

**SUBRECIPIENT AGREEMENT**  
**BETWEEN**  
**COUNTY OF SANTA BARBARA as**  
**ADMINISTRATIVE ENTITY FOR THE**  
**Santa Barbara County Permanent Local Housing Allocation Consortium**  
**AND**  
**People's Self-Help Housing Corporation**  
  
**Provision of a Down Payment Assistance Program**  
**State of CA Permanent Local Housing Allocation (PLHA)**

THIS AGREEMENT is made and entered into by and between the County of Santa Barbara (herein called the "COUNTY"), a political subdivision of the State of California, and People's Self-Help Housing Corporation (herein called the "SUBRECIPIENT"), a California nonprofit organization, whose address is 1060 Kendall Rd. San Luis Obispo, CA 93401.

**WITNESSETH THAT:**

**WHEREAS**, Chapter 364, Statutes of 2017 (SB 2, Atkins) added Chapter 2.5 (commencing with Health and Safety Code Section 50470) to Part 2 of Division 31 of the Health and Safety Code, was part of a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs; and

**WHEREAS**, SB2 created the Building Homes and Jobs Fund and the PLHA Program, specifically establishing a permanent source of funding intended to increase the affordable housing stock in California; and

**WHEREAS**, On July 7, 2020, the County of Santa Barbara's Board of Supervisors passed and adopted Resolution No. 20-127 allowing the Director of the Community Services Department to apply for, receive, and administer the PLHA funds for the Santa Barbara County PLHA Consortium, which includes the County of Santa Barbara, and the Cities of Goleta and Santa Maria; and

**WHEREAS**, The revenue from SB 2 will vary from year to year, as revenue is dependent on certain real estate recordation transactions with fluctuating activity; and

**WHEREAS**, the County and the Cities of Goleta and Santa Maria (Consortium) have each entered into a Consortium agreement that authorizes the County to act as the Administering Jurisdiction for the Consortium to apply for and administer PLHA funds on the Consortium's behalf.; and

**WHEREAS**, COUNTY on behalf of the Consortium submitted to the State the Consortium's Five-Year Plan (PLHA Plan), which includes State PLHA eligible activities set forth in the State's PLHA Final Guidelines (Guidelines) the Consortium will address with its allocations of PLHA funds over the next five years; and

**WHEREAS**, the Consortium selected the following eligible activities from the Guidelines: §301(a)(1) Multi-Family Rental Housing; §301(a)(2) Rental and Homeownership Housing; §301(a)(6) Homelessness Assistance Programs; and §301(a)(9) Down Payment Assistance for Homeownership Opportunities; and

**WHEREAS**, SUBRECIPIENT's services are eligible activities as outlined in the State's PLHA Program Guidelines and the Consortium's PLHA Plan as they are housing-related projects and programs to assist in addressing the unmet housing needs of the local communities; and

NOW THEREFORE, the parties agree that the above recitals are true to the best of their knowledge and, in consideration of the mutual covenants and conditions contained herein, it is agreed by and between the parties hereto that they will carry out the program according to this Agreement.

**I. SCOPE OF SERVICES**

**A. General**

All services under this Agreement shall be provided in Santa Barbara County as described in the Scope of Services attached hereto and incorporated herein as Exhibit A. Services shall be provided under the supervision of SUBRECIPIENT's Executive Director who shall ensure that the background and qualifications of SUBRECIPIENT's staff providing services meet the minimum standards established by pertinent licensing bodies, as applicable.

**B. Services**

1. Eligible Activities

Activities funded by this Agreement are limited to the following program components and eligible activities contained in the PLHA Plan: §301(a)(2) Rental and Homeownership housing; and §301(a)(9) Down Payment Assistance for Homeownership Opportunities as outlined more fully in the State HCD's Permanent Local Housing Allocation Final Guidelines.

2. Services to be Provided

SUBRECIPIENT shall be responsible for providing down payment loans for approximately 1-2 first-time income-eligible homebuyer households. Specific client services include: provision of information on the loan program and application process; technical assistance in completing the loan application; provision of a 30-year deferred payment down payment loan in an amount up to 20% of the home purchase price or a maximum loan of \$100,000, whichever is less for qualified applicants; as set forth in Exhibit A.

**C. Staffing**

Only the salary and eligible benefits for the positions listed in the budget in Exhibit B, if any, are eligible for reimbursement with PLHA funds under this Agreement. Any changes in the positions whose salary and benefits are eligible for reimbursement with PLHA funds under this Agreement shall be approved in writing by the CSD Director, or designee. All services shall be performed by SUBRECIPIENT and its staff. SUBRECIPIENT represents that it possesses the professional and technical personnel required to perform the services required by this Agreement. SUBRECIPIENT shall perform all services in a manner commensurate with their own usual and customary standards and with the reasonable and ordinary level of care provided by others performing similar or like work.

All services shall be performed by qualified and experienced personnel who are not employed by COUNTY. SUBRECIPIENT represents and warrants that the services to be performed will conform to the requirements of this Agreement; all applicable federal, state and local laws; and the highest professional standards.

SUBRECIPIENT represents and warrants to COUNTY that it has, shall obtain, and shall keep in full force and effect during the term hereof, at its sole cost and expense, all licenses, permits, qualifications, insurance and approvals of whatsoever nature that are legally required of SUBRECIPIENT to practice its professions.

