

NO FEE DOCUMENT

**Recording requested by and
When recorded, mail to:**

County of Santa Barbara
Housing and Community Development
123 East Anapamu Street, 2nd Floor
Santa Barbara, CA 93101
Attn: Deputy Director

NO FEE DOCUMENT PURSUANT TO
CALIFORNIA GOVERNMENT CODE SECTION 27383

**COUNTY HOME LOAN REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

This County HOME Loan Regulatory Agreement and Declaration of Restrictive Covenants (this “Agreement”) is made as of this 28th day of January, 2020 by and between the County of Santa Barbara, a political subdivision of the State of California (the “Lender”), and Good Samaritan Shelter, a California nonprofit organization (the “Owner”).

RECITALS

A. The Owner owns a parcel of real property located at 614 South Pine Street in Santa Maria, California as more particularly described in Exhibit A (the “Property”) upon which the Owner intends to construct an affordable rental housing project consisting of a single family home and garage (the “Project”). The Project will include four bedrooms, three bathrooms, kitchen, living area, laundry room, and a new garage.

B. The Lender has received HOME Investment Partnerships Program funds (“HOME Funds”) from the United States Department of Housing and Urban Development (“HUD”) pursuant to the Cranston-Gonzales National Affordable Housing Act of 1990 for the purpose of expanding the supply of decent, safe, sanitary and affordable housing for low-income persons and families.

C. Owner has received a loan from Lender in the amount of Two Hundred Ninety-One Thousand One Hundred Thirty Seven Dollars (\$291,137) in HOME Funds to provide financing for the Project (the “County HOME Loan”).

D. As further consideration for this funding and to further the interests of the Lender, the Owner has agreed to enter into and record this Agreement. The purpose of this Agreement is to regulate and restrict the occupancy, rents, operation, ownership, and management of the

Project. The covenants in this Agreement are intended to run with the land and be binding on the Owner and its successors and assigns in the Property.

NOW THEREFORE, IN CONSIDERATION of the mutual agreements, obligations, and representations, and in further consideration for the aforementioned funding, the Owner and the Lender hereby agree as follows:

1. DEFINITIONS

All initially capitalized terms in this Agreement shall have the definition ascribed to such terms in the County HOME Loan Agreement. Some of the following terms are defined in the County HOME Loan Agreement and repeated here for convenience of reference. Where such terms are not defined in the County HOME Loan Agreement, the following terms have the meanings and content set forth in this section wherever used in this Agreement or attached exhibits.

1.1 **“ANNUAL INCOME”** means the definition of Annual Income as more particularly defined at 24 CFR 5.609-612.

1.2 **“AREA MEDIAN INCOME”** means the area median income for the Santa Maria-Santa Barbara Metropolitan Statistical Area, with adjustments for household size, as determined from time to time by the United States Department of Housing and Urban Development (“HUD”) pursuant to the United States Housing Act of 1937, as amended, or such other method of median income calculation applicable to the Lender that HUD may hereafter adopt in connection with said Act.

1.3 **“COUNTY HOME LOAN”** means the loan of HOME Funds and In-Lieu Funds in the total amount of Two Hundred Ninety-One Thousand One Hundred Thirty Seven Dollars (\$291,137) made by the Lender to the Owner to finance certain development costs of the Project pursuant to the County HOME Loan Agreement and the County HOME Loan Note.

1.4 **“COUNTY HOME LOAN AGREEMENT”** is the loan agreement executed by and between the Owner and the Lender, setting forth the terms and conditions governing the County HOME Loan.

1.5 **“COUNTY HOME LOAN DEED OF TRUST”** means that certain deed of trust, assignment of rents, and security agreement placed on the Property and the improvements to be constructed thereon as security for the County HOME Loan with the Owner as trustor and the Lender as beneficiary, as well as any amendments to, modifications of, and restatements of said deed of trust.

1.6 **“COUNTY HOME LOAN DOCUMENTS”** are collectively the County HOME Loan Agreement, the County HOME Loan Note evidencing the County HOME Loan, the County HOME Loan Deed of Trust securing the County HOME Loan Note, and this Agreement as they may be amended, modified, or restated from time to time, along with all exhibits and attachments to these documents.

1.7 **“COUNTY HOME LOAN NOTE”** means the promissory note executed by the Owner in favor of the Lender in the amount of Two Hundred Ninety One Thousand One Hundred Thirty-Seven Dollars (\$291,137), evidencing the County HOME Loan, which is secured by the County HOME Loan Deed of Trust, as well as any amendments to, modifications of, or restatements of said promissory note.

1.8 **“HOME-ASSISTED UNIT”** means the four (4) bedroom affordable rental housing unit on the Property with restricted occupancy and rents pursuant to and subject to the requirements of this Agreement.

