

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

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

This County PLHA Loan Regulatory Agreement and Declaration of Restrictive Covenants (this "Agreement") is made as of this 7th day of November, 2023, by and between the County of Santa Barbara, a political subdivision of the State of California (the "Lender" or "County"), and Good Samaritan Shelter, a California nonprofit public benefit corporation (the "Owner").

**RECITALS**

A. The Owner owns that certain parcel of real property and improvements thereon located at 2260 Tree Line Drive, Santa Maria, California, 93458, as more particularly described in Exhibit A, attached hereto and incorporated herein by reference (the "Property"), which the Owner intends to provide as housing targeted to serving formerly homeless veterans (the "Project").

B. The Lender has received Permanent Local Housing Allocation funds ("PLHA Funds") from the State of California Housing and Community Development Department.

C. Owner has received a loan from Lender in the amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000) in PLHA Funds to provide financing for the Project (the "County PLHA Loan").

D. As further consideration for the County PLHA Loan, 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 with respect to the Property.

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

## **1. DEFINITIONS**

All initially capitalized terms used but not defined in this Agreement shall have the definitions ascribed to such terms in the County PLHA Loan Agreement. Some of the following terms are defined in the County PLHA Loan Agreement and repeated here for convenience of reference.

1.1 **“ANNUAL INCOME”** means the definition of Annual Income as more particularly defined at 24 CFR 5.609 – 6.12.

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 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 **“COORDINATED ENTRY SYSTEM”** means the information system utilized by Lender under the Continuum of Care for coordinating, prioritizing and insuring to the greatest extent possible non-duplication of homeless programs and services, which accordingly identifies the most vulnerable homeless persons and households.

1.4 **“COUNTY PLHA LOAN”** means the loan of PLHA Funds in the amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000) made by the Lender to the Owner to finance acquisition of the Property and improvement costs of the Project in accordance with the County PLHA Loan Agreement and the County PLHA Loan Note.

1.5 **“COUNTY PLHA LOAN AGREEMENT”** means that certain loan agreement by and between the Owner and the Lender dated on or about the date hereof, setting forth the terms and conditions governing the County PLHA Loan.

1.6 **“COUNTY PLHA LOAN DEED OF TRUST”** means that certain deed of trust, assignment of rents, and security agreement dated on or about the date hereof and recorded against the Property and the improvements to be constructed thereon in connection with the Project as security for the County PLHA 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.

1.7 **“COUNTY PLHA LOAN DOCUMENTS”** means, collectively, the County PLHA Loan Agreement, the County PLHA Loan Note, the County PLHA Loan Deed of Trust, and this Agreement, as such documents may be amended, modified, or restated from time to time

in accordance with the provisions hereof and thereof, along with all exhibits and attachments hereto and thereto.

1.8 **“COUNTY PLHA LOAN NOTE”** means that certain promissory note executed by the Owner in favor of the Lender and dated on or about the date hereof in the amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000) evidencing the County PLHA Loan, as well as any amendments to, modifications of, or restatements of said promissory note.

1.9 **“GRANT AND PER DIEM PROGRAM”** means the financial assistance program pursuant to the United States Department of Veterans Affairs, which provides a per-diem daily amount of financial assistance to Veterans in supportive housing, of which per diem pays for rent, Project operations, case management and supportive services for Tenants of the Project.

1.10 **“PLHA-ASSISTED UNIT”** means the 5-bedroom single-family residence located on the Property, which is subject to the provisions of this Agreement. The PLHA-Assisted Unit will be used as a group home and must be occupied, or reserved for occupancy, by PLHA Qualifying Households, except that one bedroom may be occupied by a house manager.

1.11 This section intentionally left blank.

1.12 **“LENDER”** means the County of Santa Barbara, a political subdivision of the State of California.

1.13 This section intentionally left blank.

1.14 **“OWNER”** means Good Samaritan Shelter, a California nonprofit public benefit corporation.

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

1.16 **“PROPERTY”** means the real property located at 2260 Tree Line Drive, Santa Maria, California, 93458, as more particularly described in Exhibit A attached hereto and incorporated herein, including the improvements constructed thereon.

1.17 **“QUALIFYING HOUSEHOLD”** means a low-income household (i.e., a household with income at or below eighty percent (80%) of Area Median Income) that qualifies under the Department of Veterans Affairs Grant and Per Diem Program (VA Program). If such VA Program ceases to exist or does not define a qualifying household, then a Qualifying Household shall be defined in accordance with Section 103 (42 USC 11302) of the McKinney-Vento Homeless Assistance Act as amended by S. 896 The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 and in accordance with 24 CFR 609-6.12 for all household members. 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. Housing in this Project is limited to Veterans.