**D. Levels of Accomplishment – Goals and Performance Measures**

SUBRECIPIENT shall report performance data to COUNTY quarterly, in accordance with Sections VII.B.1, VII.B.2, and VII.C of this Agreement, regarding the goals and performance measures set forth in Exhibit A, and as required by the State (25 CCR Section 8413).

**E. Performance Monitoring**

SUBRECIPIENT shall be responsible for providing services in a manner satisfactory to COUNTY. In addition, COUNTY shall review the performance of SUBRECIPIENT in accord with the applicable provisions of SB 2 and its related implementing regulations, guidance and rules. COUNTY may monitor the performance of SUBRECIPIENT against the goals and performance measures set forth in Section I.D of this Agreement and Exhibit A. SUBRECIPIENT's failure to meet any of these goals and performance measures as determined by COUNTY in its sole discretion shall constitute a breach of this Agreement. If action to correct such breach is not taken by SUBRECIPIENT within seven (7) days after being notified by COUNTY, contract suspension or termination procedures may be initiated pursuant to Section VI.F of this Agreement.

**F. COUNTY Recognition**

SUBRECIPIENT shall ensure recognition of the role of COUNTY in providing PLHA funds made available under this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled or provided with signage as to funding source. In addition, SUBRECIPIENT shall include a reference to the support provided by COUNTY that is made possible with PLHA Program funds made available under this Agreement.

**II. TERM**

**A. Term and Time of Performance**

This Agreement shall begin on the later of June 1, 2025 or the date that the State Department of Housing and Community Development has provided its approval of this Subrecipient Agreement (Operating Start Date) and shall terminate on the earlier of June 30, 2026 or when the PLHA funds awarded to SUBRECIPIENT in this Agreement are exhausted, unless suspended or terminated earlier or there are no PLHA funds available to the COUNTY for any reason (the "Term"). All work to be performed hereunder as described in the Scope of Services and that is funded with the PLHA award may commence on the Operating Start date and shall be completed by 6/30/2026 (the "Award Time of Performance"). The Term and the Award Time of Performance may be extended upon written approval of the COUNTY as described in Section VI.E below.

**B. Close-outs**

SUBRECIPIENT's obligations to COUNTY shall not end until all close-out requirements are completed, including, but not limited to: receipt of final payments from COUNTY under this Agreement, disposing of program assets (including the return of all unused materials, equipment, and accounts receivable to COUNTY), and determining the custodianship of records. The terms of this Agreement shall remain in effect during any period that SUBRECIPIENT has control over PLHA funds, including program income. All program assets (unexpended program income, property, equipment, etc.) shall revert to COUNTY upon termination of this Agreement.

**III. BUDGET**

The budget for SUBRECIPIENT's services, specifying PLHA -funded line items is set forth in Exhibit B to this Agreement. COUNTY may require a more detailed budget breakdown than the one contained herein, and SUBRECIPIENT shall provide such supplementary budget information within one (1) week of COUNTY's

request and in the form and content prescribed by COUNTY. Any amendments to the budget line items shall require prior written approval by COUNTY and SUBRECIPIENT.

SUBRECIPIENT represents that the budget includes only allowable costs and an accurate analysis of costs acceptable under the program guidelines. SUBRECIPIENT's accounting records shall comply with Article V of the PLHA Final Guidelines. These items shall be in sufficient detail to provide a sound basis for COUNTY to effectively monitor SUBRECIPIENT's performance under this Agreement.

#### IV. **PAYMENT**

It is expressly agreed and understood that the total amount of PLHA funds to be paid by COUNTY under this Agreement shall not exceed **\$150,000** ("Maximum Contract Amount " or "Funds") during the Term of this Agreement. Payments to SUBRECIPIENT will be made on a reimbursement basis. Drawdowns for the payment of eligible expenses and documentation of eligible expenditures shall be made in accordance with the line item budgets specified in Exhibit B attached hereto. In accord with PLHA Guidelines, no less than once per quarter, but not more often than monthly, SUBRECIPIENT may request reimbursement for its expenditures and documented eligible expenditures. SUBRECIPIENT shall submit a completed Expenditure Summary and Payment Request (Exhibit D) together with proper support documentation for services described in Sections I.A and I.B and staff salaries and benefits described in Section I.C and performance data required in Sections I.D, VII.B.1, VII.B.2, and VII.C of this Agreement. No costs shall be invoiced, billed or deemed eligible except for expenditures authorized in the budget as set forth in Exhibit B. The itemized costs shall be of sufficient detail to provide a sound basis for COUNTY to effectively monitor costs under this Agreement. COUNTY shall review the ESPR and supporting documents and in accord with state regulations shall reimburse SUBRECIPIENT for allowable costs within thirty (30) days after receiving SUBRECIPIENT's complete payment request. Expenses for which SUBRECIPIENT will seek reimbursement under this Agreement shall have been incurred within the Term of this Agreement; however, SUBRECIPIENT may submit a final ESPR for eligible expenses up to twenty days following the Term of this Agreement.

