

Project: Villas at Summerland
APN: 005-700-008
Folio: 004112
Proj Mgr JC

**REAL PROPERTY PURCHASE CONTRACT
AND ESCROW INSTRUCTIONS**

THIS REAL PROPERTY PURCHASE CONTRACT (hereinafter Contract) is made by and between the

COUNTY OF SANTA BARBARA a political subdivision of the State of California, hereinafter referred to as COUNTY

and

Linnea S. Hall, Trustee of the Gwendolyn Maxine Hall Living Trust dated July 1, 2004, hereinafter referred to as OWNER

with reference to the following:

WHEREAS, OWNER is the owner of that certain affordable housing property commonly referred to as 2615 Caspia Lane, in the unincorporated area of the County of Santa Barbara, and more particularly described as Santa Barbara County Assessor Parcel No. 005-700-008, consisting of approximately 908 square feet of residence, hereinafter "Property"; and

WHEREAS, the OWNER informed the Housing and Community Development Department of their intent to sell said Property with a Notice of Intent to Sell or Transfer Income and Price-Restrict Property, as required in section III of the Transfer of Subject Property in the Resale Restrictive Covenant and Preemptive Right recorded on February 28, 2002; and

WHEREAS, COUNTY has exercised an option to purchase said Property and sent the OWNER written notice of the COUNTY'S intent to exercise its option to purchase, as stated in section III.A(3&4) of the Transfer of Subject Property in the Resale Restrictive Covenant and Preemptive Right; and

WHEREAS, both parties agree that it is in their best interests to enter into this Contract for COUNTY to purchase the Property; and

NOW THEREFORE, in light of the foregoing and in consideration of the premises, agreements, releases, representations, and the mutual covenants and conditions contained herein, COUNTY and OWNER agree as follows:

1. **SALE AND PURCHASE PRICE:** COUNTY hereby agrees to purchase and OWNER hereby agrees to sell to COUNTY the fee ownership of the Property and improvements

known as Santa Barbara County Assessor Parcel No. 005-700-008. The Property consist of approximately 908 square feet of residence and is more particularly described in the Grant Deed, which is attached hereto as Attachment 1 attached hereto and incorporated herein by this reference. COUNTY shall pay to OWNER the sum of ONE HUNDRED SIXTY THOUSDAND EIGHT HUNDRED and 00/100 Dollars (\$160,800.00) upon the close of escrow (hereinafter "Purchase Price").

At least three (3) days prior to the close of escrow, COUNTY shall deposit with the escrow officer, the Purchase Price together with an amount sufficient to pay for COUNTY'S share of any prorations, fees, costs and expenses to be paid by COUNTY pursuant to this Contract.

2. **CONDITIONS PRECEDENT:** In addition to other conditions included herein, the following are express conditions precedent to COUNTY'S duty to purchase the Property:

(i) Approval of funding for the Purchase Price by the Santa Barbara County Board of Supervisors; and

(ii) In compliance with Government Code Section 65402, COUNTY shall request a finding from the Santa Barbara County Planning Commission as to the conformity of the acquisition of the Property with the County's adopted General Plan.

(iii) Completion of the California Environmental Quality Act (CEQA) environmental review process for this real estate transaction.

(iv) COUNTY shall make its best efforts to complete all of the above contingencies within sixty (60) calendar days of execution of this Contract.

In the event that these conditions precedent are not satisfied, COUNTY may terminate this Contract with no further liability.

3. **ESCROW AND FEES:**

A. Escrow shall be opened at First American Title Company, 3780 State St. Suite #A, Santa Barbara, CA 93105, with escrow instructions to be based upon the terms and conditions set forth herein. This Contract shall become a part of the Escrow and shall constitute the basic instructions of COUNTY and OWNER to the escrow officer. However, COUNTY and OWNER agree to execute such additional instructions and documents as are reasonably required to complete the closing of the transaction contemplated herein in accordance with the terms and conditions of this Contract. On behalf of the COUNTY, the Director of the COUNTY's Community Services Department shall execute the necessary escrow instructions and/or additional instructions which may be required to complete the closing of this real property transaction. In case of conflict between this Contract and any of said escrow documents, the terms of this Contract shall govern.

COUNTY shall deliver this signed Contract to the escrow officer and open escrow within fifteen (15) days of execution hereof by COUNTY. The date of closing shall be on or before sixty (60) calendar days from the date of execution of this Contract by COUNTY, or on such other date as the parties hereto shall mutually agree in writing. The "close of escrow" is defined as the

satisfaction of all the conditions contained herein stated, and the recordation of the grant deed for the Property which shall vest title in the COUNTY OF SANTA BARBARA.

B. The escrow fees shall be paid as follows:

(i). COUNTY shall pay all escrow fees, recording fees and documentary stamp tax, (if any), incurred in the conveyance of the Property to COUNTY pursuant to the execution of this Contract.

(ii). COUNTY shall pay for the cost of a preliminary title report covering the Property.

(iii). OWNER shall, prior to the close of escrow pay off all existing notes and liens and shall pay any loan reconveyance, retirement, prepayment or other fees, as may be required by the holder of any note or lien encumbering the Property.

(iv). COUNTY shall pay for the cost of a Standard California Land Title Association owner's policy of title insurance covering the Property with liability not less than the amount of the Purchase Price, showing title vested in the COUNTY and subject only to those items listed in Section 8, TITLE AND DEED herein below.

(v). OWNER shall pay all escrow fees in the event that this escrow is canceled by OWNER prior to the conveyance of the grant deed to COUNTY.

(vi). COUNTY shall pay all escrow fees in the event that this escrow is canceled by COUNTY prior to the conveyance of the grant deed to COUNTY.

C. The escrow officer shall be obligated as follows:

(i). To release to COUNTY a certified copy of the grant deed, as executed by OWNER, within thirty (30) calendar days prior to the close of escrow in order to receive "acceptance" by COUNTY'S Board of Supervisors; and

(ii). To assure all exiting liens and notes against the Property are paid off and to obtain releases for same; and

(iii). To record the executed grant deed upon the close of escrow; and

(iv). To collect from COUNTY the Purchase Price along with prorations, fees and expenses to be paid by COUNTY; and

(v). To deliver the Purchase Price to OWNER at the close of escrow, minus the withholdings, prorations, fees and expenses to be paid by OWNER pursuant to this Contract; and

(vi). To issue or have issued to COUNTY upon the close of escrow the California Land Title Association policy of title insurance required herein.

4. **COUNTY OBLIGATIONS:** In addition to other conditions included herein, the COUNTY shall be obligated to, prior to the close of escrow, deposit into escrow the Purchase Price and an amount sufficient to pay for COUNTY'S share of prorations, fees, costs and expenses to be paid by COUNTY pursuant to this Contract.

5. **COUNTY'S EXAMINATION OF THE PROPERTY:** OWNER hereby grants the COUNTY and its authorized consultants, agents, officers, and employees the continuing right of reasonable entry to the Property on twenty-four (24) hours notice to OWNER to conduct surveys and tests, as COUNTY reasonably deems appropriate, including, but not limited to, preparing an

environmental report pursuant to the California Environmental Quality Act and/or for the purpose of determining whether any toxic substances and/or products of environmental contamination exist on the Property.

COUNTY shall restore the Property as near to its prior condition as is practicable following any surveys or tests and shall keep the Property free of liens. If OWNER so requests, COUNTY shall at no cost promptly provide OWNER with copies of the results from such surveys and tests. COUNTY shall indemnify and hold OWNER harmless from and against any and all claims, liabilities, demands, costs (including reasonable attorneys' fees), and causes of action of all kinds arising in connection with any tests, surveys or other activities carried out on the Property by COUNTY except to the extent of negligence by OWNER, its agents, contractors and employees. This indemnity shall survive closing of escrow.

6. **OWNERS' OBLIGATIONS:** In addition to other conditions included herein, the OWNER shall be obligated as follows:

(i). To, upon the close of escrow, deliver to COUNTY any and all plans, permits, documents, studies, leases, licenses permission to use the land, and/or information relating to, or encumbering the Property, to the extent they exist and are in OWNER'S custody; and

(ii). To deliver to COUNTY the written good faith disclosure as provided in Section 7, **GOOD FAITH DISCLOSURE BY OWNER**, herein below.

(iii). To execute in escrow or deliver to the escrow officer no later than fifteen (15) business days after the opening of escrow, an executed Grant Deed in substantially in the form of Attachment 1 attached hereto and incorporated herein by reference.

(iv). To satisfy and comply with any and all OWNER obligations as required in the Transfer of Subject Property in the Resale Restrictive Covenant and Preemptive Right as shown on Attachment 2 attached hereto and incorporated herein by this reference.

(v). To perform any and all reports and/or studies and execute the necessary escrow instructions and/or additional instructions which may be required to complete the closing of this real property transaction.

7. **GOOD FAITH DISCLOSURE BY OWNER:** OWNER shall make a good faith disclosure to COUNTY of any and all facts, findings, or information on the Property including without limitation those relating to: historical uses; prior permitted uses; current uses including, but not limited to, express or implied contracts, leases and/or permits; geological conditions; biological conditions; archaeological sites; flood hazard area(s); special studies zones; zoning reports; environmentally hazardous material such as asbestos, dioxins, oils, PCB's, solvents, waste disposal, gasoline tank leakage, pesticide use and spills, herbicide use or spills or any other substances and/or products of environmental contamination. Any and all facts or information known by OWNER concerning the condition of the Property shall be delivered to COUNTY no later than twenty (20) calendar days following COUNTY'S execution of this Contract.