1.9 **“LENDER”** is the County of Santa Barbara, a political subdivision of the State of California, and its authorized representatives, officers, officials, directors, employees, and agents.

1.10 This Section Intentionally Left Blank

1.11 **“OWNER”** means Good Samaritan Shelter, a California nonprofit organization.

1.12 **“PROJECT”** means the construction, operation and management of the Property and the improvements to be constructed thereon according to the terms of the County HOME Loan Agreement.

1.13 **“PROPERTY”** means the real property located at 614 South Pine Street in Santa Maria, California, as more particularly described in Exhibit A attached hereto and incorporated herein, including the improvements constructed thereon pursuant to the County HOME Loan Agreement.

1.14 **“QUALIFYING HOUSEHOLD”** means a household that qualifies as a Very Low-Income Household, as defined herein. A Qualifying Household who meets the definition of Veteran must be given a preference to be first considered for a vacancy or may be moved to the top of a waiting list, if applicable. “Veteran” is defined as the Head of Household or Spouse who has served in active duty in the United States Armed Forces for a minimum of six (6) continuous months, and if separated from military service, received other than dishonorable discharge. The veteran preference will also be given to a surviving spouse or registered domestic partner of a deceased veteran, as defined herein. Verification of veteran status will be by the submittal of a copy of the veteran's DD-214.

1.15 **“QUALIFYING RENT”** means the total monthly charges for rent, which shall not exceed 30 percent (30%) of the income of a family whose annual income equals fifty percent (50%) of the median income for the area, as determined and published annually by HUD, with adjustments for number of bedrooms in the unit.

HOME rents are not required to be lower than the HOME rent limits in effect on the date of this Agreement.

In accordance with 24 CFR 92.252(d), if the tenant pays for utilities (excluding telephone, television and Internet services), then the Qualifying Rent shall be reduced by the maximum

monthly allowance for utilities using the annual HUD Utility Schedule Model or other annual utility schedule as determined by the County.

1.16 **“TENANT”** means a household occupying a Unit.

1.17 **“TERM”** means the period of time during which the HOME-Assisted Units must meet the affordability requirements imposed under the HOME Program, commencing upon project completion in conformance with the definition of Project Completion at 24 CFR 92.2, and 24 CFR 92.252(e) and terminating twenty (20) years from the date of the issuance of a certificate of occupancy issued for the Project plus six months.

1.18 **“UNIT”** has the same meaning as the Project, which is a single-family home.

1.19 **“VERY LOW-INCOME HOUSEHOLD”** means a household, as defined in 24 CFR 92.2, whose annual income does not exceed fifty percent (50%) of the Area Median Income with adjustments for household size.

2. TERM AND COMPLIANCE

2.1 COMPLIANCE WITH COUNTY HOME LOAN DOCUMENTS. The Owner’s actions with respect to the Property and the use of funds from the County HOME Loan shall at all times be in full conformity with all of the requirements of the County HOME Loan Documents, including but not limited to the insurance requirements contained therein.

2.2 TERM OF AGREEMENT. This Agreement shall commence on the date of recordation of this HOME Loan Regulatory Agreement and terminate twenty (20) years after the date of project completion in conformance with 24 CFR 92.2 and 24 CFR 92.252(e) and evidenced by a written notice of completion provided to the Borrower by County, plus six months. The requirements of this Agreement shall apply throughout the Term without regard to the term of any loan or mortgage or any transfer of ownership of the Property.

2.3 COMPLIANCE WITH PROGRAM REQUIREMENTS. The Owner shall comply with all requirements imposed on projects assisted under the HOME Program in effect on the date the County HOME Loan is executed by all parties, and as may be amended from time to time.

3. PROJECT OCCUPANCY AND RENTS

3.1 OCCUPANCY OF PROJECT. The Project shall be designated as a HOME-Assisted Unit. The HOME-Assisted Unit must be occupied, or reserved for occupancy by, Qualifying Household(s).

3.2 HOME-ASSISTED UNIT. The Owner shall limit for the full Term of this Agreement the rental of the HOME-Assisted Unit to Qualifying Households at Qualifying Rents that do not exceed the maximum rental charges as set forth in Section 1.14, 1.15 and 3.4 herein.

3.3 MAXIMUM RENTAL CHARGES.

A. Maximum rental charges for the HOME-Assisted Units shall not exceed the Qualifying Rent as defined above in Section 1.15 and Section 3.2.

B. The Qualifying Rent for each HOME-Assisted Unit shall be set by the Lender at the time of initial occupancy of the Project. Annual increases in Qualifying Rents shall be calculated based on the change in Area Median Income published annually by HUD. At least sixty (60) calendar days prior to increasing Qualifying Rents on any HOME-Assisted Unit on the Project, Owner shall submit to the Lender for review and approval a written request for such increase. Tenants of Home-Assisted Units shall be given at least thirty (30) days written notice prior to any increase in Qualifying Rents, consistent with state law. Lender shall approve such request if the increased Qualifying Rents will comply with all applicable HOME Program requirements.