#### V. **NOTICES**

Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery. Notices may be sent by facsimile or other electronic means if the party to be noticed consents to the delivery of the notice by facsimile or such electronic means and if the party required to give notice delivers such notice via mail (postage prepaid), commercial courier, or personal delivery the next business day. Any notice delivered or sent as aforesaid shall be effective on the date of personal delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

Notices and other written communications concerning this Agreement shall be directed to the following representatives:

##### **COUNTY**

Lucille Boss,  
Affordable Housing Programs Manager  
County of Santa Barbara  
Community Services Department/HCD  
123 E. Anapamu St., #202  
Santa Barbara, CA 93101  
Office: (805) 568-3533  
[lboss@countyofsb.org](mailto:lboss@countyofsb.org)

##### **SUBRECIPIENT**

Kenneth Trigueiro, President and CEO  
People's Self-Help Housing  
1060 Kendall Rd.  
San Luis Obispo, CA 93401  
[KennethT@pshhc.org](mailto:KennethT@pshhc.org)  
(805) 781-3088

## **VI. GENERAL CONDITIONS**

### **A. General Compliance**

SUBRECIPIENT agrees to comply with the requirements of the PLHA program, including the statutes (Health & Safety Code, §§ 50470 et seq.), program guidelines, and additional regulations and program guidance as may be adopted from time to time. In addition, SUBRECIPIENT agrees to comply with the terms of the award under the grant agreement, applications, notices of award and all other applicable federal, state and local laws, regulations, ordinances, orders, rules, guidelines, directives, circulars, bulletins, notices and policies governing the PLHA funds provided under this Agreement. The judgment of any court of competent jurisdiction, or the admission of SUBRECIPIENT in any action or proceeding against SUBRECIPIENT, whether COUNTY is a party thereto or not, that SUBRECIPIENT has violated any such law, regulation, ordinance or order, shall be conclusive of that fact as between SUBRECIPIENT and COUNTY. SUBRECIPIENT shall be responsible for providing services in a manner consistent with all federal and state requirements and standards required as a condition of receiving and expending PLHA funds provided under this Agreement.

### **B. Independent Contractor**

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. SUBRECIPIENT shall at all times remain an independent contractor with respect to services to be performed under this Agreement. COUNTY shall not be responsible for paying any taxes on SUBRECIPIENT's behalf, and should COUNTY be required to do so by federal, state, or local taxing agencies, SUBRECIPIENT agrees to promptly reimburse COUNTY for the full value of such paid taxes plus interest and penalty if any. These taxes shall include, but not be limited to, the following: Federal Insurance Contributions Act (FICA) tax, unemployment insurance contributions, income tax, disability insurance and workers' compensation insurance. In addition, SUBRECIPIENT understands and acknowledges that neither it nor its employees or subcontractors shall be entitled to any of the benefits of a COUNTY employee, including, but not limited to, vacation, sick leave, administrative leave, health insurance, disability insurance, retirement, unemployment insurance, workers' compensation and protection of tenure.

### **C. Insurance and Indemnification**

SUBRECIPIENT shall comply with the insurance and indemnification provisions set forth in the Standard Indemnification and Insurance Provisions attached hereto and incorporated herein as Exhibit E.

### **D. Workers' Compensation**

SUBRECIPIENT shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement as set forth in Exhibit E.

### **E. Changes or Amendments**

Any changes to this Agreement, unless otherwise noted, may only be made through a written amendment to this Agreement executed by COUNTY and SUBRECIPIENT. COUNTY and SUBRECIPIENT may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, are executed in writing, and signed by a duly authorized representative of each party. Such amendments shall not invalidate any parts of this Agreement that are not changed by the amendment, nor relieve or release COUNTY or SUBRECIPIENT from its obligations under this Agreement that are not changed by the amendment. SUBRECIPIENT agrees to not unreasonably withhold its approval of any amendments proposed by COUNTY that are necessary in order to conform with federal, state or local governmental laws, regulations, ordinances, orders, rules, directives, circulars, bulletins, notices, guidelines, policies and available funding amounts.

Any amendments to this Agreement must be approved by the Board of Supervisors and executed by the Chair of the Board, except the Director of the County's Community Services Department (CSD) or designee is authorized to approve at his or her discretion and execute amendments on behalf of COUNTY as follows:

1. The Director of CSD may approve changes to the Budget attached hereto as Exhibit B. Such changes shall be limited to (a) revisions to the amounts in each Budget line item, provided that the overall amount of the Budget is not increased; and (b) additions to or deletions of Budget line items; provided that all expenditures are eligible and that the overall amount of the Budget is not increased. In no event shall an amendment be made pursuant to this subsection VI.E.1 that will result in any change to the Scope of Services attached hereto as Exhibit A.
2. The Director of Community Services may execute amendments that extend the Term or the Award Time of Performance or both by up to a maximum of 12 months. This Section shall not obligate the County to extend the length of the Term at SUBRECIPIENT's request or otherwise alter the County's rights to terminate this Agreement or reduce the award as set forth in Section VI.F. This authority may only be exercised if the extension is consistent with the terms of the PLHA Plan, PLHA Guidelines, and all other State regulations, notices, and other direction.
3. The Director of Community Services may approve administrative changes to the Agreement that are necessary in order to conform with federal, state or local governmental laws, regulations, ordinances, orders, rules, directives, circulars, bulletins, notices, guidelines, policies and available funding amounts.