If such facts or information provided by OWNER disclose conditions that adversely affect the continued or contemplated use of the Property or structure thereon, and that COUNTY reasonably deems unacceptable, or if COUNTY otherwise discovers such facts or information through tests and/or surveys which disclose such conditions, and OWNER is unwilling or unable to correct such conditions to the reasonable satisfaction of COUNTY or any governmental body

having jurisdiction thereover, then COUNTY may, at its sole option, terminate this Contract. Within ten (10) business days of actual receipt of said disclosure information, COUNTY shall notify OWNER of the conditions it deems unacceptable and the corrections desired and request OWNER, at OWNER'S expense, to correct the condition(s) affected thereby to the reasonable satisfaction of COUNTY and/or any governmental body having jurisdiction thereover. Failure to so correct shall be grounds for termination of this Contract.

8. **TITLE AND DEED:** Title to the Property is to be free of liens, encumbrances, restrictions, rights to possession or claims to possession, rights, and conditions (recorded and/or unrecorded) or known to OWNER, except:

- A. Covenants, conditions, restrictions, and reservations of record approved by COUNTY.
- B. Easements or rights-of-way over the Property for public or quasi-public utility or public street purposes, if any, approved by COUNTY.
- C. Exceptions contained in preliminary title report as may be approved by the COUNTY.
- D. Property taxes for the fiscal year in which this escrow closes shall be satisfied in a manner consistent with California Revenue and Taxation Code Section 4986.(a)(6). Escrow officer is authorized to pay all delinquent taxes from the amount shown in Section 1, **SALE AND PURCHASE PRICE**, herein above. OWNERS understand that pursuant to Section 4986.(a)(6), OWNER may receive after the close of escrow, either, 1) an unsecured property tax bill from the COUNTY Treasurer-Tax Collector for real property taxes that may be due; or 2) a COUNTY warrant from the COUNTY Auditor-Controller to reimburse OWNER for any prepaid property taxes that may be canceled.

OWNER shall hold COUNTY harmless and reimburse COUNTY for any and all of COUNTY'S losses and expenses occasioned by reason of any easements, contracts, leases, or permits encumbering said Property of which OWNER had personal or constructive knowledge, which have not been approved by COUNTY.

COUNTY shall have the right to review the preliminary title report and approve or disapprove in writing those items disclosed in said report prior to the close of escrow. OWNER shall have thirty (30) calendar days from receipt of notice of disapproval to correct the condition(s) that adversely affect the Property as determined by COUNTY in its discretion. COUNTY may terminate this Contract or request OWNER, at OWNER'S expense, to correct the condition(s) affected thereby to the satisfaction of the COUNTY. Failure to so correct shall be grounds for termination of this Contract by COUNTY.

Escrow shall be automatically extended for thirty (30) calendar days where there is a need for OWNER to correct an adverse condition unless OWNER refuses to correct such condition or unless correction requires more than thirty (30) calendar days in which case escrow shall be extended to the date of refusal or date of correction respectively.

9. **INSPECTION OF THE PROPERTY:** COUNTY, or its representative(s) of its choice at its expense, may inspect the condition of the property including but not limited to: roof, appliances, heating, air conditioning, electrical, plumbing, pest control, other equipment, and doors and windows. COUNTY shall approve the inspection report(s), at the discretion of the COUNTY, which approval is to be given in writing prior to the close of escrow. COUNTY shall correct and pay for the work required to replace 1) the backyard cement patio located outside the sliding glass door of the living room, and 2) the installation of a new gas furnace. OWNER shall correct and pay

for the work recommended by said inspection report which items are not in normal working order. COUNTY shall furnish OWNER a copy of the inspection report(s) and OWNER shall submit in escrow a written notice to COUNTY of the corrective work and payment for such repairs. In the event OWNER fails to make the corrective work, OWNER agrees and authorizes escrow to withhold a portion of the Purchase Price against the estimated bills for such repairs and/or corrections.

10. **FIXTURES**: All items permanently attached to the Property, including but limited to: floor coverings, draperies with hardware, shades, blinds, window and door screens, awnings, doors, light fixtures, electric door controls, outdoor plants and trees, fences, are included in the Purchase Price and free of liens.

11. **PERSONAL PROPERTY**: OWNER shall not abandon or fail to remove from the Property the OWNER'S personal property. COUNTY shall inspect the Property to ensure that all OWNER'S personal property has been removed prior to close of escrow. In the event OWNER fails to remove all personal property within one (1) day prior to the close of escrow, OWNER agrees and authorizes escrow to withhold a portion of the Purchase Price against the estimated bills for such removal of personal property.

12. **TERMINATION**: COUNTY shall have the right to terminate this Contract at any time prior to its satisfaction of all the conditions precedent as set forth in Section 2 this Contract. OWNER shall have the right to terminate this Contract only following COUNTY'S failure to cure a material breach. In the event OWNER is unable, or unwilling to correct an adverse condition, and COUNTY is unwilling to proceed with the transaction due to said adverse condition, then either party may terminate this Contract. Except for extension provisions contained herein, either party may terminate this Contract in the event escrow has not closed within sixty (60) days of COUNTY'S execution hereof, unless the delay in closing is due to the actions or inactions of OWNER, or by events out of the control of COUNTY. Any request for termination shall require ten (10) days written notice.

13. **WAIVER**: No waiver of any of the provisions of this Contract shall be deemed or shall constitute a waiver of any other provisions of this Contract, whether or not similar, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

14. **SECURITY INTEREST**: Any and all monies payable under this Contract shall, upon demand, be made payable to the mortgagees and beneficiaries of any notes secured by mortgages or deeds of trust, up to and including the total amount of unpaid principal and interest together with penalty, if any, for payment in full in advance of maturity. Escrow officer shall obtain from said mortgagees or beneficiaries good and sufficient receipt showing said monies credited against the indebtedness secured by said mortgages or deeds of trust. Escrow officer shall obtain any and all executed full reconveyances, partial reconveyances, subordinations and/or releases of liens that may have been given on the Property covered by deeds of trust.

15. **COMMISSION - BROKERS**:

A. No OWNER'S Broker: OWNER represents and warrants to COUNTY that no broker, salesman, or finder has been engaged by OWNER in connection with the real estate transaction contemplated by this Contract. Should any claim for any broker's or finder's fee be made during escrow or after consummation of this Contract, OWNER shall indemnify, defend, and hold harmless COUNTY from and against any such claim if it shall be based upon any statement, representation or Contract shown to have been made by OWNER.

B. No COUNTY Broker: COUNTY represents and warrants to OWNER that no broker, salesman, or finder has been engaged by COUNTY in connection with the real estate transaction contemplated by this Contract. Should any claim for any broker's or finder's fee be made during escrow or after consummation of this Contract, COUNTY shall indemnify, defend, and hold harmless OWNER from and against any such claim if it shall be based upon any statement, representation or Contract shown to have been made by COUNTY.

16. ENTIRE CONTRACT: Time is of the essence in this Contract. This Contract constitutes the entire agreement of the parties hereto with respect to the subject matter hereto and supersedes all prior Contracts, understandings, negotiations, and discussions of the parties, whether express or implied, and there are no warranties, representations, covenants, or other Contracts between the parties in connection with the subject matter hereof, except as specifically set forth herein. The performance of this Contract constitutes the entire consideration for the Property and shall relieve COUNTY of all further obligation or claims on this account. No amendment, supplement, modification, waiver, or termination of this Contract shall be binding unless executed in writing by both of the parties hereto.

17. CONSTRUCTION: The parties hereto have negotiated the terms of this Contract. Each party hereto has consulted an attorney when they felt the need. The provisions of this Contract reflect this negotiation and the intentions of both of the parties hereto, and shall be interpreted with regard to each party equally.

18. SECTION HEADINGS: The headings of the several sections, and any table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect hereof.

19. REAL PROPERTY DOCUMENTS: Each party agrees to execute and deliver any instrument or to perform any act reasonably necessary to carry out the provisions of this Contract and to do so in a timely manner.

20. CONDITIONS ARE COVENANTS: Each of the conditions to the close of escrow set forth herein shall be deemed to be covenants and the conditions required to be satisfied herein.

21. SUCCESSORS AND ASSIGNS: The rights under this Contract shall also extend to and bind the heirs, devisees, executors, administrators, successors, and assigns of the parties.

22. CERTIFICATION OF SIGNATORY(IES): OWNER represents and warrants that he is the sole owner of the Property or is authorized by the OWNER of the Property to execute

this Contract and that no additional signatures are required to carry out the duties contemplated herein.

23. **CONTRACT APPROVAL:** This Contract is subject to the approval of the COUNTY Board of Supervisors. Execution of this Contract by the chairperson of the Board of Supervisors shall evidence said approval by the Board.

24. **SURVIVAL OF REPRESENTATIONS:** The representations of each of the parties and their executory covenants shall survive the close of escrow and shall not be merged in the deeds delivered to and accepted by the COUNTY.