3.4 OCCUPANCY DEADLINES. Owner shall ensure that the HOME-Assisted Unit is occupied by a Qualifying Household in accordance with the deadlines for occupancy set forth at 24 CFR 92.252. A Qualifying Household shall occupy the HOME-Assisted Unit within six (6) months from the completion of construction of the Project, evidenced by the recording of a notice of completion and securing Certificate(s) of Occupancy. In the event that the HOME-Assisted Unit is not occupied by an Qualifying Household five (5) months after the date of the issuance of a certificate of occupancy, Owner shall submit to Lender within ten (10) days a detailed record of its marketing efforts and comply with Lender's requests for additional information pertaining to the marketing efforts. In the event any HOME-Assisted Unit is not occupied by a Qualifying Household within seventeen (17) months after the date of the issuance of a certificate of occupancy, then this shall constitute an Event of Default. On or before the last day of the seventeenth (17th) month after the date of the issuance of a certificate of occupancy, Lender shall give written notice to Owner in accordance with Section 6.2 herein. Owner shall have thirty (30) days from receipt of such notice to cure the breach, but in any event shall cure the breach before the end of the eighteenth (18th) month after the date of the issuance of a certificate of occupancy.

3.5 INCOME CERTIFICATION.

The Annual Income levels and other qualifications of applicants for the HOME-Assisted Unit shall be certified by Owner no earlier than six (6) months prior to the Qualifying Household's expected occupancy of a HOME-Assisted Unit, and recertified annually thereafter by the Owner, in compliance with 24 CFR 92.203.

A. Initial Annual Income Verification. Before the Qualifying Household occupies a HOME-Assisted Unit, the Owner shall verify the Household's Annual Income in accordance with 24 CFR 5.609-612, which includes, in part, taking the following steps:

- (1) Third Party Verification: All third parties (e.g., employer, Social Security Administration, public assistance agency, etc.) are contacted in writing to obtain written verification of Annual Income; and

- (2) Review of Documents: The Qualifying Household provides documents verifying their Annual Income (e.g., pay stubs, tax returns, etc.), which are to then be retained in the Project files. Documentation includes, in part:
- a. Pay stubs: At least three (3) months of pay stubs from all employment;
 - b. Annual letters or statements of government payments, including but limited to, retirement income, disability insurance benefits, medical benefits (Medicare and Medicaid), income maintenance benefits, unemployment insurance compensation, veterans benefits, and federal education and training assistance;
 - c. Tax return for the prior annual period: (i) to verify self-employment or other sources of income, in which case, tax returns must be obtained for the three (3) most recent years and verified by obtaining certified copies from the IRS using form 4506 or 4506T; (ii) to establish or verify household composition, including dependents; (iii) identifying income not included in source documentation identified in a. or b. above. Tax returns alone are not sufficient documentation to determine income unless they are the only source available; and
 - d. Withdrawal of cash from assets or a business is counted as income.

B. Annual Income Recertification. At the time of lease renewal or pursuant to an annual schedule adopted by the Owner, and no later than the one-year anniversary of the initial Annual Income verification and annually thereafter, Owner shall recertify the Annual Income of each Tenant occupying a HOME-Assisted Unit using either a recertification of annual income by the Tenant or the method as described in Section 3.5.A, above; however, the Annual Income must be completed by the method described in Section 3.5A above every sixth (6th) year of occupancy.

3.6 INCREASES IN QUALIFYING HOUSEHOLD INCOMES. In the event that recertification of a previously-Qualifying Household's Annual Income indicates that the Annual Income exceeds the maximum designated for a Unit reserved for a Very Low-Income Household, the Owner may increase rents on such Unit only as permitted by HUD in accordance with regulations regarding "over-income tenants" at 24 CFR 92.252(i) and as further described in HUD guidance published or approved by HUD, including but not limited to HOME CPD Notices, HOME Policy Memos, HOME *FACTS*, HOMEfires and "Compliance in HOME Rental Projects".

4. LEASING THE PROJECT

4.1 TENANT LEASES. The Owner shall execute a written lease with Tenants of the HOME-Assisted Unit for a term of at least one year, unless the Owner and the Tenant mutually agree to a shorter period. A lease may not be for a period less than thirty (30) days. The Tenant lease and any changes thereto must be approved by Lender.

A. The Owner shall include in leases for all HOME-Assisted Units provisions which provide that a Qualifying Household is subject to annual certification of Annual Income and that the tenancy of the Qualifying Household shall be terminated as soon as possible in accordance with state law should one or more of the Qualifying Household's members misrepresent any material fact regarding the Qualifying Household's qualification as a Low-Income or Very Low-Income Household. The Owner shall include in all leases for HOME-Assisted Units provisions which prohibit the Qualifying Household from subleasing the HOME-Assisted Unit.