#### **F. Suspension or Termination**

COUNTY may suspend or terminate this Agreement if SUBRECIPIENT materially fails to comply with the terms of federal or state regulations, including, but not limited to, the grant agreement, applications, or notices of award or any terms of the Agreement, which include, but are not limited to, the following:

- Failure to comply with any of the laws, rules, regulations, ordinances, provisions, orders, guidelines, policies, circulars, bulletins, notices or directives referred to herein, or as may become applicable at any time;
- Failure, for any reason, of SUBRECIPIENT to fulfill its obligations under this Agreement;
- Ineffective or improper use of PLHA funds provided under this Agreement;
- Actions and behavior by SUBRECIPIENT that undermines the integrity of the PLHA Program, including, but not limited to, client, child and staff endangerment, inappropriate and reckless staff behavior and health code violations; or
- Submittal of reports that are false or that are incorrect or incomplete in any material respect.

COUNTY may withhold any payments due to SUBRECIPIENT until such time as the exact amount of damages resulting from SUBRECIPIENT's breach is determined.

##### **1. Termination by COUNTY**

COUNTY may, by written notice to SUBRECIPIENT, terminate this Agreement in whole or in part at any time, whether for COUNTY's convenience, for nonappropriation of funds, or because of the failure of SUBRECIPIENT to fulfill the obligations herein.

- a. **For Convenience.** This Agreement may be terminated for convenience by COUNTY, upon written notification to SUBRECIPIENT, setting forth the effective date and, in the case of partial termination, the portion to be terminated.

- b. **For Nonappropriation of Funds.** Notwithstanding any other provision of this Agreement, in the event that no funds or insufficient funds are appropriated or budgeted by federal, state or COUNTY governments, or funds are not otherwise available for payments during the term of this Agreement, then COUNTY will notify SUBRECIPIENT of such occurrence and COUNTY may terminate or suspend this Agreement in whole or in part, with or without a prior notice period. Subsequent to termination of this Agreement under this provision, COUNTY shall have no obligation to make payments with regard to the remainder of the term.
- c. **For Cause.** Should SUBRECIPIENT default in the performance of this Agreement or materially breach any of its provisions, COUNTY may, at COUNTY's sole option, terminate or suspend this Agreement in whole or in part by written notice. Upon receipt of notice, SUBRECIPIENT shall immediately discontinue all services affected (unless the notice directs otherwise) and notify COUNTY as to the status of its performance. The date of termination shall be the date the notice is sent by COUNTY, unless the notice directs otherwise.

2. Termination by SUBRECIPIENT

This Agreement may be terminated by SUBRECIPIENT, upon written notification to COUNTY, setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However, if, in the case of a partial termination, COUNTY determines that the remaining portion of the award will not accomplish the purposes for which the award was made, COUNTY may terminate the award in its entirety.

- 3. Upon termination, SUBRECIPIENT shall deliver to COUNTY all data, estimates, graphs, summaries, reports, and all other property, records, documents or papers as may have been accumulated or produced by SUBRECIPIENT in performing this Agreement, whether completed or in process, except such items as COUNTY may, by written permission, permit SUBRECIPIENT to retain.
- 4. In the event that CONTRACTOR ceases or intends to cease to operate, (e.g., dissolution of corporate status, declaration of bankruptcy, etc.) SUBRECIPIENT shall provide COUNTY copies of all records relating to this Agreement prior to taking the first action in furtherance of ceasing operations, but in any event no later than prior to ceasing operations.
- 5. If the State of California demands reimbursement from COUNTY for COUNTY's payments to SUBRECIPIENT due to SUBRECIPIENT's failure to comply with the terms of the State's award to COUNTY, including, but not limited to, the grant agreement, assurances in an application, or a notice of award, any applicable term of this Agreement, or any law, regulation, ordinance, order, rule, directive, circular, bulletin, notice, guideline or policy referred to herein, or as may become applicable at any time, SUBRECIPIENT shall fully and completely reimburse COUNTY in the total amount of such disallowed payments.

**G. STATE and COUNTY Enforcement of PLHA Program Requirements**

COUNTY and SUBRECIPIENT acknowledge that the State will review the performance of COUNTY and SUBRECIPIENT in carrying out their responsibilities as the recipient of PLHA funds, and COUNTY must take actions as prescribed if COUNTY determines that SUBRECIPIENT is not complying with the state requirements or this Agreement.

**VII. ADMINISTRATIVE REQUIREMENTS**

**A. Financial Management**

1. Accounting Standards

SUBRECIPIENT agrees to comply with and adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

SUBRECIPIENT shall administer its program in accordance with Article V, Section 500 et seq. of the PLHA Final Guidelines. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

3. Indirect Costs

SUBRECIPIENT may charge an indirect cost allocation to its grant under this Agreement. The indirect cost allocation may not exceed ten percent of the allowable direct costs under the PLHA activity unless a higher limit for the indirect cost allocation has been previously approved.

4. Procurement

SUBRECIPIENT shall comply with the procurement requirements in Santa Barbara County Code Chapter 2, Article VI concerning the purchase of services, supplies or equipment and concerning the required maintenance of inventory and records for all services, equipment and supplies procured with funds provided herein.