25. **EXECUTION IN COUNTERPARTS:** The Contract may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many or them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

26. **ELECTRONICALLY/ FACSIMILE TRANSMITTED SIGNATURES:** In the event that the parties hereto utilize electronically transmitted documents or facsimile transmitted documents which include digital signatures, such documents shall be accepted as if they bore original signatures provided the name and title shall be directly below the electronic or facsimile signature and that the signature and execution comply with the California Uniform Electronic Transactions Act. Without limiting the foregoing, the parties agree that signatures effected and delivered through the DocuSign service will satisfy this requirement. The foregoing notwithstanding, original signatures shall be required for the Grant Deed; electronic and/or facsimile signatures shall not be accepted for the Grant Deed. In the event that the Santa Barbara County Recorder's Office requires original signatures for other documents, the parties shall produce such original signatures within seventy-two (72) hours or at such other time as the parties mutually agree. Funds shall not be released until such time the Santa Barbara County Recorder's Office has received and accept documents bearing original signatures by the Escrow Holder or COUNTY. The parties may agree to extend the Closing Date in order to obtain the necessary original signatures.

Project: Villas at Summerland
APN: 005-700-008
Folio: 004112
Proj Mgr: JC

IN WITNESS WHEREOF, COUNTY and OWNER have executed this Real Property Purchase Contract and Escrow Instructions by the respective authorized officers as set forth below to be effective as of the date executed by COUNTY.

“COUNTY”
COUNTY OF SANTA BARBARA
a political subdivision of the State of California

By: _____
Laura Capps, Chair
Board of Supervisors

ATTEST:
MONA MIYASATO
CLERK OF THE BOARD

Date: _____

By: _____
Deputy Clerk

APPROVED AS TO FORM:
RACHEL VAN MULLEN
COUNTY COUNSEL

APPROVED AS TO ACCOUNTING FORM:
BETSY M. SCHAFFER, CPA
AUDITOR-CONTROLLER

By: _____
Tyler Sprague
Deputy County Counsel

By: _____
C. Edwin Price, Jr.
Deputy Auditor-Controller

APPROVED AS TO CONTENT:
COUNTY EXECUTIVE OFFICE

APPROVED AS TO FORM:
CEO/RISK MANAGEMENT

By: _____
Jesús Armas, Director

By: _____
Greg Milligan

Community Services Department

Risk Manager

APPROVED:

APPROVED:

By: _____
Joseph Dzvonik
Deputy HCD Director

By: _____
Lucille Boss, Affordable Housing
Programs Manager

APPROVED:

APPROVED:

By: _____
Kirk A. Lagerquist, Director
General Services Department

By: _____
James Cleary
Interim Real Property Manager

OWNER SIGNATURE ON FOLLOWING PAGE

Project: Villas at Summerland
APN: 005-700-008
Folio: 004112
Proj Mgr: JC

“OWNER”
Linnea S. Hall, Trustee of
the Gwendolyn Maxine Hall Living Trust dated July 1, 2004

Linnea S. Hall

Date: _____

RECORDING REQUESTED BY:
Fidelity National Title Company

Attachment 1

WHEN RECORDED MAIL TO:
County of Santa Barbara
General Services Department
Real Property Division
260 San Antonio Rd – Casa Nueva
Santa Barbara, CA 93110

**COUNTY OF SANTA BARBARA
OFFICIAL BUSINESS**

No fee pursuant to Government Code § 27383
No Documentary Transfer Tax
Pursuant to Rev & Tax Code §11922

SPACE ABOVE THIS LINE FOR RECORDER'S USE
A.P.N.: 005-700-008
General Service #004112

<p>The undersigned grantor declares DOCUMENTARY TRANSFER TAX \$ _____ <input type="checkbox"/> computed on full value of property conveyed, or <input type="checkbox"/> computed on full value less liens and encumbrances remaining at the time of sale. <input checked="" type="checkbox"/> Unincorporated area of Santa Barbara County</p>

GRANT DEED

LINNEA S. HALL, Trustee of the Gwendolyn Maxine Hall Living Trust dated 7/1/2004,
as Grantor herein,

FOR A VALUABLE CONSIDERATION, DOES HEREBY GRANT TO:

the COUNTY OF SANTA BARBARA, a political subdivision of the State of California, its successors or assigns, as Grantee herein, all that certain real property in the unincorporated area of the County of Santa Barbara, State of California, described as:

EXHIBIT "A" ATTACHED HERETO AND MADE A PART HERETO.

Grantor shall defend, indemnify, save, and hold harmless Grantee, its agents, employees, officers, successors, and assigns, from any and all claims, liabilities, demands, costs (including reasonable attorney fees), and causes of action of all kinds with regard to contamination by harmful, hazardous and/or toxic materials released upon the subject property by Grantor or by any third party under Grantors' control or at Grantors' direction. The foregoing indemnity shall apply only to the extent permitted by applicable law and shall not limit either Grantors' liability or Grantee's remedy under such law.

This indemnity shall not apply to any contamination which may occur on the subject property as a result of the operations of Grantee subsequent to the recording of this deed.

DATE: March 10, 2025

Grantor

By: _____
Linnea S. Hall

EXHIBIT "A"
Legal Description

APN: 005-700-008

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA IN COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

A CONDOMINIUM COMPRISED OF:

PARCEL 1: AN UNDIVIDED 1/10 INTEREST IN AND TO LOT 1 OF TRACT 14,381, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS PER MAP THEREOF RECORDED IN BOOK 184, PAGE 90 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THAT INTEREST IN OIL, GAS, MINERAL AND OTHER HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET BUT WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED BY DAWN C. ASHER, IN DEED RECORDED SEPTEMBER 12, 1980, AS INSTRUMENT NO.

80-35918 AND SEPTEMBER 15, 1980, AS INSTRUMENT NO. 80-36361 OF OFFICIAL RECORDS.

ALSO EXCEPTING THAT INTEREST IN OIL, GAS, MINERAL AND OTHER HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET BUT WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED BY PATRICK MCCARRON IN DEED RECORDED AUGUST 9, 1982 AS INSTRUMENT NO. 82-33015 OF OFFICIAL RECORDS

ALSO EXCEPTING THEREFROM THE FOLLOWING:

(A) UNITS 1 THROUGH 10 AS SHOWN AND DEFILED UPON THE CONDOMINIUM PLAN RECORDED IN BOOK 193, AT PAGE 1 OF OFFICIAL RECORDS OP SAID COUNTY.

(B) THE EXCLUSIVE USE OF ALL THOSE AREAS DESIGNATED AS CARPORTS AND YARDS AS SHOWN UPON THE CONDOMINIUM PLAN REFERRED TO ABOVE.

PARCEL 2: UNIT 8 AS SHOWN ON THE CONDOMINIUM ABOVE REFERRED TO.

PARCEL 3: THE EXCLUSIVE RIGHT TO USE THOSE PORTIONS OF LOT 1 IN PARCEL 1 ABOVE, DESIGNATED AS CP8 AND Y8 AS APPURTENANT TO PARCELS 1 AND 2 ABOVE DESCRIBED.

PARCEL 4: AN EASEMENT OVER COMMON AREA LOTS 22, 23, 24 AND 25 OF TRACT 14,381, RECORDED IN BOOK 184, PAGES 90-95 OF MAPS FOR RECREATION AND INCIDENTAL PURPOSES.

PARCEL 5: A 20 FOOT EASEMENT FOR FUTURE PUBLIC UTILITY AND SEWER PURPOSES, WHOSE SOUTHERLY LINE IS DESCRIBED AS FOLLOWS:

THAT PART OF THE ORTEGA RANCHO, BEING A PORTION OF THE OF THE OUTSIDE PUEBLO LANDS, OF THE CITY OF SANTA BARBARA, AS DELINEATED ON THE MAP RECORDED IN BOOK 1, PAGE 20 OF MAPS AND SURVEYS, RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY LINE OF SAID ORTEGA RANCHO WITH THE NORTHERLY LINE OF PARCEL OF LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED OCTOBER 9, 1950, IN VOLUME 945, OF OFFICIAL RECORDS, AT PAGE 426, RECORDS OF SAID COUNTY; THENCE NORTH 0°51'50" EAST, ALONG SAID EASTERLY LINE OF ORTEGA RANCHO, A DISTANCE OF 229.75 FEET TO THE TRUE POINT OF BEGINNING; THENCE ALONG A CURVE TO THE WEST, WHOSE RADIUS POINT BEARS NORTH 5°36'31" WEST AND A RADIUS CURVE OF 1955 FEET, THROUGH AN ANGLE OF 33°48'49" FOR A DISTANCE OF 1152.76 FEET; THENCE, NORTH 60°57'20" WEST, A DISTANCE OF 734.73 FE TO A POINT; THENCE NORTH 40°17'40" WEST, A DISTANCE OF 31.23 FEET, MORE OR LESS, TO A POINT IN THE EASTERLY LINE GREENWELL AVENUE AND THE END OF THE 20 FOOT EASEMENT, SAID EASTERLY LINE OF GREENWELL AVENUE, DESCRIBED IN SAID DEED, RECORDED IN VOLUME 945, PAGE 426, OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN PARCELS ONE THROUGH FOUR DESCRIBED ABOVE.

CERTIFICATE OF ACCEPTANCE

STATE OF CALIFORNIA, COUNTY OF SANTA BARBARA: SS. §27281

THIS IS TO CERTIFY that the interest in real property conveyed by the Grant Deed dated February 20, 2025, from LINNEA S. HALL, Trustee of the Gwendolyn Maxine Hall Living Trust dated July 1, 2004, to the COUNTY OF SANTA BARBARA, a political subdivision of the State of California, is hereby accepted by Order of the Board of Supervisors of the County of Santa Barbara on March 18, 2025, and the County of Santa Barbara as Grantee consents to recordation thereof by its duly authorized officer.