1.18 **“QUALIFYING TENANT PAYMENT” OR “RENT”** means the Fair Market Rent for the number of bedrooms in the Property, except that, if one bedroom is occupied by a house manager, then the house manager's bedroom is not included in the total bedroom count. Rent includes utilities, but does not include food or cost of any supportive services provided. Each household, except the house manager household, will pay its proportional share of the total Fair Market Rent for the PLHA Assisted Unit. For example, the 2023 Fair Market Rent for a four-bedroom unit is \$4,001, including rent and utilities.

1.19 **“TENANT”** means a household meeting the definition of a “Qualifying Household” occupying the PLHA Assisted Unit.

1.20 **“TERM”** means the term of this Agreement, commencing upon the first date that this Regulatory Agreement is duly executed by all of the parties hereto (“Effective Date”), and terminating on the date that is fifty-five (55) years after the date of issuance of a notice of completion for the Project (“Notice of Completion”).

1.21 **“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 PLHA LOAN DOCUMENTS.** Owner shall, at all times during the Term, comply, and ensure that the Property and the use of County PLHA Loan funds shall at all times be in full compliance with all of the requirements of the County PLHA Loan Documents, including, but not limited to, the insurance requirements contained herein and therein.

**2.2 TERM OF AGREEMENT.** The provisions of this Agreement shall apply and remain in full effect throughout the entirety of the Term, regardless of the term of any loan or mortgage, or any Transfer of the Property.

**2.3 COMPLIANCE WITH PROGRAM REQUIREMENTS.** At all times during the Term, the Owner shall comply with all requirements and guidelines applicable to the Owner and/or the Project as a project assisted under the PLHA Program, as such PLHA Program requirements and guidelines may be amended from time to time.

## **3. PROJECT OCCUPANCY AND RENTS**

**3.1 OCCUPANCY OF PROJECT.** The PLHA Assisted Unit shall be occupied, or reserved for occupancy, by Qualifying Household(s) who are formerly homeless veterans.

**3.2 PLHA ASSISTED UNIT.** The Owner shall limit, for the full Term of this Agreement, the rental of the PLHA Assisted Unit to Qualifying Households at Rents that do not exceed the maximum Rent for each Qualifying Household of the PLHA Assisted Unit as set forth herein. Each of the Tenants of the PLHA Assisted Unit shall be provided with access and enjoyment of all common areas and facilities of the Property on the same basis.

### **3.3 MAXIMUM RENTAL CHARGES.**

A. Maximum rental charges for the PLHA Assisted Unit shall not exceed the Rent, as defined above in Section 1.18.

B. The Rent for each PLHA Assisted Unit bedroom shall be set by the Lender at the time of initial occupancy of the Project. Annual increases in Rents shall be calculated based on the change in allowable rents as published annually by HUD for the PLHA Assisted Unit.

### **3.4. OCCUPANCY DEADLINES.**

Owner shall ensure that each bedroom of the PLHA Assisted Unit is occupied by a Qualifying Household in accordance with the deadlines for occupancy set forth at 24 CFR 92.252. Each bedroom of the PLHA Assisted Unit shall be occupied by a Qualifying Household within six (6) months from the first date of the issuance of a Notice of Completion or final Certificate of Occupancy for the Project ("Completion Date"). In the event that each bedroom of the PLHA Assisted Unit is not occupied by a Qualifying Household by the Completion Date, Owner shall submit to Lender within ten (10) days thereafter a detailed record of Owner's marketing efforts, and shall comply with Lender's requests for additional information pertaining to such marketing efforts. Absent a Notice of Completion or final Certificate of Occupancy when not required by the local building official, the Completion Date will be the date that the Project is fully developed as evidenced by inspection by the County. In the event that any PLHA Assisted Unit is not occupied by a Qualifying Household within eleven (11) months after the Completion Date, such occurrence shall constitute an Event of Default. On or before the last day of the eleventh (11th) month after the Completion Date, Owner shall deliver to Lender written notice of such Event of Default, and shall have thirty (30) days to cure such Event of Default, and shall cure such Event of Default before the last day of the 12th month after the date of the issuance of the Notice of Completion.

Notwithstanding any other provision of this County PLHA Regulatory Agreement, or of any provision of any of the other County PLHA Loan Documents, to the contrary, Owner shall immediately repay to Lender, upon Lender's request, all PLHA Funds invested in bedrooms of the PLHA Assisted Unit that are not rented to eligible Qualifying Households within 12 months after the Completion Date.

### **3.5 INCOME CERTIFICATION.**

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

A. Initial Annual Income Verification. Before each Qualifying Household occupies the PLHA Assisted Unit, the Owner shall verify that the Annual Household Income calculated in an Annual Income certification for such Qualifying Household is accurate by taking both of the following steps as a part of the verification process, and this Initial Annual Income Certification will serve as basis for determining the tenant rent portion for payment of monthly Rent as well as eligibility for occupancy in the PLHA Assisted Unit:

- (1) Third Party Verification: Owner shall contact each third party on such Qualifying Household's Annual Income certification (e.g., employer, Social Security Administration, public assistance agency) in writing to obtain written verification from such third party of such Qualifying Household's Annual Income; and
- (2) Review of Documents: Each Qualifying Household provides documents verifying such Qualifying Household's Annual Income (e.g., pay stubs, tax returns), which Owner shall retain in the Project files. All such records of individual tenant income verifications, as well as records reflecting or relating to Project rents and Project inspections, must be retained by Owner for five years, and the foregoing retention obligations shall survive the termination or expiration of this Agreement for a period of five years after the Term.