B. In addition to executing a lease for a HOME-Assisted Unit, the Owner shall require that each Qualifying Household leasing a HOME-Assisted Unit execute a declaration of intent to occupy which shall require the Qualifying Household to occupy the HOME-Assisted Unit as the Qualifying Household's primary residence.

C. The lease for each HOME-Assisted Unit shall not contain any of the prohibited provisions identified at 24 CFR §92.253(b) including the following:

1. *Agreement to be sued.* Agreement by the Tenant to be sued, to admit guilt, or to a judgment in favor of the Owner in a lawsuit brought in connection with the lease;

2. *Treatment of property.* Agreement by the Tenant that the Owner may take, hold or sell personal property of Qualifying Household members without notice to the Tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the Tenant concerning disposition of personal property remaining in the HOME-Assisted Unit after the Tenant has moved out of the HOME-Assisted Unit. The Owner may dispose of this personal property in accordance with State law;

3. *Excusing Owner from responsibility.* Agreement by the Tenant not to hold the Owner or the Owner's agents legally responsible for any action or failure to act, whether intentional or negligent;

4. *Waiver of notice.* Agreement of the Tenant that the Owner may institute a lawsuit without notice to the Tenant;

5. *Waiver of legal proceedings.* Agreement by the Tenant that the Owner may evict the Tenant or Qualifying Household members without instituting a civil court proceeding in which the Tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;

6. *Waiver of a jury trial.* Agreement by the Tenant to waive any right to a trial by jury;

7. *Waiver of right to appeal court decision.* Agreement by the Tenant to waive the Tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and

8. *Tenant chargeable with cost of legal actions regardless of outcome.* Agreement by the Tenant to pay attorney's fees or other legal costs even if the Tenant wins in a court proceeding by the Owner against the Tenant. The Tenant, however, may be obligated to pay costs if the Tenant loses.

9. *Mandatory support services.* Agreement by the Tenant (other than a tenant in transitional housing) to accept supportive services that are offered.

D. Owner shall not terminate the tenancy or refuse to renew the lease of a Tenant of a HOME-Assisted Unit except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; or for other good cause. To terminate or refuse to renew the tenancy, the Owner shall serve written notice upon the Tenant specifying the grounds for the action at least thirty (30) days prior to termination of tenancy.

E. Owner shall comply with all requirements of the Violence Against Women Act (VAWA) set forth in 24 CFR part 5, subpart L. Owner shall provide the notice and certification

form described in 24 CFR 5.2005(a) to an applicant for a HOME-Assisted Unit at the time the applicant is admitted to a HOME-Assisted Unit, or denied admission to a HOME-Assisted Unit based on the Owner's tenant selection policies and criteria. Owner shall further provide the notice and certification form described in 24 CFR 5.2005 with any notification of eviction from a HOME-Assisted Unit. If a family living in a HOME-Assisted Unit separates under 24 CFR 5.2009(a), the remaining tenant(s) may remain in the Unit. All leases for HOME-Assisted Units must include a VAWA lease term/addendum to incorporate all requirements that apply to the Owner or lease under 24 CFR part 5, subpart L, and 24 CFR 92.359, including the prohibited bases for eviction and restrictions on construing lease terms under 24 CFR 5.2005(b) and (c). The VAWA lease term/addendum must also provide that the tenant may terminate the lease without penalty if it is determined that the tenant has met the conditions for an emergency transfer under 24 CFR 5.2005(e). The lease term/addendum must require the Owner to notify the participating jurisdiction before the owner bifurcates the lease or provides notification of eviction to the tenant. Owner shall comply with all other VAWA requirements applicable to the HOME program not specified herein.

4.2 TENANT SELECTION. Before leasing the Project, the Owner must provide Lender for its review and approval the Owner's written tenant selection plan. Tenant selection must, at a minimum, meet the requirements for tenant selection set out in 24 C.F.R. 92.253(d) and any modifications thereto. A Veteran's preference must be applied pursuant to amended Section 1.16 as described above. Any changes to the tenant selection plan require prior written approval from Lender.

4.3 SECTION 8 CERTIFICATE HOLDERS. The Owner will accept as Tenants, on the same basis as all other prospective Tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing housing program under Section 8 of the United States Housing Act, or its successor. The Owner shall not apply selection criteria to Section 8 certificate or voucher holders that are more burdensome than criteria applied to all other prospective Tenants, nor shall the Owner apply or permit the application of management policies or lease provisions with respect to the Project which have the effect of precluding occupancy of Units by such prospective Tenants.