WITNESS my hand and official seal

this _____ day of _____, 2025

MONA MIYASATO
CLERK OF THE BOARD

By: _____
Sheila De La Guerra
Deputy Clerk

Attachment 2

RESALE RESTRICTIVE COVENANT AND PREEMPTIVE RIGHT

RECORDING REQUESTED BY AND RETURN TO:

Community Services Department
Housing and Community Development Division
County of Santa Barbara
123 E. Anapamu St. #202
Santa Barbara, CA 93101-2062

Attn: Affordable Housing Program

No fee per Government Code Sec. 6103

APN: [xxx-xxx-xxx](#)

**GRANT OF PREEMPTIVE RIGHT:
RESALE RESTRICTION COVENANT
AND OPTION TO PURCHASE
SECURED BY DEED OF TRUST**

**This document creates a lien on real property and grants
the County an option to purchase the real property**

Project Name

Unit Address

This Grant of Preemptive Right: Resale Restriction Covenant and Option to Purchase Secured by Deed of Trust dated [MM/DD/YYYY](#) (this “Covenant”) rescinds and supersedes in its entirety the previous affordability control document recorded with respect to that certain real property located at [Unit Address](#) (“Property”) which is entitled “Grant of Preemptive Right: Resale Restriction Covenant and Option to Purchase Secured by Deed of Trust” recorded as instrument number [xxxx-xxxxxxx](#) in the Official Records of Santa Barbara County on [MM/DD/YYYY](#).

RECITALS:

WHEREAS, the County of Santa Barbara (“County”) has provided development incentives to this project (such as allowing development at greater density than County zoning allows in the absence of a special permit, or other incentives); and,

WHEREAS, **Owner vesting** (“Owner” and together with the County, collectively, the “Parties”) has benefited from these development incentives through the opportunity to purchase the Property at a price substantially below fair market value; and

WHEREAS, the intent of the County in providing these development incentives is to preserve the affordability of the Property for persons with incomes within a specified range; and

WHEREAS, subsequent Owners will benefit from the limitation on the purchase price of the Property which this Covenant requires; and,

WHEREAS, the intent of the Parties is to preserve through this Covenant the affordability of the Property for persons with incomes within a specified range, and to grant the County the right to enforce compliance with this Covenant;

NOW, THEREFORE, in consideration of the benefits received by the Parties, the Parties agree as follows:

I. DEFINITIONS

A. "Owner": (i) **Owner vesting** (ii) any subsequent purchaser (whether an occupant purchaser or non-occupant titleholder), devisee, successor trustee, transferee, or grantee of an owner or subsequent purchaser, or (iii) any other holder of title to the Property, or any portion thereof, or interest therein, other than the Institutional Lender holding the Institutional Lender First Deed of Trust or easement holders.

B. "Encumber" or "Encumbrance": any mortgage, deed of trust, lien, security agreement or other instrument with respect to the Property intended to secure an obligation or indebtedness.

C. "First Deed of Trust": A deed of trust which is recorded in first position, senior to any other deeds of trust against the Property, and which is made by Owner as trustor as security for purchase money financing or for other financing, and which has been approved by the County in advance in writing.

D. "Institutional Lender": Any FDIC-insured bank or any other lender which is licensed by the State of California or the United States Department of Housing and Urban Development ("HUD") to engage in the business of providing mortgage financing (purchase money or refinancing) for residential real property.

E. "Institutional Lender First Deed of Trust": A First Deed of Trust made by an Institutional Lender.

F. "Household": All those persons – related or unrelated – who occupy a single housing unit.

G. "Maximum Sales Price": The highest price for which an Owner is allowed to sell the Property, inclusive of real estate commissions and closing costs.

The Maximum Sales Price shall be calculated through the following formulas, assuming a thirty-year fixed interest rate mortgage and assuming that all payments are to be monthly:

Maximum Sales Price = $0.9 \times (\text{Affordable Mortgage Amount} + 5\% \text{ Down Payment [rounded to the nearest hundred dollars]})$.

"Affordable Mortgage Amount" =

$\text{Affordable Monthly Mortgage Payment} \times ((1 + R \text{ value})^{360 \text{ payments}} - 1) \div ((R \text{ value}) \times (1 + R \text{ value})^{360 \text{ payments}})$.

"R value" = $\text{Annual Mortgage Interest Rate} \div 12 \text{ months}$.

"Affordable Monthly Mortgage Payment" =

$(30\% \times (\text{Target Household Income} \div 12 \text{ months})) - (\text{Insurance Payment} + \text{Property Tax Payment} + \text{HOA Dues})$.

"Target Household Income" = 75% of AMI.

H. “Maximum Monthly Rent”: The maximum monthly rent for the Property, in accordance with the maximum monthly rental rates established, periodically revised, and published annually by the County’s Community Services Department (“CSD”) , determined as described in the Housing Element, Implementation Guidelines, or as otherwise dictated by applicable State or federal programs.

Maximum Monthly Rent is only applicable when the Owner has met the hardship requirements for rental of the Property as set forth in Section IV.C of this Covenant, and when the Property is being leased as provided therein.

I. “Area Median Income” or “AMI”: The median family income of a geographic area of the State, as defined in California Health & Safety Code Section 50093, as may be amended or renumbered, adjusted for family size. The AMI for a household of four is updated and released annually by HUD. The State of California Housing and Community Development Department (“State HCD”) adopts AMI for each county in California after applying an adjustment factor to calculate the AMI for different household sizes.

J. “Principal place of residence”: The place where a person or persons reside(s) on a full-time basis.

K. “Residential Real Estate”: Real property including developed or undeveloped residentially zoned land and improvements thereon, including, but not limited to, mobile homes or manufactured homes when owned by the owner of such real property.

L. “Transfer”: Any sale, conveyance, assignment, or transfer, whether voluntary or involuntary, by operation of law or otherwise, whether by deed, contract of sale, gift, devise, bequest, trustee’s sale, deed in lieu of foreclosure, or otherwise, of any interest in the Property, including but not limited to, a fee simple interest, joint tenancy, life estate, leasehold, or an interest evidenced by a contract pursuant to which possession of the Property is transferred and Owner retains title to the Property.

M. “Qualified Transferee”: A person to whom the Property is transferred in accordance with Sections VII, VIII, and IX of this Covenant.

N. “Effective Date”: The first date as of which this Covenant duly executed by all of the parties hereto.

O. “Eligible Household”: A Very Low-income household whose income does not exceed 60% of AMI.

II. TERM AND ENFORCEABILITY

A. Term

Effective as of the Effective Date, this Covenant shall bind the Owner and Owner’s heirs, legal representatives, executors, successors in interest and assigns, and the benefit hereof shall inure to the County, its successors, designees, and assigns until the date that is **45 years** after the Effective Date of this Covenant, subject to tolling and extension as set forth in this Covenant (“Term”).

B. Covenants Running With the Land; Equitable Servitude

The Property is held, and hereafter shall be held, conveyed, hypothecated, encumbered, leased, rented, used, and occupied subject to all of the covenants, conditions, restrictions and limitations contained herein and in that document entitled “**Agreement to Provide Affordable Housing**” executed by the parties on **MM/DD/YYYY** and recorded on **MM/DD/YYYY**, as Instrument No. **xxxx-xxxxxxx**, in the office of the Recorder of Santa Barbara County, California (“Agreement to Provide”).

The covenants and restrictions set forth herein shall be covenants running with the land, which shall pass to and be binding upon all parties having any interest in the Property throughout the Term. Each and every contract, deed, lease, or other instrument covering, conveying, or otherwise transferring the Property or any interest

therein, as the case may be (“Contract”), shall conclusively be held to have been executed, delivered, and accepted subject to this Covenant, regardless of whether the parties to such Contract have actual knowledge of this Covenant.

The Owner and the County hereby agree and declare their further understanding and intent that: (i) the covenants and restrictions contained in this Covenant shall be construed as covenants running with the land pursuant to California Civil Code section 1468, and not as conditions which might result in forfeiture of title by Owner; (ii) the burden of the covenants and restrictions set forth in this Covenant touch and concern the Property in that the Owner's legal interest in the Property may be rendered less valuable thereby; and (iii) the benefit of the covenants and restrictions set forth in this Covenant touch and concern the land by enhancing and increasing the enjoyment and use of the Property by Eligible Households who may purchase the Property, the intended beneficiaries of such covenants and restrictions.

All covenants and restrictions contained herein without regard to technical classification or designation shall be binding upon Owner for the benefit of the County, and such covenants and restrictions shall run in favor of such parties for the entirety of the Term, without regard to whether the County is an owner of any land or interest therein to which such covenants and restrictions relate. In the event of a conflict between the terms of the Agreement to Provide and the terms of this Covenant, the terms of this Covenant shall prevail unless specifically indicated otherwise.

C. Binding Effect

Any purchaser or transferee of the Property or of any portion of or interest in the Property, by the acceptance of a deed therefore, whether from Owner or from any subsequent owner of the Property, or by the signing of a contract or agreement to purchase the same, shall, by the acceptance of such deed or by the signing of such contract or agreement be deemed to have consented to, accepted, and agreed to be bound by all of the covenants, conditions, restrictions and limitations set forth herein and in the Agreement to Provide.