B. Annual Income Recertification. At the time of renewal of each Qualifying Household's lease, or pursuant to an annual schedule adopted by the Owner, and no later than the one-year anniversary of such Qualifying Household's initial Annual Income verification, and annually thereafter, Owner shall recertify the Annual Income of each Qualifying Household occupying a bedroom of the PLHA Assisted Unit using the method described in Section 3.5.A, above. Each subsequent year during the PLHA compliance period, starting one (1) year after initial occupancy, Owner must use the definition of annual income as defined in 24 CFR 5.609 – 6.12.

#### **4. LEASING THE PROJECT**

4.1 **TENANT LEASES.** The Owner shall execute a written lease with the Tenant(s) of each bedroom of the PLHA Assisted Unit for a term of at least one year, unless the Owner and the Tenant mutually agree to a shorter period; provided, however, that such lease may not be for a period of less than thirty (30) days. The form of Tenant Lease used by Owner for each bedroom of the PLHA Assisted Unit, and all changes thereto, shall be subject to Lender's prior written approval in each instance.

A. The Owner shall include in each lease for each bedroom of the PLHA Assisted Unit 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 Qualifying Household. The Owner shall include in each lease for each bedroom of the PLHA Assisted Unit provisions which prohibit the Qualifying Household from subleasing the bedroom leased by such Tenant in the PLHA Assisted Unit.

B. In addition to executing a lease for each bedroom in the PLHA Assisted Unit, the Owner shall require that each Qualifying Household leasing a bedroom in the PLHA Assisted

Unit execute a declaration of intent to occupy, which shall require the Qualifying Household to occupy such bedroom in the PLHA Assisted Unit as the Qualifying Household's primary residence.

C. No lease for any of the bedrooms in the PLHA Assisted Unit shall contain any of the prohibited provisions identified at 24 CFR §92.253(b), including, but not limited to, 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 PLHA Assisted Unit after the Tenant has moved out of the PLHA 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 bedroom in the PLHA 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. To terminate or refuse to renew the tenancy, the Owner shall serve written notice upon the Tenant specifying the grounds for such 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 the PLHA Assisted Unit at the time the applicant is admitted to the PLHA Assisted Unit, or denied admission to the PLHA 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 the PLHA Assisted Unit. If a family living in the PLHA Assisted Unit separates under 24 CFR 5.2009(a), the remaining tenant(s) may remain in the Unit. All leases for the PLHA Assisted Unit 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 PLHA program not specified herein.

F. Owner and Lender shall work together to comply with the requirements of the Coordinated Entry System under the Continuum of Care program ("CoC"), as set forth at 24 CFR Part 578, PIH Notice 2013-15 and other guidance from HUD on CoC and PHA collaboration.

**4.2 TENANT SELECTION.** Before leasing any bedroom of the PLHA Assisted Unit, the Owner shall provide to Lender for Lender's review and approval the Owner's written tenant selection plan. A Veteran's preference must be applied as described above. All changes to the tenant selection plan require prior written approval from Lender in each instance.

**4.3 SECTION 8 CERTIFICATE HOLDERS.** The Owner shall 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 PLHA Assisted Unit by such prospective Tenants.

4.4 This Section Left Intentionally Blank.

**4.5 NONDISCRIMINATION.** The Owner shall not discriminate or segregate in the use, enjoyment, occupancy, conveyance, lease, sublease, or rental of the PLHA Assisted Unit 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 AFFIRMATIVE MARKETING PLAN.** In the marketing of the Project, Borrower shall comply with the affirmative marketing requirements set forth in 24 CFR 92.351, as such



may be amended from time to time. Notwithstanding the above, Owner must first obtain referrals from the County Coordinated Entry system for Qualifying Households to be considered for tenancy.

## **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 with respect to management of the Project. Lender hereby preapproves Owner as the Property Manager for the Project. The Owner may only remove and/or replace the Property Manager with the prior written consent of the Lender in each instance, 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 Lender's review and approval, and shall amend such policies in any way necessary to ensure that such policies comply with the provisions of this Agreement and the other County PLHA Loan Documents, the requirements of the PLHA Program, as may be amended from time to time, the requirements of Lender, and the requirements of all other lenders providing financing for the Project to the extent not inconsistent with the provisions of any of the County PLHA Loan Documents.

