoff
Signature of officer



(Seal)

ALL CAPACITY ACKNOWLEDGMENT

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STATE OF California

COUNTY OF San Bernardino

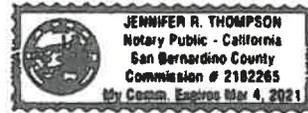
On 4/27/18 before me, Jennifer R. Thompson, Notary Public
(Date) (Name and title of the officer)

personally appeared Sophie L. Smith
(Name of person signing)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.



[Signature]
Signature of officer

(Seal)



BOB DUTTON
ASSESSOR – RECORDER – CLERK

P Counter

Doc# 2018-0198248



Titles	1	Pages	5
Fees			26.00
Taxes			0.00
CA SB2 Fee			0.00
Others			0.00
Paid			\$26.00

Lisa Perera
RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)

CITY OF VICTORVILLE)
14343 CIVIC DRIVE)
VICTORVILLE, CA 92392)
Re: RCP Loan No. # 17-11-09)
Attn: Development Department)

(Space Above for Recorder's Use)

RESIDENTIAL COMPLIANCE PROGRAM

NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

RCP Loan No. # 17-11-09

Important notice to owners, purchasers, tenants, lenders, brokers, escrow and title companies, and all other persons, regarding affordable housing restrictions on the real property described in this Notice:

Restrictions have been recorded with respect to the property described below (referred to in this Notice as the "Property") which restrict the price and terms at which the Property may be sold. These restrictions may limit the sales price of the Property to an amount which is less than the fair market value of the Property. These restrictions limit the income of persons and households who are permitted to purchase the Property. The Restrictions also prohibit the rental of the Property.

Title of Document Containing Affordable House Restrictions:

Residential Compliance Program Declaration of Covenants, Conditions and Restrictions (referred to in this Notice as the "Affordable Housing Restrictions").

The Affordable Housing Restrictions are recorded concurrently with this Notice, official records of the County of San Bernardino, State of California.

Parties to Affordable Housing Restrictions:

City of Victorville and

Refugio Elizarraras ("Owner").

Legal Description of Property: See Exhibit "A" attached hereto and incorporated herein by this reference.

Street Address of Property: 12455 Sunny Vista Avenue, Victorville, CA 92395

Assessor's Parcel Number of Property: 3093-461-26

Summary of Affordable Housing Restrictions:

This Document restricts the sales price which may be charged for the Property in accordance with the terms of the Affordable Housing Restrictions and applicable law.

This Document restricts the income level of the buyer of the Property to persons or families of Very Low to Low Income, earning less than 80 percent (80%) of the current area median income for the San Bernardino County area, adjusted for family size appropriate to the unit, and as set forth by regulation of the Federal Department of Housing and Urban Development and in accordance to Section 50093 of the California Health and Safety Code.

Term of Restrictions: Ten (10) years, commencing on **November 09, 2017** (Project date of completion RCP Loan #17-11-09) and terminating on the **DATE TEN YEARS THEREAFTER**, or until such time as Homeowner repays in full the RCP Loan, principle and interest, to the City of Victorville as required under the Program, as those terms are defined in the Affordable Housing Restrictions.

This Notice does not contain a full description of the details of all of the terms and conditions of the Affordable Housing Restrictions, or Continued Affordability. You will need to obtain and read the Affordable Housing Restrictions and the Continued Affordability to fully understand the restrictions and requirements which apply to the Property.

This Notice is being recorded and filed in compliance with the Federal Department of Housing and Urban Development, , the Community Development Block Grants (CDBG), Title I of the Housing and Community Development Act of 1974, as amended set forth in California Health and Safety Code Section 50650 et seq. and in accordance to Section 50093 of the California Health and Safety Code, all of which are hereby incorporated by reference and shall be indexed against the and the current Owner of the Property.

Dated: _____

4/27/18

CITY OF VICTORVILLE

By: _____

Sophie L. Smith

Sophie L. Smith
Deputy City Manager

Dated: _____

05/02/2018

OWNER

Refugio Elizarraras

Refugio Elizarraras

EXHIBIT "A"

PROPERTY LEGAL DESCRIPTION

LOT 493 OF TRACT 5319, IN THE CITY OF VICTORVILLE, COUNTY OF SAN BERNARDINO, CALIFORNIA AS PER MAP RECORDED IN BOOK 63, PAGE(S) 74-86, INCLUSIVE OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 3093-461-26

**12455 Sunny Vista Avenue
Victorville, CA 92395**

ALL CAPACITY 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 San Bernardino

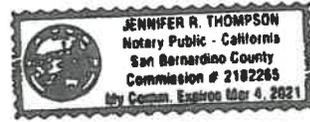
On 4/24/18 before me, Jennifer R. Thompson, Notary Public
(Date) (Name and title of the officer)

personally appeared Sophie L. Smith
(Name of person signing)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.



[Signature]
Signature of officer

(Seal)

ALL CAPACITY 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 SAN BERNARDINO

On MAY 7, 2018 before me, Melissa Wycoff, Notary Public

(Date)

(Name and title of the officer)

personally appeared REFUGIO EUZARRARAS

(Name of person signing)

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.

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WITNESS my hand and official seal.

Melissa Wycoff
Signature of officer



(Seal)