D. Enforceability

In order to preserve through this Covenant the affordability of the Property for persons of **Very Low-income (0-50% AMI)**, the Owner for itself and all successors and assigns, hereby grants and assigns to the County the right to review and enforce compliance with this Covenant and Chapter 46 of the Santa Barbara County Code, and in furtherance of this right, grants to the County an Assignment of Rents, described under Section XIII of this Covenant, and an Option to Purchase the Property, described under Sections III and XIV of this Covenant, the right to collect liquidated damages for certain violations as described in Section XIII of this Covenant, and assigns to the County any and all proceeds payable to the Owner from a foreclosure or deed in lieu of foreclosure in excess of the Maximum Sales Price, as described in Section XII.B of this Covenant.

In the event of any violation of any of the provisions of this Covenant, or the submission to the County of any document or certification in connection with this Covenant that contains false or misleading statements, the County may apply to a court of competent jurisdiction for specific performance of this Covenant, for an injunction prohibiting a proposed letting or Transfer of the Property in violation of this Covenant, to void an executed Transfer, and for penalties, remedies and enforcement pursuant to the Santa Barbara County Code, including, but not limited to, Section 46-10, or for any such other relief as may be appropriate.

III. DEED OF TRUST: SUBORDINATION; DEFAULT; NOTICE TO COUNTY; RIGHT TO CURE

A. Subordination

This Covenant shall be subject, and subordinate solely, to the lien of a County-approved Institutional Lender First Deed of Trust (“Approved Institutional Lender First Deed of Trust” and such Institutional Lender the “Approved Institutional Lender”), subject to the following conditions and limitations:

1. Limit on Amount

The amount secured by the Institutional Lender First Deed of Trust shall not exceed 95% of the Property purchase price paid by the Owner (the "Loan to Value amount"), plus any late fees and charges as may be permitted under the Institutional Lender First Deed of Trust; provided, however, that if the loan secured by the Institutional First Deed of Trust is made through a State or Federal loan or loan insurance program, the Loan to Value amount may be increased in conformity with the loan to value limits established by such State or Federal program. This Covenant shall not be subordinate to any Institutional Lender First Deed of Trust that exceeds such Loan to Value amount.

2. Default; Right to Cure

In the event of default under any deed of trust secured by the Property, including, but not limited to, an Approved Institutional Lender First Deed of Trust, the County shall have the same right as the Owner to cure the default and redeem the Property prior to foreclosure sale. Such redemption shall be subject to the same fees, charges and penalties which would otherwise be assessed against the Owner. Nothing herein shall be construed as creating an obligation on the part of the County to cure any such default, nor shall this right to cure and redeem operate to extend any time limitations in the default provisions of any underlying deed of trust or mortgage. Owner consents to the County executing a promissory note and deed of trust to secure the amount necessary to cure the default which will become a lien on the Property in favor of the County.

3. Right to Exercise Option

Any default under any deed of trust or mortgage with a power of sale encumbering the Property, including, but not limited to, the Approved Institutional Lender First Deed of Trust, shall trigger the County's right to exercise its option to purchase the Property, as described more fully in Section XIV, below ("Option").

4. Request for Notice of Default

The holder of the Approved Institutional Lender First Deed of Trust shall be under no obligation to provide notice of default to the County other than a duly filed request for notice of default under Section 2924b of the California Civil Code. In the event the County elects to exercise its Option, and notwithstanding anything herein to the contrary with regard to the rights of the County, the County must complete such purchase no later than the end of the period established by Section 2924c of the California Civil Code for the reinstatement of a monetary default under such deed of trust. In the event of the recordation of a notice of default, then the County shall be deemed to be Owner's successor in interest under California Civil Code Section 2924c (or successor section) solely for purposes of reinstatement of any mortgage on the Property that has led to the recordation of the notice of default. As Owner's deemed successor in interest, the County shall be entitled to pay all amounts of principal, interest, taxes, assessments, homeowners' association fees, insurance premiums, advances, costs, attorneys' fees, and expenses required to cure the default. If the County exercises the Option, then any and all amounts paid by the County pursuant to this section shall be deducted from the Option Sale Price.

B. Rights Under Approved Institutional Lender First Deed of Trusts

Subject to the conditions and limitations set forth herein, this Covenant shall not impair the rights of an Approved Institutional Lender, under an Approved Institutional Lender First Deed of Trust, to foreclose or take title to the Property pursuant to the remedies of the Approved Institutional Lender First Deed of Trust, or accept a deed in lieu of foreclosure in the event of default by a trustor under the Approved Institutional Lender First Deed of Trust. Subsequent to the Approved Institutional Lender, or its successors and assigns, acquiring title through foreclosure

sale or accepting a deed in lieu of foreclosure under such Approved Institutional Lender First Deed of Trust, and payment to County of any excess proceeds as set forth in Section XII.B, below, (i) this Covenant shall terminate and be of no further force or effect as an encumbrance against the Property (or any owners, tenants or encumbrancers in the chain of title), and (ii) the Approved Institutional Lender or subsequent transferee may sell the Property to any purchaser at any price, or lease the Property to any tenant at any rental amount, without thereafter being subject to this Covenant, and (iii) at the request of such Approved Institutional Lender or its title insurer, County will execute a recordable instrument to confirm the termination of this Covenant.

C. Covenant Not Subordinate to Any Other Deeds of Trust

This Covenant shall be subordinate solely to an Approved Institutional Lender First Deed of Trust. All other deeds of trust recorded against the Property shall be subject to all of the terms and limitations of this Covenant including, but not limited to, the County's Option to purchase the Property for the Option Sales Price.

D. Notice to County by Owner

Owner shall provide the County with advance written notice of each deed of trust, financing instrument, mortgage, or other Encumbrance on or to be recorded against the Property, and shall provide the County with the information requested by the County to record a Request for Notice of Default. Owner shall not finance, refinance, or otherwise Encumber the Property without the County's prior written approval in each instance in accordance with Sections V, IX and XI, below.

IV. OCCUPANCY, LEASING AND OWNERSHIP OF OTHER REAL PROPERTY

A. Property Must be Used as Owner's Principal Residence

Owner shall occupy the Property as Owner's principal place of residence; provided, however, that Owner may lease the Property solely in accordance with Sections IV.B and C, below. Owner's failure to comply with the owner occupancy requirement set forth in this Section IV.A ("Owner Occupancy Requirement") shall constitute a material violation of this Covenant. If County determines, in County's sole discretion, that Owner is in violation of this Owner Occupancy Requirement, County may exercise its Option to purchase the Property as set forth in Section XIV, below, so that the County may resell the Property to an Eligible Household and fulfill the purpose of the County's affordable housing program.

B. Rental of Property

Owner shall not rent or lease the Property, or otherwise Transfer any interest in the Property, without the prior written approval of the County in each instance. All requests for such consent must be in writing and delivered to County in accordance with the notice provisions set forth herein. The Director of CSD ("Director") may only approve a request to rent or lease the Property to the extent that (i) the Owner has met the hardship requirements for rental of the Property as set forth in Section IV.C of this Covenant, below, (ii) the Property is leased in accordance with the provisions of this Covenant, and (iii) such approval is consistent with the County's goal of creating, preserving, maintaining, and protecting the County's supply of affordable housing.

C. Personal Hardship Exemption

The Director may approve a Personal Hardship Exemption to the Owner Occupancy Requirement if the Owner demonstrates Personal Hardship by submitting a written request to CSD (i) describing the cause of the Personal Hardship in accordance with Section IV.C.1, below, and (i) including supporting documentation that substantiates such request ("Personal Hardship Request").

1. Definition

The Director may grant a Personal Hardship Exemption to the Owner Occupancy Requirement if the Director determines, in the Director's sole discretion, that one or more of the circumstances listed below will result in an economic hardship to the Owner

(“Personal Hardship”): 1) An emergency or a long-term illness or injury of the Owner or a member of Owner’s immediate family requiring medical attention ; 2) the death of a member of the Owner’s immediate family; 3) an involuntary transfer of Owner’s primary place of employment to a geographic location more than 50 miles away from the Property, or termination of Owner’s employment, other than for cause; 4) the Property is rendered uninhabitable due to casualty that is in no way attributable to any act or omission on or behalf of Owner; or 5) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of, and in no way attributable to any act or omission on or behalf of the Owner, as a result of which retention of the Property would result in a substantial and irrevocable loss of the Owner’s investment in the Property. CSD’s Personal Hardship determinations may depend upon the facts of each case.

2. Determination

Within 30 days of receiving a Personal Hardship Request, the Director’s will make a Personal Hardship Exception determination either granting or denying such Personal Hardship Request. A Personal Hardship Exception may not be made to the extent that such hardship is or may be relieved by:

- a. Liquidation of the Owner’s assets, to the extent the liquidation of such assets would not itself cause severe financial hardship; or
- b. Reimbursement or compensation via insurance or otherwise.

3. Remedies

Upon determination by the County that a Personal Hardship exists, the Director may provide for the following in its written notice to Owner regarding such Personal Hardship Exception determination (“Personal Hardship Exception Determination Notice”):

- a. Owner may market the Property for sale to Eligible Households. The Owner may rent the Property while it is for sale, provided that (i) the monthly amount of such rent does not exceed the Maximum Monthly Rent and (ii) the Owner continues to actively market the Property for sale.
- b. If the Owner submits documentation to the County evidencing Owner’s good faith effort to sell the Property for three consecutive months, despite which the Property has not sold, Owner may offer the Property for sale to households other than Eligible Households which are in the next-highest income category (e.g., a restricted upper-moderate unit may be marketed to both upper-moderate and middle median income households); provided, however, that the Property shall continue to be subject to all of the restrictions, terms and conditions of this Covenant, and the Property shall not be marketed or sold for more than the Maximum Sales Price.