**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 and the other County PLHA Loan Documents. The Owner shall submit all requested records to the Lender within ten (10) business days of each Lender request for such records. The Owner shall permit the Lender to enter and inspect the Property for compliance with Owner's obligations under this Agreement and the other County PLHA Loan Documents 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. Owner shall include provisions in all tenant leases that allow for County inspections of the PLHA Assisted Unit.

**5.4 COMPLIANCE MONITORING.** At all times during the Term, the Owner shall operate the Property in full compliance with this Agreement and the PLHA Program regulations and guidelines as may be amended from time to time. 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 the Completion Date, 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 31<sup>st</sup>, containing the information requested by Lender so as to allow the Lender to determine the Owner's compliance with this Agreement ("Annual Report"). The Annual Report shall be submitted annually no later than March 1<sup>st</sup> of each year of the Term, and shall include, at a minimum: (i) an Annual Financial Statement as defined in Section 1.2 of the County PLHA 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) for

each bedroom of the PLHA Assisted Unit, the rent, Annual Income, and household size of each household in occupancy. The Annual Report shall also state the date each tenancy commenced in the PLHA Assisted Unit, and such other information as the Lender may request.

Within thirty (30) days after receipt of a written request, Owner shall submit all other information and 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 the PLHA Assisted 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 the PLHA Assisted Unit and the rest of the Property in good condition, in good repair, ordinary wear and tear excepted, and in a decent, safe, sanitary, habitable and tenantable condition at all times during the Term. Owner shall ensure that the PLHA Assisted Unit meets 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 each bedroom of the PLHA Assisted Unit 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 with respect to maintenance of the Property.

## **6. GENERAL PROVISIONS**

**6.1 SUBORDINATION.** This Agreement shall be senior, and shall not be subordinate, to all deeds of trust, notes, agreements, and all other obligations of Owner concerning the Property, and may be subordinated in priority only as to liens and encumbrances otherwise approved in advance in writing by the Lender in each instance, in Lender's sole and absolute discretion.

**6.2 DEFAULT AND REMEDIES.** The occurrence of any of the following events shall constitute an "Event of Default" under this County PLHA Regulatory Agreement:

A. **Monetary.** (1) Borrower's failure to pay when due any sums payable under the County PLHA Loan Note or any advances made by Lender under the County PLHA Loan

Deed of Trust or the County PLHA Loan Agreement; (2) Borrower's use of PLHA Funds for costs other than approved construction costs or for uses inconsistent with other terms and restrictions in the County PLHA Loan Documents; (3) Borrower's failure to obtain and maintain the insurance coverage required under this County PLHA Loan Agreement; (4) Borrower's failure to make any other payment or assessment due under any of the County PLHA Loan Documents; (5) Borrower's failure to pay taxes when due; (6) Borrower's default under other debt secured by the Property after the applicable notice and cure periods have expired;

B. Construction. (1) Borrower's deviation from the Budget, without Lender's prior written consent; (2) the use of defective or unauthorized materials or defective workmanship in constructing the Project; (3) Borrower's failure to commence or complete construction and improvement work pursuant to Section 4.1 or 4.2, above; (4) the cessation of construction and improvement work prior to completion of the Project for a period of more than thirty (30) consecutive calendar days without prior written approval from Lender; (5) Borrower's failure to remedy any deficiencies in recordkeeping or failure to provide records to Lender upon Lender's request; (6) Borrower's failure to substantially comply with any applicable federal, state, or local laws or Lender policies governing construction, development, or operation of the Project, including, but not limited to, provisions of the County PLHA Loan Agreement pertaining to affirmative action and equal employment opportunity, minority and women-owned business enterprises, disabled access, lead paint, Hazardous Materials, and provision or relocation benefits and assistance;

C. Operation. (1) Discrimination by Borrower on any basis prohibited by the County PLHA Loan Agreement or applicable law, or (2) the imposition of any encumbrances or liens on the Property without Lender's prior written approval that have the effect of invalidating, reducing the priority of, or materially impairing the value of the County's interest in the Security (as defined in the PLHA Loan Deed of Trust);

D. General performance of County PLHA Loan obligations. Any breach by Borrower of any provision of any of the County PLHA Loan Documents and which, if subject to cure, is not cured by Borrower within the applicable cure period;

E. General performance of other obligations. Any breach by Borrower of any provision of any other agreements, including any grant agreements, with respect to the financing, construction, or operation of the Project or the Property, whether or not Lender is a party to such agreement, and which breach may materially impair Lender's interest in the Security (as defined in the County PLHA Loan Deed of Trust);

F. Representations and warranties. A determination by Lender that the Security has or will be materially impaired due to the fact that any of Borrower's representations or warranties made in the County PLHA Loan Documents, or in any certificates, documents, or schedules supplied to Lender by Borrower, were untrue in any material respect when made, or that Borrower concealed or failed to disclose a material fact from Lender;