5. Travel

SUBRECIPIENT shall obtain written approval from COUNTY for the use of any funds provided under this Agreement for the reimbursement of any costs incurred for travel outside the County of Santa Barbara.

**B. Documentation and Record Keeping**

1. Records to Be Maintained

SUBRECIPIENT shall comply with all reporting requirements of COUNTY and shall maintain all records required by and described in State regulations relating to the PLHA Program, including, but not limited to the PLHA and its related implementing regulations, guidance and rules, and all other records that are pertinent to the activities to be funded under this Agreement. SUBRECIPIENT agrees to maintain accounting books and records in accordance with Generally Accepted Government Auditing Standards. SUBRECIPIENT further agrees that the State and its designated representatives have the right to review and copy any records and supporting documentation pertaining to the performance of this Agreement. Such records shall include, but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records required to determine the eligibility of activities;
- c. Records supporting disbursements of PLHA funds for the performance of eligible activities;
- d. Records supporting the source and expenditure of eligible activities of PLHA;
- e. Financial records as required by Article V, Section 500 of the PLHA Final Guidelines; and
- f. Other records necessary to document compliance with applicable state and federal requirements.

2. Retention

SUBRECIPIENT shall retain all records required by or pertinent to this Agreement for five (5) years. The five-year retention period begins on the date that all funds from the Agreement under which



a program participant was served are expended and the final payment for eligible expenses have been submitted to COUNTY BY SUBRECIPIENT and have been paid by COUNTY. Notwithstanding the above, if there is litigation, claims, demands, audits, negotiations, disputes or other actions that involve any of the records and that have started before the expiration of the required retention period, then such records must be retained until completion of the actions and final resolution of all issues, or the expiration of the required retention period, whichever occurs later.

3. Ownership of Documents

Each and every report, draft, map, record, plan, document and other writing (hereinafter "Documents") produced, prepared or caused to be produced or prepared by SUBRECIPIENT, its officers, employees, agents, representatives, contractors and subcontractors, in the course of performing this Agreement, shall be and become the exclusive property of COUNTY, and COUNTY shall have the sole right to use such materials in its sole discretion without further compensation to SUBRECIPIENT or any other party. SUBRECIPIENT shall, at SUBRECIPIENT's own expense, provide such Documents to COUNTY upon COUNTY'S written request.

4. Disclosure

SUBRECIPIENT understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of COUNTY or SUBRECIPIENT's responsibilities with respect to services provided under this Agreement, may be prohibited under federal or state law unless written consent is obtained from such person receiving services and, in the case of a minor, that of a responsible parent/guardian. COUNTY shall disclose any information required by state or federal law, unless there is an applicable exception.

5. Audits and Inspections

All SUBRECIPIENT records with respect to any matters covered by this Agreement shall be made available to COUNTY, State or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make copies, excerpts or transcripts of all relevant data. Any deficiencies, audit findings, or required corrective actions noted in audit reports must be fully cleared by the SUBRECIPIENT within 30 days after receipt by SUBRECIPIENT unless a longer time period is agreed upon in writing by the COUNTY. SUBRECIPIENT hereby agrees to have an annual program-specific audit conducted by a certified public accounting firm in accordance with Article V, Section 501 of the PLHA Final Guidelines and current COUNTY policy and requirements concerning audits.

Since this Agreement exceeds ten thousand dollars (\$10,000.00), SUBRECIPIENT shall be subject to the examination and audit of the California State Auditor, at the request of the COUNTY or as part of any audit of the COUNTY, for a period of three (3) years after final payment under this Agreement (Cal. Govt. Code Section 8546.7). SUBRECIPIENT shall participate in any audits and reviews, whether by COUNTY or the State, at no charge to COUNTY.

If State or COUNTY audit exceptions are made relating to this Agreement, SUBRECIPIENT shall reimburse all costs incurred by state, and/or COUNTY governments associated with defending against the audit exceptions or performing any audits or follow-up audits, including but not limited to: audit fees, court costs, attorneys' fees based upon a reasonable hourly amount for attorneys in the community, travel costs, penalty assessments and all other costs of whatever nature. Immediately upon notification from COUNTY, SUBRECIPIENT shall reimburse the amount of the audit exceptions and any other related costs directly to COUNTY as specified by COUNTY in the notification.

SUBRECIPIENT agrees to maintain all records required by or pertinent to this Agreement for possible audit by the State and its designated representatives for possible audit for a minimum of five (5) years after the Term.

6. Access to Records

SUBRECIPIENT shall furnish and cause each of its own contractors and subcontractors to furnish all information and reports required hereunder and will permit access to books, records and accounts by COUNTY, State or other authorized officials or their agents, to ascertain compliance with the laws, rules, regulations, executive orders, ordinances, resolutions, guidelines, policies, directives, standards and provisions stated in this Agreement or PLHA.

**C. Reports**

SUBRECIPIENT shall provide COUNTY with PLHA Quarterly Status Reports, in the form attached hereto as Exhibit C, on or before the twentieth day of each October, January, April and July during the Term, setting forth SUBRECIPIENT'S activities for the previous quarter. Further, should the State require additional reports, SUBRECIPIENT agrees to submit in a timely fashion in a manner and format approved by the COUNTY and State.

