

RECORDED AT THE REQUEST OF:

City of Scotts Valley

WHEN RECORDED MAIL TO:

City of Scotts Valley- Planning Dept. One Civic

Center Drive

Scotts Valley, CA 95066

**NOTE: Restrictions and restricted resale
price & procedures**

(Space above this line for recorder's use only)

Exempt from Recording Fees per GC 27383

**ATTACHMENT "B"
FORM3**

ASSUMPTION AGREEMENT

(Document title)

This page added to provide adequate space for recording information
(Cal. Gov. Code §27361.6)

This Assumption Agreement is entered into by:

The City of Scotts Valley (the "City")

_____ ("Buying Owners")

Date of Agreement: September , 2023

FACTS

- A. Selling Owners are all of the owners of property commonly known **Coastal Oak Court**, Scotts Valley, California (the "Residence") As described in Exhibit "A".
- B. The Residence is subject to 45-year restriction entitled "Covenants, Restrictions and Option to Purchase" executed on March 25th, 2019, and recorded in Book No. n/a, Page n/a, recording # 2019-0007389 and amended on October 11th 2023, recorded on October 16, 2023, recording # 2023-0019737 in the official records of the County of Santa Cruz, State of California, which restricts the purchase price that can be charged for the Residence and the persons to whom the Residence can be sold (the "Covenants"). The Covenants also give the City an option to purchase the Residence (a copy of which is attached as Exhibit "B").
- C. Buying Owners desire to purchase the Residence. Buying Owners understand that the Covenants will limit the purchase price they can receive when they sell the Residence and will limit the people to whom they can sell the Residence. Buying Owners understand that the City has an option to purchase the Residence for a price that is less than the fair market value of the Residence, if there were no Covenants.
- D. Buying Owners are able to purchase the Residence because the purchase price of the Residence is less than other similar property without the Covenants. For this reason, Buying Owners desire to purchase the Residence.
- E. In order to purchase the Residence, Buying Owners must assume all obligations of Owner pursuant to the Covenants and must agree to be bound by all the provisions in the Covenants.

NOW, THEREFORE, Buying Owners agree as follows:

1. Acknowledgment of Limitation on Future Sales Price.

BUYING OWNERS UNDERSTAND THAT WHEN BUYING OWNERS DESIRE TO SELL OR TRANSFER THE RESIDENCE THAT THE SALES PRICE CAN BE DETERMINED ONLY AT THE TIME OF THE PROPOSED TRANSFER TAKING INTO CONSIDERATION FACTS THAT CANNOT BE PREDICTED ACCURATELY AND THAT THE SALES PRICE MAY NOT INCREASE OR DECREASE IN THE SAME MANNER AS OTHER SIMILAR RESIDENCE THAT IS NOT ENCUMBERED WITH THE RESTRICTION. BUYING OWNERS ALSO ACKNOWLEDGE THAT AT ALL TIMES IN SETTING THE SALE PRICE, THE PRIMARY OBJECTIVE OF THE City AND THE RESTRICTION IS TO PROVIDE HOUSING TO ELIGIBLE PERSON OR HOUSEHOLDS AT AFFORDABLE HOUSING COST. THE SALES PRICE, WHEN BUYING OWNERS DECIDE TO SELL THE RESIDENCE, ALMOST CERTAINLY WILL BE LESS THAN OTHER SIMILAR PROPERTIES WHICH HAVE NO RESTRICTION.

(Initialed by Buying Owners)

2. Understanding the Covenants.

Buying Owners represent that they have read the Covenants and fully understand the Covenants.

3. Owner Occupancy.

Buying Owners agree that they will occupy the Residence as their primary residence and that they will comply with all provisions of the Covenants relating to occupancy of the Residence.

4. Assumption of Obligation Under the Covenants.

As a material consideration to the City in approving Buying Owners, Buying Owners hereby assume all obligations of Owner, as they relate to the Residence, under the Covenants. Buying Owners agree to be bound by all duties and obligations of the Owner in the Covenants and agree to comply with all provisions thereof for the term of the Covenants. Buying Owners agree, as set forth above, in order to take advantage of the purchase price for which the Residence is offered.

IN WITNESS WHEREOF, the parties have executed this Assumption Agreement to be effective on the date of recordation of a deed conveying the Residence to Buying Owners.

BUYING OWNER(S):

Date: _ _ _ _ _

_____Signature

Name: _ _ _ _ _
[Print or Type]

Date: _ _ _ _ _

_____Signature

Name: _ _ _ _ _
[Print or Type]

(Signatures must be notarized)

Based upon information provided by Selling Owners and Buying Owners and on Buying Owner's execution hereof, the City of Scotts Valley hereby approves Buying Owners to purchase property.

Date: _ _ _ _ _

CITY OF SCOTTS

VALLEY By: _____

Name: _ _ _ _ _

Title: _ _ _ _ _