G. Damage to or failure to maintain Property. Material damage to or destruction of the Property by fire or other casualty if Borrower does not take steps to reconstruct

the Project as required by the County PLHA Loan Documents or if Borrower fails to maintain the Property pursuant to Section 5.1, above;

H. Bankruptcy, dissolution, and insolvency. Borrower's: (1) filing for bankruptcy, dissolution, or reorganization, or failure to obtain a full dismissal of any such involuntary filing brought by another party before the earlier of final relief or ninety (90) days after the filing; (2) making a general assignment for the benefit of creditors; (3) applying for the appointment of a receiver, trustee, custodian, or liquidator, or failure to obtain a full dismissal of any such involuntary application brought by another party before the earlier of final relief or ninety (90) days after the filing; (4) insolvency; (5) failure, inability or admission in writing of its inability to pay its debts as they become due.

I. Program compliance. In the event of any non-compliance with PLHA Requirements by or on behalf of Borrower, including, but not limited to, the provisions of this County PLHA Regulatory Agreement, and the provisions of the County PLHA Loan Agreement, Borrower shall be required to repay the funds disbursed to Borrower under the County PLHA Note and the County PLHA Loan Agreement if the Project does not meet the requirements set forth for the time period specified herein and therein, and such an Event of Default shall not be subject to cure.

J. Relocation Benefits. Failure to make any payments requested by Lender pursuant to Section 4.13 of the County PLHA Loan Agreement.

**6.2.1 NOTICE OF DEFAULT AND OPPORTUNITY TO CURE.** For each Event of Default, Borrower shall give written notice to Lender of such Event of Default as soon as possible ("Borrower Default Notice"), which Default Notice shall specify: (a) the nature of the event or deficiency giving rise to the Event of Default, (b) whether Borrower believes that such Event of Default is curable, and, if so, how Borrower proposes to cure such Event of Default, and (c) Borrower's estimate of the time required for Borrower to cure such Event of Default. In response to a Borrower Default Notice, Lender may request from Borrower, and Borrower shall promptly provide to Lender, any additional information as Lender may specify regarding such Event of Default.

Lender shall reply to each Borrower Default Notice by stating (a) Lender's determination of whether such Event of Default is subject to cure, and the action required to cure the Event of Default, if applicable, and (b) if subject to cure, a date, which shall not be less than thirty (30) calendar days from the date of such Borrower Default Notice, by which such action to cure must be taken, or if Lender determines that a cure is not possible within thirty (30) days, by which Borrower must begin such cure and diligently perform such cure to completion within the additional period of time specified by Lender in such notice, and in no event later than the date that is ninety (90) days after the date of such notice.

For each Event of Default of which Lender is aware and for which Lender has not received a Borrower Default Notice, Lender shall give written notice to Borrower of such Event of Default ("Lender Default Notice") specifying: (a) the nature of the event or deficiency giving rise to the Event of Default, (b) whether such Event of Default is subject to cure, and the action required to cure the Event of Default, if applicable, and (c) if subject to cure, a date, which shall not be less than thirty (30) calendar days from the date of such Lender Default Notice or the date such Lender Default Notice was refused, by which such action to cure must be taken, or if Lender

determines that a cure is not possible within thirty (30) days, by which Borrower must begin such cure and diligently perform such cure to completion within the additional period of time specified by Lender in such Lender Default Notice, and in no event later than the date that is ninety (90) days after the date of such Lender Default Notice. The Lender has the sole discretion to determine whether an Event of Default is curable and, if curable the reasonable time needed to cure.

**6.2.2 LENDER'S REMEDIES.** Upon the happening of an Event of Default by Borrower and a failure to cure said Event of Default, if applicable, in accordance with Section 6.2 above, Lender's obligation to disburse PLHA Funds shall terminate, and Lender may also, in addition to other rights and remedies afforded to the County PLHA Loan Documents and applicable law, proceed with any or all of the following remedies in any order and combination Lender may choose in its sole discretion:

A. Terminate the County PLHA Loan Agreement, in which event the entire principal amount outstanding and all accrued interest under the County PLHA Loan Note, as well as any other monies advanced to Borrower by Lender under the County PLHA Loan Documents, including, but not limited to, administrative costs and relocation benefits described in Section 4.13 of the County PLHA Loan Agreement, shall immediately become due and payable by Borrower at the option of Lender;

B. Bring an action in equitable relief (1) seeking the specific performance by Borrower of the terms and conditions of the County PLHA Loan Documents, and/or (2) enjoining, abating, or preventing any violation of said terms and conditions, and/or (3) seeking declaratory relief;

C. Accelerate the County PLHA Loan, and demand immediate full payment of the principal amount outstanding and all accrued interest under the County PLHA Loan Note, as well as any other monies advanced to Borrower by Lender under the County PLHA Loan Documents plus associated amounts due, such as relocation benefits described in Section 4.13, above;