**VIII. PERSONNEL AND PARTICIPANT CONDITIONS**

**A. Civil Rights**

1. Nondiscrimination

SUBRECIPIENT shall comply with Title VIII of the Civil Rights Act of 1968 (42 U.S.C., § 3601 et seq.); Title I of the Housing and Community Development Act of 1974 (42 U.S.C., § 5301 et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C., § 12101 et seq.); the Age Discrimination Act of 1975 (42 U.S.C., § 6101 et seq.); Executive Order 11063; and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086; and all implementing regulations, and all as may be amended. SUBRECIPIENT shall comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 5.105(a) and 24 CFR 576.407. The applicable non-discrimination provisions in Section 109 of the Housing and Community Development Act are still applicable. In addition, COUNTY's Unlawful Discrimination Ordinance (Article XIII of Chapter 2 of the Santa Barbara County Code) applies to this Agreement and is incorporated herein by this reference with the same force and effect as if the Ordinance were specifically set out herein and SUBRECIPIENT agrees to comply with said Ordinance.

**B. Affirmative Action**

1. Affirmative Outreach

SUBRECIPIENT shall make known that use of its facilities, assistance, and services are available to all on a nondiscriminatory basis in accord with 24 CFR 576.407(b). Pursuant to and in accord with Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.) and the President's Executive Order 13166, SUBRECIPIENT is also required to take reasonable steps to ensure meaningful access to programs and activities for Limited English Proficiency (LEP) persons.

2. Women- and Minority-Owned Businesses (W/MBE)

SUBRECIPIENT will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the terms "small business" means a business that meets the criteria set forth in Section 3(a) of the Small Business Act, as amended (15 U.S.C. § 632), and "minority and women's business enterprise" means a business that is at least fifty-one (51) percent owned and controlled by minority group members or women. For the

purpose of this definition, “minority group members” are African Americans; Spanish-speaking, Spanish-surnamed, or Spanish-heritage Americans; Asian Americans; and American Indians. SUBRECIPIENT may rely on written representations by businesses regarding their status as minority and women’s business enterprises in lieu of an independent investigation.

3. Subcontract Provisions

SUBRECIPIENT will include the provisions of Titles VI and VII of the Civil Rights Act of 1964, as amended, in every contract, subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own contractors, subcontractors and vendors.

**C. Employment Restrictions**

1. Prohibited Activity

SUBRECIPIENT is prohibited from using PLHA funds provided herein or personnel employed in the performance of the activities set out in the Scope of Services under this Agreement for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

2. Labor Standards Requirements

SUBRECIPIENT shall comply with federal Fair Labor Standards Act requirements as well as all labor laws and regulations of the State of California and COUNTY. Where funds provided through this Agreement are used for construction work, or in support of construction work, SUBRECIPIENT shall ensure that the requirements of Chapter 1 (commencing with Section 1720) of Part 7, Division 2 of the State of California Labor Code (pertaining to payment of prevailing wages and administered by the California Department of Industrial Relations) are met.

**D. Conduct**

1. Assignability

SUBRECIPIENT shall not assign or transfer any interest in this Agreement without the prior written consent of COUNTY thereto and any attempt to so assign or so transfer without such consent shall be voidable and without legal effect and shall constitute grounds for termination; provided, however, that claims for money due or to become due to SUBRECIPIENT from COUNTY under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to COUNTY.

2. Contracts and Subcontracts

a. Approvals

SUBRECIPIENT shall not enter into any contracts or subcontracts with any agency or individual to perform services under this Agreement, in whole or in part, without the written consent of COUNTY prior to the execution of such agreement. A Contractor or subcontractor is not eligible to receive PLHA funds if the Contractor is not licensed and in good standing in the State of California or is listed on the Federal Consolidated List of Debarred, Suspended and Ineligible Contractors.

b. Monitoring

SUBRECIPIENT will monitor all contracted and subcontracted services on a regular basis to assure compliance with this Agreement. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance. SUBRECIPIENT shall retain all written reports and submit such reports upon COUNTY’s request.

c. Content

SUBRECIPIENT shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any contract or subcontract executed by a contractor or subcontractor for that contractor's or subcontractor's performance of this Agreement.

e. Insurance

SUBRECIPIENT shall undertake to ensure that all contracts and subcontracts let in the performance of this Agreement comply with minimum State-required Worker's Compensation insurance and all insurance and indemnification provisions set forth in the Standard Indemnification and Insurance Provisions

3. Hatch Act

SUBRECIPIENT agrees that no funds provided, nor personnel employed, under this Agreement, shall be in any way or to any extent used for or engaged in the conduct of political activities in violation of 5 U.S.C., § 7321 et seq. or 5 CFR Parts 733 and 734, all as may be amended.

4. Conflicts of Interest

SUBRECIPIENT agrees to abide by and keep records to show compliance with the organizational and individual conflicts of interest provisions of the PLHA Final Guidelines, which include, but are not limited to, the following:

- a. SUBRECIPIENT shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees, agents or consultants engaged in the award and administration of contracts supported by PLHA funds.
- b. No employee, officer, agent or consultant of SUBRECIPIENT shall participate in the selection, or in the award, or administration of, a contract supported by PLHA funds if a conflict of interest, real or apparent, would be involved.
- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to PLHA-funded activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the PLHA-funded activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the PLHA-funded activity, or with respect to the proceeds derived from the PLHA-funded activity, either for themselves or those with whom they have business or family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of COUNTY, SUBRECIPIENT, or any designated public agency.