4. Submittal of Approved Rental Agreement to County

In the event that Owner desires to lease the Property while the Property is for sale, in accordance with a Personal Hardship Exception Determination Notice, Owner shall first obtain the Director’s written approval of the form of lease agreement for the Property with a month-to-month lease term, including the amount of monthly rent to be charged thereunder (“Form of Lease Agreement”). Following the Director’s written approval of the

Form of Lease Agreement, Owner may enter into a lease agreement for the Property using the Form of Lease Agreement (“Lease Agreement”), and shall, within 3 business days of executing such a Lease Agreement, provide a true and correct copy of the Lease Agreement, the names of the tenant(s), the amount of monthly rent being charged, and the new temporary address of the Owner. Owner shall not amend any Lease Agreement without the Director’s prior written approval in each instance. Owner shall notify CSD within three (3) days of the termination of any Lease Agreement, and within three (3) days of Owner’s re-occupation of the Property. Owner shall not rent or lease the Property other than in accordance with this Section IV.C.4, and Section IV.C.3, above.

D. No Ownership of Other Residential Real Estate

Owner shall NOT, without County’s prior written consent in each instance, have any form of ownership or ownership interest, whether direct or indirect, in whole or in part (including, but not limited to, long-term leasehold, or via partnership, limited partnership, corporate, or limited liability company interest(s)) in or to any Residential Real Estate other than the Property while Owner retains any interest in the Property. [Violation of the foregoing provisions of this Section IV.D. shall constitute a material breach of this Covenant](#) and default hereunder, for which the County may pursue any and all available remedies at law and in equity.

V. REQUIREMENTS FOR COUNTY APPROVAL OF TRANSFER, REFINANCE, OR OTHER ENCUMBRANCE

A. Approval of All Proposed Transfers, Financing, Refinancing Required

Except as provided in Section III, above, and Section V.B, below, the Property shall not be Transferred, financed, refinanced, or otherwise Encumbered in any way without the prior written approval of HCD in each instance. A Transfer in violation of section V shall be voidable and may subject the Owner to cumulative remedies as set forth in Section XIII, below. In addition, the running of the Term of this Covenant shall be tolled during any period when the Property has been Transferred, or purportedly Transferred, in violation of this Covenant.

In the event that the Property is Transferred by inheritance or devise to a person or person not meeting the requirements contained in this Covenant, including but not limited to the income, household size and asset requirements contained in the County’s eligibility certification guidelines and owner occupancy requirements, the devisee or beneficiary shall sell the Property subject to the terms of this Covenant, including, but not limited to, [Section VI.C. and Section XIV.A.](#) regarding the County’s Option to Purchase rights, as soon as practicable.

B. Exceptions

The following transfers are exceptions to the requirements of Section V.A, above, and do not require HCD’s prior written approval; provided, however, that Owner is required to notify HCD in writing upon any of the following transfers, and such transfers may trigger resale obligations as set forth in Sections IX.D and XII.A., below:

1. Death

A transfer resulting from the death of an Owner where the Property is transferred to the spouse, who was a co-owner prior to the transfer.

2. Marriage

A transfer by an Owner where the Owner's spouse becomes the co-owner of the Property.

3. Divorce

A transfer resulting from a decree of dissolution of a marriage or legal separation from a property settlement agreement incidental to such a decree by which a spouse who is an Owner become the sole Owner of the Property.

VI. COUNTY OPTION TO PURCHASE UPON PROPOSED TRANSFER

A. Grant of Option and Right of First Refusal

In consideration of the benefits received by Owner, Owner hereby grants to the County, and the County hereby accepts an Option to purchase the Property, which the County may exercise anytime Owner lists, offers, or otherwise makes the Property, or any interest in the Property, available for a potential Transfer.

B. Notice to County

Anytime during the Term of this Covenant when Owner intends to offer to Transfer the Property or any portion thereof or any interest therein, Owner shall give to the County written notice at the address and in the manner specified in Section XVI.E, below, of Owner's intent to Transfer the Property ("Transfer Notice"). The Transfer Notice shall specify the proposed price for such Transfer with respect to the Property, which proposed price shall not exceed the Maximum Sales Price, or equal an amount less than the total amount of all liens encumbering the Property.

After the County's receipt of such Transfer Notice, the County's Housing and Community Development Division ("HCD") staff or designee shall be granted access within 7 days to inspect the Property for damage and to determine whether any repair(s) and/or deferred maintenance ("Deferred Maintenance and Repairs") is required to put the Property in a good and salable condition, as reasonably determined by HCD staff, prior to any sale or other Transfer of the Property. Prior to any sale or Transfer of the Property, other than to the County, Owner shall undertake all such Deferred Maintenance and Repairs to the satisfaction of County.

The Maximum Sales Price has been set to include allowance for a real estate sales commission and closing costs, and Owner may not require subsequent Owners of the Property to pay any commissions or other costs of sale typically paid by sellers of residential real property.

To help assure continued affordability to subsequent Owners, no increase in the Maximum Sales Price will be allowed for Property improvements made by or on behalf of the Owner, or at Owner's direction, or subject to Owner's control. The Owner may make legal and permitted improvements (with the exception of adding bedrooms), but will not be compensated, whether upon the sale of the Property or otherwise, for any improvements on or to the Property. At any given time, the Maximum Sales Price may be greater than the fair market value of the Property, and there is no guarantee or assurance that the Owner will be able to sell the Property for the Maximum Sales Price. The County does not guarantee any minimum price with respect to any Transfer of the Property by Owner.

C. Exercise of County Option

The Option may be exercised by County at the times and in the manner set forth below:

1. The County shall have 90 days after receipt of a Transfer Notice from Owner to provide Owner with written notice of the County's intent to exercise its Option to purchase the Property ("Notice of Intent").
2. Should the County be required by law to request approval from the County Board of Supervisors before exercising the Option to purchase the Property, such 30-day time limit may be extended by

HCD in order to receive such approval from the County Board of Supervisors. Once HCD provides to Owner a Notice of Intent to exercise the Option to purchase the Property, the County shall then have an additional 90 days to execute a purchase agreement for the Property for the following Option Sale Price:

The lesser of:

- a. The Maximum Sales Price *less* an amount equal to the sum of (i) six percent (6%) of the Maximum Sales Price, to cover the County's resale costs, plus (ii) the amount of all Deferred Maintenance and Repairs, if any; or,
- b. The appraised value of the Property as determined by a California State-licensed appraiser approved by Owner and County Housing and Community Development Division, *less* an amount equal to the sum of (i) six percent (6%) of such appraised value, to cover the County's resale costs, plus (ii) the amount of all Deferred Maintenance and Repairs, if any.

Provided, however, that in no event shall the Option Sale Price be less than:

- c. The amount necessary to pay the balance then-due on the outstanding County-approved First Deed of Trust, or any refinancing with respect to the Property that was approved by HCD.

D. Term of Option

The County may exercise the Option in accordance with the provisions of this Covenant at any time during the Term.

VII. TRANSFER OF PROPERTY TO PRIVATE PARTY

A. County Option to Select Purchaser

HCD may adopt a program whereby the County selects purchasers of affordable units whose owners have notified County of their intent to transfer their affordable unit ("Affordable Unit Purchaser Program"). If the County has not exercised its Option to purchase the Property during the Term of this Covenant pursuant to Sections III, VI and/or XIV, and if County has adopted such an Affordable Unit Purchaser Program, Owner shall be required to transfer the Property to such County-selected purchaser for the Maximum Sales Price in accordance with the terms of such Affordable Unit Purchaser Program, this Section VII, and Sections VIII, IX and X, below.

B. Owner's Right to Transfer

If the County has not adopted an Affordable Unit Purchaser Program, and County has not exercised its Option to purchase the Property pursuant to Sections III, VI and/or XIV, this section VII.B shall apply, and Owner shall have the right to Transfer the Property to a Qualified Transferee, subject to the terms and conditions of this Section VII, and Sections VIII and IX, below.

C. Approval of Transfer by County

1. HCD shall oversee any sale or other Transfer of the Property to a Qualified Transferee. No sale or other Transfer of the Property shall occur under this Section VII without the prior written approval of the Director in each instance.

2. The Director may approve a proposed Transfer of the Property, provided that (i) Owner is not in breach of or default under this Covenant, (ii) the County does not elect to exercise its Option under Sections III, VI and/or XIV, and (iii) the County has determined that each of Owner and Owner's proposed Qualified Transferee(s) have complied with all of the requirements and provisions of this Covenant and then-current County affordable housing policies.
3. Each proposed Qualified Transferee of the Property shall complete, execute and deliver to HCD an Application for Eligibility Certification, in the form approved by HCD. Such proposed Qualified Transferee applicant ("Qualified Transferee Applicant") shall provide to the County all additional information requested by HCD to supplement such Application for Eligibility Certification, to verify such proposed Qualified Transferee's income.

Each Qualified Transferee Applicant shall be held liable for the accuracy of information provided. HCD will review each complete Application for Eligibility Certification and determine whether the Qualified Transferee Applicant(s) meet the County's eligibility standards.