D. Enter the Property and take any actions necessary in Lender's judgment to complete construction of the Project, including without limitation (1) making changes in the construction work as described in the Budget or other work or materials with respect to the Project, (2) entering into, modifying, or terminating any contractual arrangements (subject to Lender's right at any time to discontinue work without liability), and (3) taking any remedial actions with respect to Hazardous Materials that Lender deems necessary to comply with Hazardous Materials laws or to render the Property suitable for occupancy;

E. Seek appointment from a court of competent jurisdiction of a receiver with the authority to complete construction as needed to preserve Lender's interest in seeing the Project developed in a timely manner (including the authority to take any remedial actions with respect to Hazardous Materials that Lender or the receiver deems necessary to comply with Hazardous Materials Laws or to render the Property suitable for occupancy);

F. Order immediate stoppage of construction work and demand that any condition leading to the Event of Default be corrected before construction work may continue;

G. Disburse from County PLHA Loan proceeds any amount necessary to cure any monetary default;

H. Enter upon, take possession of, and manage the Property, either in person, by agent, or by a receiver appointed by a court, and collect rents and other amounts specified in the assignment of rents in the County PLHA Loan Deed of Trust and apply them to operate the Property or to pay off the County PLHA Loan or any advances made under the County PLHA Loan Documents, as provided for by the County PLHA Loan Deed of Trust;

I. Initiate and pursue any private and/or judicial foreclosure action allowed under applicable law and the power of sale provision in the County PLHA Loan Deed of Trust;

J. With respect to defaults under Hazardous Materials provisions herein, pursue the rights and remedies permitted under California Civil Code Section 2929.5, and California Code of Civil Procedure Sections 564, 726.5, and 736; or

K. Pursue any other remedy allowed at law or in equity. Nothing in this Section 8.3 is intended or shall be construed as precluding Lender from proceeding with a nonjudicial foreclosure under the power of sale contained in the County PLHA Loan Deed of Trust in the Event of Default by Borrower and failure to cure, if applicable, as provided in Section 8.2, above.

Notwithstanding the foregoing or any other provision of this County PLHA Regulatory Agreement or any of the other County PLHA Loan Documents, in accordance with 2 CFR 200.338, suspension or termination of the County PLHA Loan Agreement may occur if Borrower materially fails to comply with any term of this County PLHA Regulatory Agreement.

**6.3 EVENT OF DEFAULT.** In the event that the Project fails to meet the PLHA affordability requirements included in this Agreement at any time during the Term, subject to applicable notice and cure periods under the County PLHA Loan Agreement, if any, such occurrence shall constitute an Event of Default by Owner hereunder and under the County PLHA Loan Agreement, the County PLHA Loan Note, and the other County PLHA Loan Documents.

**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 this Agreement.

**6.5 INSURANCE AND INDEMNITY.** Owner shall, at all times during the Term, comply with the insurance and indemnification provisions set forth in Exhibit B, attached hereto 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 County PLHA Loan Document conflict, the terms of this Agreement shall control and prevail.

**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. No consent or approval of Lender shall be effective unless in writing in advance and duly 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, 2<sup>nd</sup> 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 East Inger Street, Suite 103B  
Santa Maria, CA 93454  
Attn: Executive Director

**6.11 BINDING UPON SUCCESSORS.** This Agreement shall be recorded in the records of the Santa Barbara County Recorder, and all provisions of this Agreement shall be binding upon and inure to the benefit of the permitted successors-in-interest, transferees, and assigns of the parties hereto, to the extent authorized herein and in the other County PLHA Loan Documents, and shall run with the land for the entirety of the Term, regardless of any assignment, payment, prepayment, expiration, extinguishment of the County PLHA Loan or County PLHA Loan Note, any reconveyance of the County PLHA Loan Deed of Trust, or any conveyance or other transfer of the Property or any portion thereof, whether directly or indirectly, by operation of law or otherwise; provided, however, that Owner shall not assign, delegate, or otherwise transfer, directly or indirectly, whether by operation of law or otherwise, in whole or in part, (i) the Property or any of Owner's interest therein, or (ii) this Agreement, or any of Owner's obligations or rights hereunder, without the prior written consent of Lender in each instance, and any such purported assignment, delegation, or transfer shall be null and void *ab initio*.

**6.12 RELATIONSHIP OF PARTIES.** The relationship of the Owner and the Lender with respect to 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.** No waiver by the Lender with respect to this Agreement shall be effective unless in writing duly executed by Lender. No waiver shall 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, any of the other County PLHA 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.** No amendment to or modification of this Agreement shall be effective unless in writing duly executed by both the Owner and the Lender.

**6.15 SEVERABILITY.** Every provision of this Agreement is intended to be severable in the event that any provision of this Agreement shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, in which case, 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 Borrower have caused this Agreement to be executed by their respective duly authorized officers, effective as of the Effective Date.