4.4 CONDOMINIUM CONVERSION. The Owner shall not convert Units to condominium or cooperative ownership or sell condominium or cooperative conversion rights in the Property during the Term of Agreement.

4.5 NONDISCRIMINATION. The Owner shall not discriminate or segregate in the use, enjoyment, occupancy, conveyance, lease, sublease, or rental of Units on the basis of race, color, ancestry, national origin, religion, sex, gender, gender identity or expression, sexual preference, age, marital status, family status, source of income, military or veteran status, physical or mental disability, medical condition, genetic information, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC), or any basis prohibited by law. The Owner shall include a statement in all advertisements, notices and signs for the availability of Units for rent to the effect that the Owner is an Equal Housing Opportunity Provider.

4.6 MARKETING PLAN. Prior to occupancy, Owner shall submit to the Lender for approval its plan for marketing the Units, including information on affirmative marketing efforts

and compliance with fair housing laws and the Lender's affirmative fair marketing guidelines. Upon receipt of the marketing plan, the Lender shall promptly review the marketing plan and shall approve or disapprove it within thirty (30) days after submission. If the marketing plan is not approved, Lender shall specify its reasons for disapproval. The Owner shall submit a revised marketing plan within thirty (30) days of Lender's notice of disapproval. The Lender's disapproval of the revised marketing plan shall constitute an Event of Default under Sections 8.1.D, 8.1.E, and/or 8.1.I of the County HOME Loan Agreement.

5. PROPERTY MANAGEMENT

5.1 MANAGEMENT RESPONSIBILITIES. The Owner is responsible for all management functions with respect to the Project, including without limitation the selection of Tenants, certification and recertification of Qualifying Household size and Annual Income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The Lender shall have no responsibility over management of the Project. The Owner shall submit to the Lender for its approval its proposed Property manager. Lender hereby preapproves the Housing Authority of the County of Santa Barbara as the Property manager. The Owner may only remove and/or replace the Property manager with the prior written consent of the Lender which consent shall not be unreasonably withheld.

5.2 APPROVAL OF MANAGEMENT POLICIES. The Owner shall submit its written management policies with respect to the Project to the Lender for its review, and shall amend such policies in any way necessary to ensure that such policies comply with the provisions of this Agreement, the requirements of the existing HOME Program, as may be amended from time to time, and the requirements of all lenders providing financing for the Project.

5.3 INSPECTION AND RECORDS. The Owner shall maintain records which clearly document the Owner's performance of its obligations to operate the Property under the terms of this Agreement. The Owner shall submit all requested records to the Lender within ten (10) business days of the Lender's request. The Owner shall permit the Lender to enter and inspect the Property for compliance with Owner's obligations under this Agreement at all reasonable times upon twenty-four (24) hours advance notice of such visit by the Lender to the Owner or the Owner's Property manager and to Tenants of any Units. Owner must include provisions in tenant leases that allow for County inspections of the units.

5.4 COMPLIANCE MONITORING. The Owner shall operate the Property in full compliance with this Agreement and the HOME Program regulations at 24 CFR Part 92 in effect on the date the County HOME Loan is executed by all parties, and as may be amended from time to time, and shall remain in compliance therewith throughout the Term of this Agreement. The Owner shall permit the Lender to conduct annual compliance monitoring, including performing on-site records review and inspections of the Property, as required by regulation or reasonably requested by Lender.

5.5 ANNUAL REPORT. Following recordation of a notice of completion issued for the Project, the Owner shall annually submit to the Lender a report in a form approved by Lender for the preceding period of January 1st through December 31st or portion thereof, containing the

information requested by Lender so as to allow the Lender to determine the Owner's compliance with this Agreement. The report shall be submitted annually no later than March 1st, and shall include, at a minimum: (i) an Annual Financial Statement as defined in Section 1.2 of the County HOME Loan Agreement, (ii) a report on the occupancy of the Project, (iii) a report on the physical condition of the Project, (iv) a report on the general management of the Project, (v) the rent, Annual Income, and household size of the household occupying the HOME-Assisted Unit. The report shall also state the date the tenancy commenced for the HOME-Assisted Unit and such other information as the Lender may be request.

Within thirty (30) days after receipt of a written request, Owner shall submit any other information or completed forms requested by the Lender in order to comply with reporting requirements of the United States Department of Housing and Urban Development, or the State of California, or the Lender. The Lender shall have the right to examine and make copies of all books, records or other documents of Owner which pertain to the Project or any Unit to determine compliance with this Agreement.

5.6 FEES, TAXES, AND OTHER LEVIES. The Owner shall be responsible for payment of all fees, assessments, taxes, charges and levies imposed by any public authority or utility company with respect to the Property, and shall pay such charges prior to delinquency.