SUBRECIPIENT must promptly disclose to the COUNTY, in writing, any potential conflict of interest.

5. Copyright

If this Agreement results in any material, works or inventions that may be protected by copyright, trademark, or patent, COUNTY, and/or State reserves the right to a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the materials, works or inventions for governmental purposes.

COUNTY shall be the owner of the following items incidental to this Agreement upon production, whether or not completed: all data collected, all documents of any type whatsoever, and any

material necessary for the practical use of the data and/or documents from the time of collection and/or production whether or not performance under this Agreement is completed or terminated prior to completion. SUBRECIPIENT shall not release any materials under this section except after prior written approval of COUNTY.

No materials produced in whole or in part under this Agreement shall be subject to copyright in the United States or in any other country except as determined at the sole discretion of COUNTY. COUNTY shall have the unrestricted authority to publish, disclose, distribute, and otherwise use in whole or in part, any reports, data, documents or other materials prepared under this Agreement.

**A. California Environmental Quality Act**

This Agreement is subject to the provisions of the California Environmental Quality Act (CEQA). SUBRECIPIENT assumes responsibility to fully comply with CEQA's requirements regarding the Work. In addition, SUBRECIPIENT shall comply with the environmental requirements of 24 CFR 576.407, subdivision (d). The obligation of funds and incurring of costs is hereby conditioned upon compliance with CEQA, 24 CFR Section 576.407, subdivision (d), and completion by the State of all applicable review and approval requirements.

**IX. SEVERABILITY**

If any provision of this Agreement is held invalid, illegal or unenforceable, then such provision shall be deemed severable from the remaining provisions hereof, and, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

**X. SECTION HEADINGS AND SUBHEADINGS**

The section headings and subheadings contained in this Agreement are included for convenience only and shall not affect the meaning, construction or effect of the terms of this Agreement.

**XI. WAIVER**

COUNTY's delay or failure to act with respect to a breach by the SUBRECIPIENT shall not constitute or be construed as a waiver of COUNTY's rights with respect to subsequent or similar breaches. Any delay or failure of COUNTY to exercise or enforce any right or provision of this Agreement shall not constitute a waiver of such right or provision, and every power and remedy given by this Agreement to COUNTY shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of COUNTY.

**XII. ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the COUNTY and the SUBRECIPIENT for the use of funds received under this Agreement and it supersedes all prior and contemporaneous communications and proposals, whether electronic, oral, or written between the COUNTY and the SUBRECIPIENT with respect to this Agreement. Each party waives the future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or change by any oral agreements, course of conduct, waiver or estoppel.

**XIII. REMEDIES NOT EXCLUSIVE**

No remedy herein conferred upon or reserved to COUNTY is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

**XIV. TIME IS OF THE ESSENCE**

Time is of the essence in this Agreement and each covenant and term is a condition herein.

**XV. NONEXCLUSIVE AGREEMENT**

SUBRECIPIENT understands that this is not an exclusive Agreement and that COUNTY shall have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by SUBRECIPIENT as COUNTY desires.

**XVI. CALIFORNIA LAW**

This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in state court, or in the federal district court nearest to the County of Santa Barbara, if in federal court.

**XVII. EXECUTION OF COUNTERPARTS**

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

**XVIII. AUTHORITY**

All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, SUBRECIPIENT hereby warrants that it shall not have breached the terms or conditions of any other contract or agreement to which SUBRECIPIENT is obligated, which breach would have a material effect hereon.

**XIX. PRECEDENCE**

In the event of conflict between the provisions contained in the numbered sections of this Agreement and the provisions contained in the Exhibits, the provisions of this Agreement shall prevail over those in the Exhibits.

[Signatures on Following Pages]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the date set forth above.

ATTEST:  
MONA MIYASATO  
CLERK OF THE BOARD

"COUNTY"  
COUNTY OF SANTA BARBARA:

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

By: \_\_\_\_\_  
Laura Capps, Chair  
Board of Supervisors

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

Signed by:  
By: Shawna Jorgensen  
DF6DB6D7D6344E6...  
Deputy Auditor-Controller  
Shawna Jorgensen

DocuSigned by:  
By: Jesús Armas  
E33B804A6E03475...  
Jesus Armas  
Community Services Director

APPROVED AS TO FORM:  
RACHEL VAN MULLEM  
COUNTY COUNSEL

Signed by:  
By: Lauren Wideman  
8F464D822C84458...  
Lauren Wideman, Deputy County Counsel

APPROVED AS TO FORM:  
GREG MILLIGAN, ARM, AIC  
RISK MANAGEMENT

Signed by:  
By: Greg Milligan  
05F555F00269466...  
Risk Manager

"SUBRECIPIENT"  
People's Self-Help Housing Corporation

DocuSigned by:  
By: Kenneth Trigueiro  
E48EC0265CFC433...  
Kenneth Trigueiro, President & CEO

EXHIBIT A

Scope of Services  
Permanent Local Housing Allocation Funding

**Project Title:** Skylight Homes Down Payment Assistance Program

A. INTRODUCTION

This Scope of Services is attached to and incorporated into the Subrecipient Agreement between the County of Santa Barbara (“COUNTY”) and People’s Self-Help Housing Corporation (“SUBRECIPIENT”) as referenced in the Agreement. The purpose of this Scope of Services is to further describe the project requirements referenced in Section I of the Agreement.