4. In connection with such Application for Eligibility Certification, Owner shall submit to HCD the proposed sales contract, escrow Instructions, and all other related documents that set forth the terms of proposed Transfer of the Property to the Qualified Transferee Applicant ("Proposed Transfer Documents"). The proposed sales contract shall incorporate information including, but not limited to, all of the following:
 - a. Sales price;
 - b. The down payment to be paid by the Qualified Transferee;
 - c. All other amounts of money and other consideration, if any, to be paid by the Qualified Transferee to the Owner, or any other person or entity, in connection with the Property or the proposed Transfer, and the reason for such payment(s);
 - d. Financing terms of the new First Deed of Trust to be executed by the Qualified Transferee as the new Owner;
 - e. The monthly payments to be paid by the Qualified Transferee in connection with the proposed Transfer and ownership of the Property, itemized to reflect taxes, insurance, and homeowner's association fees.
5. In connection with its Application for Eligibility Certification, each Qualified Transferee Applicant shall submit to HCD information including, but not limited to, all of the following, to enable HCD to determine the eligibility of such Qualified Transferee Applicant:
 - a. Documents evidencing such Qualified Transferee Applicant's identity;
 - b. Documents evidencing such Qualified Transferee Applicant's residency;
 - c. Documents evidencing such Qualified Transferee Applicant's income and assets;
 - d. Documents evidencing such Qualified Transferee Applicant's savings and recent bank activity;
 - e. Documents evidencing all of such Qualified Transferee Applicant's current debts;
 - f. All documents evidencing all terms, conditions, and provisions of such Qualified Transferee Applicant's loans in connection with the Transfer.
6. The County reserves the right to collect a reasonable fee to cover HCD's costs of verifying such information and administering its rights and obligations under this Covenant.
7. No goods or services shall be sold by Owner to the Qualified Transferee in connection with the transfer of the Property.

VIII. ELIGIBILITY OF QUALIFIED TRANSFEREE TO PURCHASE

Owner shall not Transfer the Property to any proposed Qualified Transferee without County's prior written approval of such Qualified Transferee, or in violation of any of the following requirements:

- A. Each Qualified Transferee shall meet the County's then-current qualification guidelines for the income category of the Property including those pertaining to household size and income.
- B. Each Qualified Transferee shall certify such Qualified Transferee's intent to occupy the Property as such Qualified Transferee's principal place of residence.
- C. No Qualified Transferee Applicant shall own any other Residential Real Estate at the time of such Qualified Transferee Applicant's Application for Eligibility Certification, or at any time during the three-year period immediately preceding such Qualified Transferee's purchase of the Property. The prohibition set forth in the first sentence of this Section VIII.C. may only be waived by HCD in writing prior to any Transfer of the Property to such Qualified Transferee Applicant for good cause on a case-by-case basis.

IX. REQUIREMENTS FOR APPROVED TRANSFER TRANSACTION

A. Price

The Transfer price shall not exceed the Maximum Sales Price.

B. Recordation of Replacement Covenant

Upon Transfer of the Property, each Owner and Qualified Transferee shall execute and cause the recordation of a new Grant of Preemptive Right Resale Restriction Covenant and Option to Purchase secured by Deed of Trust ("Replacement Covenant") in form approved by HCD and substantially similar to this Covenant and the Deed of Trust securing this Covenant, as may be revised to reflect changes to the County's adopted affordability policies, and which shall supersede this Covenant and the Deed of Trust securing this Covenant.

C. Escrow Documents

Each Owner and Qualified Transferee shall approve and sign the HCD's instructions to the escrow agent regarding the requirements of this Covenant and County financing, if any. At least 10 business days prior to the scheduled close of escrow for the Transfer of the Property, Owner and Qualified Transferee shall provide to HCD a true and correct copy of the final sales contract, estimated final settlement statement, signed escrow instructions, and any other document that HCD may reasonably request.

D. Unapproved or Fraudulent Transfer

In the event any Transfer of the Property is made in violation of this Covenant, or false or misleading statements are made in any documents or application submitted to HCD for its approval of any Transfer or proposed Transfer, the County may declare a default under this Covenant. The County shall also have the right to file actions at law or in equity to force the parties to terminate and rescind any such Transfer contract and declare the purported Transfer void, notwithstanding the fact that the Transfer may have closed and become final as between the Owner and such transferee. In any event, all costs, liabilities, and obligations incurred by the Owner and Qualified Transferee for the return of any moneys paid or received in violation of this Covenant, and for all costs and legal expenses incurred by County in the enforcement of this Covenant, shall be borne by the Owner, and not by the County.

E. County Review

As soon as possible after the County has received all completed executed documents set forth above and any additional information requested by the County, the Director, shall notify escrow in writing that the County consents to the Transfer of the Property to the Qualified Transferee. Any Transfer of the Property without such County approval shall constitute a breach of this Covenant, and shall subject the Owner to the County's cumulative remedies as set forth in Section XIII of this Covenant.

X. [INTENTIONALLY OMITTED]

XI. REQUIREMENTS FOR COUNTY APPROVAL OF FINANCING OR REFINANCING

A. Approval by County

The terms of all financing secured by the Property must be approved by the Director in writing in advance. Purchase financing and refinancing may only be provided by licensed institutional lenders.

B. Requirements for Approval of Refinancing

1. The Owner is in full compliance with this Covenant.
2. The terms of the new loan are more favorable than the old loan.
3. Owner's total secured loans-to-value ratio does not exceed the amount allowed under section III.A.1, above.
4. The debt payment-to-income ratio will not be higher than it was upon Owner's purchase of the Property.
5. the refinance does not result in Owner receiving any cash from the refinance other than as approved in advance by the County in writing.
6. Financing which may result in balloon payments or negative amortization including "reverse mortgages" will not be approved.
7. The total outstanding balance of principal and all accrued interest on all loans secured by the Property does not exceed the Maximum Sales Price

C. Modification of Financing Requirements

Section XI.B, above may not be waived or amended other than by the Director, in the Director's sole discretion, in the event that Owner demonstrates need or other good cause.

D. Unapproved Financing

Securing any financing against the Property that has not been approved in writing in advance by the Director shall constitute a material default of this Covenant which will trigger the County's option to purchase the Property as set forth in Section XIV, below.

XII. BEQUEST OR FORECLOSURE, INSURANCE AND CONDEMNATION

A. Transfers by Operation of Law

In the event of a Transfer of the Property by operation of law such as by devise or bequest not exempted under Section V.B above, to any transferee who is not a Qualified Transferee, the transferee or the estate of the decedent shall be bound by the provisions of this Covenant; provided, however, that HCD may allow such a transferee a reasonable period of time to transfer the Property to a Qualified Transferee in conformance with all of the provisions of this Covenant, including the Maximum Sales Price.

B. Excess Foreclosure Funds Payable to County

In the event that the Property is Transferred through foreclosure, a deed in lieu of foreclosure or a trustee's deed upon sale, a default in a contract of sale, or through any other means, for the purpose of curing or preventing the default by Owner on a loan or obligation, all compensation therefore in excess of the Maximum Sales Price shall be due and owing to the County. However, this Covenant will continue in full force and effect to bind the Property and subsequent owners other than pursuant to foreclosure by Approved Institutional Lender under the Approved Institutional Lender First Deed of Trust.

C. Insurance Proceeds

All hazard insurance proceeds received by the Owner which are not used to repair or rebuild the Property, and any condemnation award collected by the Owner, shall be distributed as follows:

1. First, to an Institutional Lender claiming under an Institutional Lender First Deed of Trust.
2. Second to any other Lenders and to Owner but only up to a combined amount (including a loan of an Institutional Lender First Deed of Trust) of the Maximum Sales Price, all as according to the recording priority of their deeds of trust against the Property and as otherwise provided by law.
3. If any funds remain after the Owner has been paid in accordance with the provisions of this Covenant, the remainder shall be paid to the County.

XIII. DEFAULTS AND REMEDIES: ASSIGNMENT OF RENTS

A. Notice of Default

Upon any violation of the provisions of this Covenant, the County may declare a default under this Covenant by delivering written notice thereof to the Owner. Upon the declaration of a default, the County may purchase the Property as set forth in Section XIV, or apply to a court of competent jurisdiction for specific performance of the Covenant, for an injunction prohibiting a proposed sale or other Transfer in violation of this Covenant, for a declaration that the prohibited Transfer violates this Covenant and is, therefore, void, to assess liquidated damages as set forth in Section XIII.D, and/or for any such other relief as may be appropriate.

B. Assignment of Rents

Owner hereby assigns to County the right to receive the rents due or collected during the entire period the Property is occupied in violation of any of the terms of this Covenant.

C. Remedies Not Exclusive

The remedies stated herein shall not be exclusive, but shall be cumulative to all other remedies and rights the parties hereto may lawfully exercise.

D. Liquidated Damages

Owner understands that the County's objective in requiring this Covenant is to ensure that the Property remains **affordable for a period of at least forty-five (45) years, and up to a maximum of ninety (90) years or longer** in the event of unapproved or fraudulent Transfers or in the case of a violation of this Covenant, and that should Owner Transfer the Property in violation of the requirements set forth herein, the public interest would be prejudiced and the County would thereby be damaged. The parties hereto agree that it is impracticable and extremely difficult to fix the extent of actual damages to County from such a breach. However, the parties hereto have made reasonable efforts to establish fairly the amount of compensation, and agree that a fair and reasonable amount owing to the County for such a breach by the Owner as liquidated damages would be as follows:

Note: Liquidated damages for multiple violations are cumulative.