5.7 PROPERTY TAX EXEMPTION. The Owner shall not apply for a property tax exemption for the Property under any provision of law other than California Revenue and Taxation Code Section 214(g) without the Lender's prior written consent. Lender acknowledges Owner will be applying for a property tax exemption for the property and hereby provides its consent.

5.8 MAINTENANCE OF EXISTING STRUCTURES. Owner shall maintain all buildings on the Property in good condition, in good repair, ordinary wear and tear excepted, and in a decent, safe, sanitary, habitable and tenantable condition. All Units in the Project must meet the standards set out in 24 CFR 92.251(f)(2) throughout the Term of this Agreement. In the event that Lender establishes property standards in accordance with 24 CFR 92.251(f)(1) and determines in its sole discretion that these standards are applicable to the Project, Lender shall send written notice of this determination to Owner. Upon Owner's receipt of such written notice, the property standards established by Lender pursuant to 24 CFR 92.251(f)(1) shall apply to all Units in the Project throughout the Term of this Agreement. Owner shall not cause or permit any violations of any laws, ordinances, regulations, covenants, conditions, restrictions, or equitable servitudes as they pertain to improvements, alterations, maintenance or demolition on the Property. Lender shall have no responsibility over maintenance of the Property.

6. GENERAL PROVISIONS

6.1 SUBORDINATION. This Agreement shall be senior and not be subordinate to any deed of trust, note, agreement and/or to any other obligations of Lender concerning the Property and may be subordinated in priority only as to liens and encumbrances otherwise approved in writing by the Lender in its sole and absolute discretion.

6.2 DEFAULT AND REMEDIES In the event of any breach of any agreement or obligation under this Agreement by the Owner, the Lender shall provide written notice to the Owner of such breach. The Owner shall have an opportunity to cure such breach within thirty (30) days from the Owner's receipt of such written notice or such longer period of time as the Lender determines is necessary to cure the breach if the Owner diligently undertakes to cure such breach. If the Owner fails to perform a timely cure of the specified breach, the Lender may proceed with any or all of the following remedies upon the Owner's failure to cure:

A. Bring an action in equitable relief seeking the specific performance by the Owner of the terms and conditions of this Agreement, and/or enjoining, abating, or preventing any violation of said terms and conditions, and/or seeking declaratory relief;

B. Enter upon, take possession of, and manage the Property and the Project, either in person, by agent, or by a receiver appointed by a court, and collect any rents, income, deposits, or reserves and apply them to operate the Property;

C. After notice provided for herein, make such repairs or replacements to the Property and Project as are necessary and provide for payment thereof; or

D. Pursue any other remedy provided under the County HOME Loan Documents or allowed at law or in equity.

6.3 EVENT OF DEFAULT. In the event that the Project fails to meet the HOME affordability requirements included in this Agreement for the Term of the Agreement, subject to applicable notice and cure periods contained herein, this shall constitute an Event of Default under Sections 8.1.D, 8.1.E, and/or 8.1.I of the County HOME Loan Agreement.

6.4 NON-LIABILITY OF OFFICIALS, EMPLOYEES AND AGENTS. No official elected or appointed, officer, director, employee or agent of the Lender shall be personally liable to the Owner for any obligation created under the terms of this Agreement.

6.5 INSURANCE AND INDEMNITY. Owner shall comply with the insurance and indemnification provisions set forth in Exhibit B and incorporated herein by this reference.

6.6 GOVERNING LAW. This Agreement shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law.

6.7 AGREEMENT CONTROLS. In the event that any provision of this Agreement and that contained in any other Loan Document conflict, the terms of this Agreement shall control.

6.8 TIME. Time is of the essence in this Agreement.

6.9 CONSENTS AND APPROVALS. Any consent or approval of the Lender required under this Agreement shall not be unreasonably withheld. Any approval must be in writing and executed by an authorized representative of the Lender.

6.10 NOTICES, DEMANDS AND COMMUNICATIONS. Formal notices, demands and communications between the Owner and the Lender shall be sufficiently given and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the principal offices of the Owner and the Lender as follows:

Lender: County of Santa Barbara
Housing and Community Development
123 E Anapamu Street, 2nd Floor
Santa Barbara, CA 93101
Attn: Deputy Director

With copy to: Office of County Counsel
County of Santa Barbara
105 E Anapamu Street, Room 201
Santa Barbara, CA 93101

Owner: Good Samaritan Shelter
245 E. Inger Dr., Suite 103B
Santa Maria, CA 93454
Attn: Executive Director

6.11 BINDING UPON SUCCESSORS. This Agreement shall be recorded and all provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferees, and assigns of the Owner, and the Lender, and shall run with the land for the full Term of this Agreement, regardless of any assignment, payment, prepayment, expiration, extinguishment of the County HOME Loan or County HOME Loan Note, any reconveyance of the County HOME Loan Deed of Trust, or any conveyance or transfer of the Property or portion thereof.