**COUNTY:**

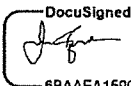
County of Santa Barbara,  
a political subdivision of the State of California

By: 

DAS WILLIAMS  
Chair, Board of Supervisors

**APPROVED AS TO ACCOUNTING  
FORM:**

BESTY M. SCHAFFER, CPA, CPFO  
AUDITOR-CONTROLLER

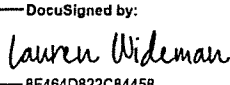
DocuSigned by:  
  
By: 6BAAEA15901943F...  
Deputy

**BORROWER**

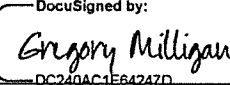
Good Samaritan Shelter, a California nonprofit  
public benefit corporation

By: \_\_\_\_\_  
Sylvia Barnard  
Executive Director

**APPROVED AS TO FORM  
RACHEL VAN MULLEM  
COUNTY COUNSEL**

DocuSigned by:  
  
By: BE464D822C84458  
Deputy County Counsel

**APPROVED AS TO FORM:  
RISK MANAGEMENT**

DocuSigned by:  
  
By: DC240AC1E64242D  
GREGORY MILLIGAN, ARM, AIC  
Risk Manager

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.

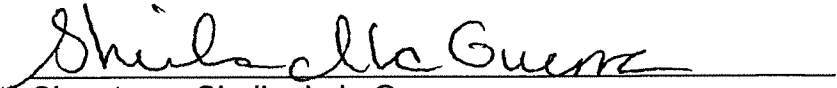
State of California

County of SANTA BARBARA

On, November 7, 2023 before me, Sheila de la Guerra, a Deputy Clerk, personally appeared SUPERVISOR DAS WILLIAMS, CHAIR OF THE BOARD OF SUPERVISORS, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(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 State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
Signature Sheila de la Guerra

(Seal)

IN WITNESS WHEREOF, County and Borrower have caused this Agreement to be executed by their respective duly authorized officers, effective as of the Effective Date.

**COUNTY:**

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

By: \_\_\_\_\_  
DAS WILLIAMS  
Chair, Board of Supervisors

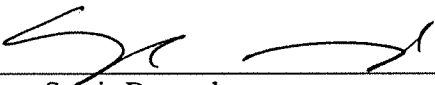
**APPROVED AS TO ACCOUNTING  
FORM:**

BESTY M. SCHAFFER, CPA, CPFO  
AUDITOR-CONTROLLER

By: \_\_\_\_\_  
Deputy

**BORROWER**

Good Samaritan Shelter, a California nonprofit  
public benefit corporation

By:  \_\_\_\_\_  
Sylvia Barnard  
Executive Director

**APPROVED AS TO FORM**  
RACHEL VAN MULLEM  
COUNTY COUNSEL

By: \_\_\_\_\_  
Deputy County Counsel

**APPROVED AS TO FORM:**  
RISK MANAGEMENT

By: \_\_\_\_\_  
GREGORY MILLIGAN, 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 )

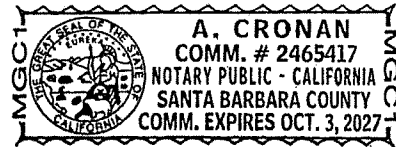
On October 25, 2023 before me, A Cronan, Notary Public  
(insert name and title of the officer)

personally appeared Sylvia Barnard,  
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)



## 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 October 25, 2023 before me, A Cronan, Notary Public  
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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)

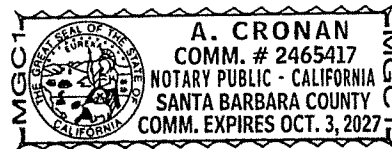


Exhibit A

**LEGAL DESCRIPTION**

For APN/Parcel ID(s):117-831-030

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS: LOT 47 OF TRACT NO. 5760, CHERRY BLOSSOM RANCH, IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS PER MAP RECORDED MAY 8, 2000 IN BOOK 185, PAGES 12 THROUGH 17 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL MINERALS, METALS, PETROLEUM, NATURAL GAS AND ALL OTHER HYDROCARBONS, IN OR ON THE ABOVE DESCRIBED REAL PROPERTY OR BENEATH THE SURFACE THEREOF AND THE RIGHT TO EXTRACT, ALL OTHER HYDROCARBONS AND THE RIGHT TO USE AND POSSESSION OF SAID REAL PROPERTY FOR THE PURPOSE OF EXTRACTING, RECOVERING AND REMOVING SAID MINERALS, METALS, PETROLEUM, NATURAL GAS AND ALL OTHER HYDROCARBONS IN SO FAR AS THE USE AND POSSESSION OF SAID REAL PROPERTY.