1. **If Property is rented in violation of this Covenant, the Owner shall be liable to the County for damages in an amount equal to the total amount of rent collected.**
2. **If it is determined that false or misleading information was supplied by the Owner to HCD, a Transfer may be voided or County may require that the Owner transfer the Property to a Qualified Transferee in compliance with the terms of this Covenant. In addition, Owner shall be liable to the County for an amount equal to the Maximum Monthly Rent for the Property for each month (and fraction of a month, if applicable) of the period(s) during which the Owner is in violation of this Covenant.**
3. **If Owner does not truthfully respond to any County surveys of property owners within 30 days of receiving such survey, Owner shall be liable to County in the amount of \$5.00 per day for each day following the thirty first (31st) day after Owner received such survey until such survey is completed and returned to the County or the County's authorized agent, as directed by County in connection with such survey. This amount represents the County's reasonable additional costs of administering the survey.**
4. **The amounts stated above shall be in addition to any fines and penalties that may be owed under applicable County ordinances.**

Owner hereby agrees to the above liquidated damages provisions _____ (Owner's initials)

XIV. Purchase Option Upon Default

A. Option to Purchase Upon Default

In addition to the remedies provided the County elsewhere in this Covenant, Owner hereby grants to the County the option to purchase the Property effective upon an event of default hereunder ("Default Option").

The Default Option may be exercised upon a default under this Covenant or upon default under any notes Owner has executed in favor of the County, or any deed of trust, or any other lien, including, but not limited to, a judgment, tax or homeowner's association lien, recorded against the Property. The County shall have thirty (30) days after declaring a default or receiving notice that a default is declared on any other obligation secured by this Property to notify the Owner of its decision to exercise its Default Option ("Default Option Notice"). Not later than sixty (60) days after the certified mailing of such Default Option Notice, the County or its assignee may purchase the Property for the Option Sale Price.

XV. COUNTY REQUIREMENTS AND AUTHORIZATIONS FROM OWNER

A. County Requirements from Owner Regarding Compliance Monitoring

1. Annual Surveys.

- a. Upon written request by HCD, Owner shall submit an Annual Survey, signed by Owner, truthfully certifying information requested by HCD therein, which may include, but is not limited to: (i) Owner's statement that Owner has at all times since the immediately preceding Annual Survey, occupied the Property and complied with all provisions of this Covenant, and (ii) Owner's disclosure and explanation of any violation of any provision of this Covenant.
- b. Owner shall mail or deliver the Annual Survey required under this Section XV.A to the County as follows:

Housing and Community Development
County of Santa Barbara

123 East Anapamu Street #202
Santa Barbara, CA 93101-2062

or to such other person or address as may be designated by the County.

- c. Failure to provide the Annual Survey or any other report required hereunder within 30 days of the date specified by the County for the delivery of such Annual Survey or other report, or any misrepresentations in such Annual Survey or other report, shall constitute a material default under this Covenant subject to the enforcement provisions of this Covenant.

2. Audits.

By signing this Covenant, Owner covenants for itself and all of Owner's heirs, legal representatives, executors, successors and assigns that, for the Term, the County may audit Owner's household for the purpose of evaluating or re-evaluating Owner's eligibility for purchase and occupancy of the Property and for compliance with the terms of this Covenant, including, but not limited to, the Owner Occupancy and income requirements and refinancing restrictions set forth herein. Owner for itself and all of Owner's heirs, legal representatives, executors, successors, and assigns, agrees to assist and cooperate with the County in any such audit. Such assistance and cooperation shall include, but not be limited to, promptly supplying any and all information reasonably requested by County including, but not limited to, tax returns, utility bills, bank statements and employment records, and signing any reasonably requested release of information forms. Owner hereby consents to and grants County the right to conduct financial background investigations, including, but not limited to, credit checks during the Term of the Covenant. If upon such audit it is determined that Owner supplied false or misleading information to the County, Owner's purchase of the Property may be voided in County's sole discretion and Owner shall be subject to the enforcement provisions set forth in this Covenant.

B. Owner's Continuing Authorizations to County

1. Right of County Housing and Community Development Division to Inspect Property.

Owner shall permit HCD the right to enter and inspect the Property during normal business hours upon at least 72-hours' advance notice to Owner. An Owner's refusal to permit inspection shall constitute a default under this Covenant.

2. Right of County Housing and Community Development Division to obtain status of Owner's loans.

Owner authorizes HCD to contact Owner's lender or lenders to obtain current loan status and loan information at any time without further written authorization from Owner.

XVI. ADDITIONAL PROVISIONS

A. Assignment

Owner shall not assign or otherwise transfer, directly or indirectly, whether by operation of law or otherwise, this Covenant, or any of Owner's interest, rights, or obligations hereunder, without the prior written consent of County in each instance. The County may assign any or all of its rights and delegate any or all of its duties hereunder without the consent of Owner. Upon any such assignment, the County shall notify the Owner.

B. Purchase of Other Residential Real Estate

The Owner covenants that Owner has not and will not purchase, or execute any agreement to purchase, any other residential real property during the Term, including, but not limited to, in trust or any other form of ownership. HCD may, but shall in no event be required to, waive or modify the prohibition set forth in the immediately preceding sentence of this Section XVI.B in writing in advance in the event that Owner first demonstrates need or other good cause therefore, as determined by the HCD in HCD's sole discretion.

C. Severability

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

D. Choice of Law; Venue

This Covenant shall in all respects be governed by and construed in accordance with the laws of the State of California.

E. Notices

All notices required herein shall be sent by certified mail, return receipt requested, (i) to the Owner at the address of the Property, and (ii) to the County at: Community Services Department, Housing and Community Development Division, Attn: Housing Programs, County of Santa Barbara, 123 E. Anapamu Street, #202, Santa Barbara, CA 93101, or such other address that the County may subsequently provide in writing to the Owner.

F. Recordation of Request for Notice of Default, Request for Notice of Delinquency

Owner agrees to permit the HCD to record a Request for Notice of Default and a Request for Notice of Delinquency at any time.

G. Entire Agreement

This Covenant, together with the Deed of Trust executed by Owner in favor of County and secured by the Property, constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes any and all other prior negotiations, correspondence, understandings, and agreements with respect thereto. There are no representations, promises, agreements, or other understandings between the parties hereto relating to the subject matter of this Covenant that are not expressed herein. This Covenant may be modified only by an instrument in writing executed by all of the parties hereto.

H. Survival; No Merger

All of the terms, provisions, representations, warranties, and covenants of the Parties under this Covenant shall survive the close of escrow of any sale of the Property and shall not be merged in any deed transferring the Property.

I. Authority and Execution

Each Party represents and warrants that it has full power and authority to enter into this Covenant and to undertake all its obligations hereunder, that each person executing this Covenant on its behalf is duly and validly authorized to do so.

J. Waiver; Modification

No waiver or modification of this Covenant or any provision, condition, or limitation herein contained shall be valid unless in writing and duly executed by the Party to be charged therewith. No evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the Parties arising out of or affecting this Agreement or the rights or obligations of any Party hereunder, unless such waiver or modification is in writing and duly executed as aforesaid. The provisions of this section may not be waived except as herein set forth. A waiver or breach of any covenant, condition or provision of this Covenant shall not be deemed a waiver of any other covenant, condition, or provision hereof.

K. Time of the Essence. Time is of the essence in this Covenant as to each provision

in which time is an element of performance.

L. Further Assurances. Each Party will, upon reasonable request of the other Party, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such further instruments and documents as may be reasonably necessary to fulfill the purposes of this Covenant.

M. Counterparts. This Covenant may be executed in counterparts, each of which shall be deemed an original, and all which together shall constitute one and the same instrument.

XVII. DECLARATION OF EACH OWNER

Each Owner hereby declares, certifies, and warrants that:

- A. All of the financial and other information provided by such Owner in connection herewith is true and complete in all respects.
- B. Such Owner has received a copy of this Covenant and agrees to comply with the all of the provisions of this Covenant.
- C. No persons or entity will be on title to the Property other than as listed below as Occupant Purchasers or Non-Occupant Title-holders. Owner understands that no other person or entity shall be listed on the title to the Property without the prior written consent of HCD in each instance.
- D. Owner has not paid and shall not pay any consideration to anyone, or any real estate commissions, or any costs normally paid by sellers, except as already disclosed in the purchase contract and escrow instructions which have been delivered to and approved by the County Housing and Community Development Division.
- E. Owner understands and agrees that any false statements or misrepresentations to the County in connection with this Covenant will constitute a default under this Covenant, and may constitute fraud.

(Signatures appear on the following page. No further text appears on this page.)

IN WITNESS WHEREOF, the Parties have executed this Covenant as of the date(s) written below.

OWNERS/OCCUPANTS:

DATED: _____

BY: _____

DATED: _____

BY: _____

(Signature(s) must be notarized)

COUNTY OF SANTA BARBARA
COMMUNITY SERVICES DEPARTMENT
HOUSING AND COMMUNITY DEVELOPMENT DIVISION

DATED: _____

BY: _____

Affordable Housing Programs Manager
(Signature must be notarized)

NOTE: This Covenant will be recorded; a notary must acknowledge the signature of the above parties.

Approved as to form:

RACHEL VAN MULLEM
COUNTY COUNSEL

DATED: _____

BY: _____

Deputy County Counsel

EXHIBIT A
Legal Description of the Property

EXHIBIT B
(Deed of Trust with Assignment of Rents)