6.12 RELATIONSHIP OF PARTIES. The relationship of the Owner and the Lender during the term of this Agreement is solely that of lender and borrower and shall not be construed as a joint venture, equity venture, or partnership.

6.13 WAIVER. Any waiver by the Lender of any obligation in this Agreement must be in writing. No waiver will be implied from any delay or failure by the Lender to take action on any breach or default of the Owner or to pursue any remedy allowed under this Agreement, the County HOME Loan Documents, or applicable law. Any extension of time granted to the Owner to perform any obligation under this Agreement shall not operate as a waiver or release from any of Owner's obligations under this Agreement. Consent by the Lender to any act or omission by the Owner shall not be construed to be consent to any other or subsequent act or omission or to waive the requirement for the Lender's written consent to future waivers.

6.14 AMENDMENTS AND MODIFICATIONS. Any amendment to or modification of this Agreement must be in writing, and shall be made only if executed by both the Owner and the Lender.

6.15 SEVERABILITY. Every provision of this Agreement is intended to be severable. If any provision of this Agreement shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

Signatures appear on following page. No further text appears here.

IN WITNESS WHEREOF, County and Owner have caused this Agreement to be executed by their respective duly authorized officers.

ATTEST:

MONA MIYASATO
Clerk of the Board

COUNTY:

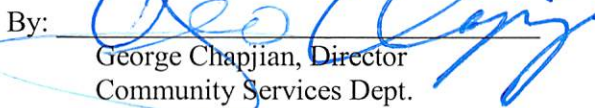
County of Santa Barbara,
a political subdivision of the State of California

By: _____
Deputy Clerk of the Board

By: _____
Gregg Hart, Chair
Board of Supervisors

APPROVED AS TO ACCOUNTING FORM:

BETSY M. SCHAFFER, CPA
AUDITOR-CONTROLLER

By: 
George Chapjian, Director
Community Services Dept.

By: 
Deputy

APPROVED AS TO FORM

COUNTY COUNSEL

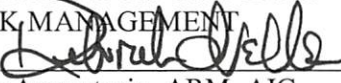
OWNER

GOOD SAMARITAN SHELTER
a California nonprofit organization

By: 
Deputy County Counsel

By: 
Greg Burnett
President, Board of Directors

APPROVED AS TO FORM:

RISK MANAGEMENT
By: 
Ray Aromatorio, ARM, AIC
Risk Manager

ACKNOWLEDGMENT

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

State of California
County of Santa Barbara)

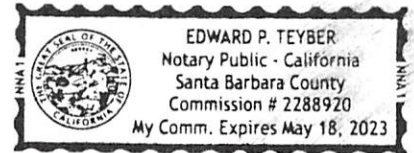
On January 7, 2020 before me, Edward Teyber Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature  (Seal)

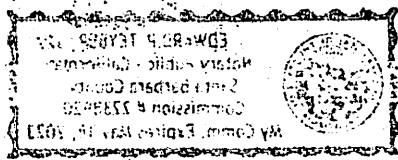


CONFIDENTIAL

The following information was obtained from a confidential source who has provided reliable information in the past. It is being furnished to you for your information only and is not to be disseminated outside your agency.

Very truly yours,
Special Agent in Charge

EDWARD P. FEENEY
Special Agent in Charge



ACKNOWLEDGMENT

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

State of California
County of Santa Barbara)

On January 3, 2020 before me, A Cronan
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature *A Cronan* (Seal)

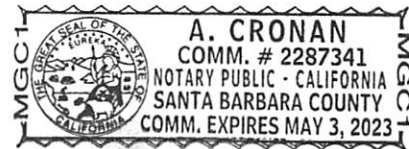


Exhibit A

Legal Description of the Property

EXHIBIT A

LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND DESCRIBED AS FOLLOWS:

LOT 12 IN BLOCK 4 OF THORNBURGH'S ADDITION TO THE TOWN OF SANTA MARIA, IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SHOWN IN A MAP RECORDED IN BOOK 5, PAGE 6 OF MAPS AND SURVEYS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 123-134-14

Exhibit B

Standard Indemnification and Insurance Provisions

[please provide for our review]

STANDARD INDEMNIFICATION AND INSURANCE PROVISIONS
for contracts NOT requiring professional liability insurance

INDEMNIFICATION

SUBRECIPIENT shall defend, indemnify and save harmless the COUNTY, its officials, officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of this Agreement or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on the part of the SUBRECIPIENT or its agents, representatives, employees or other independent contractors directly responsible to it; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting from the sole negligence or willful misconduct of the COUNTY.

SUBRECIPIENT shall notify the COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement.