**EXHIBIT B**  
**Indemnification and Insurance Requirements**  
**(For All Contracts with Good Samaritan)**

**INDEMNIFICATION**

CONTRACTOR agrees to indemnify, defend (with counsel reasonably approved by COUNTY) and hold harmless COUNTY and its officers, officials, employees, agents and volunteers from and against any and all claims, actions, losses, damages, judgments and/or liabilities arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person or entity and for any costs or expenses (including but not limited to attorneys' fees) incurred by COUNTY on account of any claim except where such indemnification is prohibited by law. CONTRACTOR'S indemnification obligation applies to COUNTY'S active as well as passive negligence but does not apply to COUNTY'S sole negligence or willful misconduct.

**NOTIFICATION OF ACCIDENTS AND SURVIVAL OF INDEMNIFICATION PROVISIONS**

CONTRACTOR shall notify COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement. The indemnification provisions in this Agreement shall survive any expiration or termination of this Agreement.

**INSURANCE**

CONTRACTOR shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the CONTRACTOR, its agents, representatives, employees or subcontractors.

**A. Minimum Scope of Insurance**

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products-completed operations, personal & advertising injury, with limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if CONTRACTOR has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.

3. **Workers' Compensation:** Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

4. **Professional Liability: (Errors and Omissions)** Insurance appropriate to the CONTRACTOR'S profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

If the CONTRACTOR maintains broader coverage and/or higher limits than the minimums shown above, the COUNTY requires and shall be entitled to the broader coverage and/or the higher limits maintained by the CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the COUNTY.

**B. Other Insurance Provisions**

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **Additional Insured** – COUNTY, its officers, officials, employees, agents and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the CONTRACTOR'S insurance at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).

2. **Primary Coverage** – For any claims related to this contract, the CONTRACTOR'S insurance coverage shall be primary insurance primary coverage at least as broad as ISO CG 20 01 04 13 as respects the COUNTY, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the COUNTY, its officers, officials, employees, or volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it.

3. **Notice of Cancellation** – Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the COUNTY.

4. **Mutual Waiver of Workers' Compensation Subrogation Rights** – Notwithstanding anything in this Agreement to the contrary, COUNTY hereby releases and waives unto CONTRACTOR, including its officers, directors, employees and agents, and CONTRACTOR hereby releases and waives unto COUNTY, including its officers, directors, employees and agents, all rights to claim damages for any workers' compensation injury, loss, cost or damage to persons, as long as the amount of such injury, loss, cost or damage has been paid either to or by COUNTY, CONTRACTOR, or any other person, firm or corporation, under the terms of any workers' compensation policy of insurance. Each party shall have its Workers' Compensation policy endorsed with a waiver of subrogation in favor of the other party for all work performed by the either party, its officers, directors, employees and agents. **Each party shall provide the other party with the required insurance endorsement that amends the workers' compensation insurance policy.**

5. As respects all workers' compensation policies of insurance carried or maintained pursuant to this Agreement and to the extent permitted under such policies, COUNTY and CONTRACTOR, each waive the insurance carriers' rights of subrogation. For purposes of this provision, insurance proceeds paid to either party shall be deemed to include any deductible or self-insurance retention amount for which that party is responsible. A party's failure to obtain or maintain any insurance coverage required pursuant to the terms of this Agreement shall not negate the waivers and releases set forth herein, as long as the insurance that the party failed to obtain or maintain would have covered the loss or damage for which the party is waiving its claims.

6. **Deductibles and Self-Insured Retention** – Any deductibles or self-insured retentions must be declared to and approved by the COUNTY. The COUNTY may require the CONTRACTOR to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

7. **Acceptability of Insurers** – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best's Insurance Guide rating of "A- VII".

8. **Verification of Coverage** – CONTRACTOR shall furnish the COUNTY with proof of insurance, original certificates and amendatory endorsements as required by this Agreement. The proof of insurance, certificates and endorsements are to be received and approved by the COUNTY before work commences. However, failure to obtain the required documents prior to



the work beginning shall not waive the CONTRACTOR'S obligation to provide them. The CONTRACTOR shall furnish evidence of renewal of coverage throughout the term of the Agreement. The COUNTY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

**9. Failure to Procure Coverage** – In the event that any policy of insurance required under this Agreement does not comply with the requirements, is not procured, or is canceled and not replaced, COUNTY has the right but not the obligation or duty to terminate the Agreement. Maintenance of required insurance coverage is a material element of the Agreement and failure to maintain or renew such coverage or to provide evidence of renewal may be treated by COUNTY as a material breach of contract.

**10. Subcontractors** – CONTRACTOR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and CONTRACTOR shall ensure that COUNTY is an additional insured on insurance required from subcontractors.

**11. Claims Made Policies** – If any of the required policies provide coverage on a claims-made basis:

- i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
- ii. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract work.
- iii. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the CONTRACTOR must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

**12. Special Risks or Circumstances** – COUNTY reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. CONTRACTOR agrees to execute any such amendment within thirty (30) days of receipt. Indemnification and Insurance Requirements (For All Contracts with Good Samaritan) 2022 03 02

Any failure, actual or alleged, on the part of COUNTY to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of COUNTY.