INSURANCE

Without limiting the SUBRECIPIENT's indemnification of the COUNTY, SUBRECIPIENT shall procure the following required insurance coverages at its sole cost and expense. All insurance coverages are to be placed with insurers which (1) have a Best's rating of no less than A: VII, and (2) are admitted insurance companies in the State of California. All other insurers require the prior approval of the COUNTY. Such insurance coverage shall be maintained during the term of this Agreement. Failure to comply with the insurance requirements shall place SUBRECIPIENT in default. Upon request by the COUNTY, SUBRECIPIENT shall provide a certified copy of any insurance policy to the COUNTY within ten (10) working days.

1. Workers' Compensation Insurance: Statutory Workers' Compensation and Employers Liability Insurance shall cover all SUBRECIPIENT's staff while performing any work incidental to the performance of this Agreement. The policy shall provide that no cancellation, or expiration or reduction of coverage shall be effective or occur until at least thirty (30) days after receipt of such notice by the COUNTY. In the event SUBRECIPIENT is self-insured, it shall furnish a copy of Certificate of Consent to Self-Insure issued by the Department of Industrial Relations for the State of California. This provision does not apply if SUBRECIPIENT has no employees as defined in California Labor Code Section 3350 et seq. during the entire period of this Agreement and SUBRECIPIENT submits a written statement to the COUNTY stating that fact.
2. General and Automobile Liability Insurance: The general liability insurance shall include bodily injury, property damage and personal injury liability coverage, shall afford coverage for all premises, operations, products and completed operations of SUBRECIPIENT and shall include contractual liability coverage sufficiently broad so as to include the insurable liability assumed by the SUBRECIPIENT in the indemnity and hold harmless provisions [above] of the Indemnification Section of this Agreement between COUNTY and SUBRECIPIENT. The automobile liability insurance shall cover all owned, non-owned and hired motor vehicles that are operated on behalf of SUBRECIPIENT pursuant to SUBRECIPIENT's activities hereunder. SUBRECIPIENT shall require all subcontractors to be included under its policies or furnish separate certificates and endorsements to meet the standards of these provisions by each subcontractor. COUNTY, its officials, officers, agents, and employees shall be Additional Insured status on any policy. A cross liability clause, or equivalent wording, stating that coverage will apply separately to each named or additional insured as if separate policies had been issued to each shall be included in the policies. A copy of the endorsement evidencing that the policy has been changed to reflect the Additional Insured status must be attached to the certificate of insurance. The limit of liability of said policy or policies for general and automobile liability insurance shall not be

STANDARD INDEMNIFICATION AND INSURANCE PROVISIONS
for contracts NOT requiring professional liability insurance

less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Any deductible or Self-Insured Retention {SIR} over \$10,000 requires approval by the COUNTY.

Said policy or policies shall include a severability of interest or cross liability clause or equivalent wording. Said policy or policies shall contain a provision of the following form:

"Such insurance as is afforded by this policy shall be primary and if the COUNTY has other valid and collectible insurance, that other insurance shall be excess and non-contributory."

If the policy providing liability coverage is on a 'claims-made' form, the SUBRECIPIENT is required to maintain such coverage for a minimum of three years following completion of the performance or attempted performance of the provisions of this Agreement. Said policy or policies shall provide that the COUNTY shall be given thirty (30) days written notice prior to cancellation or expiration of the policy or reduction in coverage.

SUBRECIPIENT shall submit to the office of the designated COUNTY representative certificate(s) of insurance documenting the required insurance as specified above prior to this Agreement becoming effective. COUNTY shall maintain current certificate(s) of insurance at all times in the office of the designated County representative as a condition precedent to any payment under this Agreement. Approval of insurance by COUNTY or acceptance of the certificate of insurance by COUNTY shall not relieve or decrease the extent to which the SUBRECIPIENT may be held responsible for payment of damages resulting from SUBRECIPIENT'S services of operation pursuant to the Agreement, nor shall it be deemed a waiver of COUNTY'S rights to insurance coverage hereunder.

In the event the SUBRECIPIENT is not able to comply with the COUNTY'S insurance requirements, COUNTY may, at their sole discretion and at the SUBRECIPIENT'S expense, provide compliant coverage.

The above insurance requirements are subject to periodic review by the COUNTY. The COUNTY'S Risk Program Administrator is authorized to change the above insurance requirements, with the concurrence of County Counsel, to include additional types of insurance coverage or higher coverage limits, provided that such change is reasonable based on changed risk of loss or in light of past claims against the COUNTY or inflation. This option may be exercised during any amendment of this Agreement that results in an increase in the nature of COUNTY'S risk and such change of provisions will be in effect for the term of the amended Agreement. Such change pertaining to types of insurance coverage or higher coverage limits must be made by written amendment to this Agreement. SUBRECIPIENT agrees to execute any such amendment within thirty (30) days of acceptance of the amendment or modification.