B. PROJECT DESCRIPTION

1. **Purpose:** The purpose of SUBRECIPIENT’s Skylight Homes Down Payment Assistance Program is to expand homeownership opportunities for low-income and moderate-income households who have been shut out of the Santa Barbara County housing market due to high housing costs (“Project”). The Project provides a 30-year deferred down payment loan to overcome financial barriers to homeownership. SUBRECIPIENT has already obtained Joe Serna Farmworker Housing down payment assistance through State HCD for 16 of the low-income homes to be built, but the remaining 24 low income homes will need additional down payment assistance. The \$150,000 of PLHA funds provided hereunder will be used by SUBRECIPIENT for down payment assistance to help with closing the SUBRECIPIENT’s funding gap of approximately \$3,000,000 needed in down payment assistance for 1 or 2 of the 24 remaining low-income homes. The Skylight Homes Down Payment Assistance Program will have the positive impact of providing low-income households with secure and affordable housing that stabilizes housing costs, helps build family wealth over time, supports better health for children, and reduces incidences of crime.
- a. **Services:** SUBRECIPIENT shall provide down payment loans to one or two first-time income-qualified homebuyers (each a “client”). Specific client services provided by SUBRECIPIENT shall include: provision of information on the loan program and application process, technical assistance in completing the loan application, and provision of a 30-year deferred-payment down payment loan.

b. State Regulatory Information

SUBRECIPIENT will follow the rules, regulations, and guidelines of the State of California CalHome program.

Activity	Regulation
Down Payment Assistance Program	Joe Serna Farmworker Housing Program State PLHA program guidelines
Promissory Note and Deed of Trust	As approved by the Joe Serna Farmworker Housing Program, and the COUNTY, in a form substantially similar to the forms attached to the Subrecipient Agreement as Exhibit F.

- c. **Eligible Geographic Area:** All homes purchased with funds under this Agreement must be located within the City limits of Santa Maria, California.



## 1. Levels of Accomplishment

GOALS: SUBRECIPIENT shall provide the following levels of Services during the Term of the Agreement:

Services	Goal
Estimated total unduplicated number of persons served	3-5
Estimated total unduplicated number of households served	1-2

PERFORMANCE MEASURES: SUBRECIPIENT shall meet the following performance measures during the Term of the Agreement:

Services	Goal
Receive and process loan applications	1 or 2 loan applicants receive a loan commitment for a down payment loan
Close and fund the down payment loan	1 or 2 homebuyers close escrow and purchase an entry-level home

## 2. DATA COLLECTION AND REPORTING

### 1. General

SUBRECIPIENT must collect Project data in accordance with the PLHA Program Guidelines.

SUBRECIPIENT shall provide requested data in accordance with PLHA Program Guidelines and as requested by the County of Santa Barbara. SUBRECIPIENT shall collect information on the down payment loan made to each client, including: the property address and sales price; closing date; amount of the down payment loan; household income level; whether the client is a senior, veteran or disabled and, demographic information voluntarily provided and authorized by the client. SUBRECIPIENT must also provide copies of the Income Certification, Settlement Statement, Loan Disclosure and executed loan documents, if requested by COUNTY. SUBRECIPIENT shall protect client personal financial and identification information.

### 2. Report Schedule

SUBRECIPIENT must provide Status Reports to COUNTY that are due according to the following schedule:

Period	Due Date
July 1 – September 30, 2025	October 20, 2025
October 1 – December 31, 2025	January 20, 2026
January 1 – March 31, 2026	April 20, 2026
April 1 – June 30, 2026	July 20, 2026

COUNTY's disbursement of funds hereunder is contingent upon its timely receipt of SUBRECIPIENT's Status Reports.

### 3. Report Content

Each of SUBRECIPIENT's Status Reports must contain all of the following:

- Subrecipient Report generated by SUBRECIPIENT;
- Data on goals and permanent measures as set forth in Section B, above;
- Data on funding received for the Project from all sources; and
- Signature of SUBRECIPIENT's Executive Director attesting to the accuracy of the information submitted.

## EXHIBIT B – ATTACHMENT 1

Project Sources			
Construction Sources	Total	Per Home	Committed
Sitework loan	\$3,277,066	\$66,879	\$0
Construction loan	\$15,019,062	\$306,511	\$0
HCD Joe Serna Farmworker Housing	\$3,684,000	\$75,184	\$3,684,000
HCD Joe Serna Farmworker TA Grant	\$320,000	\$6,531	\$320,000
AHP/CalHome/NMTC	\$3,450,000	\$70,408	\$0
SB Co PLHA	\$150,000	\$3,061	\$0
PSHHC Cash	\$2,272,404	\$46,376	\$0
<b>Total Sources</b>	<b>\$28,172,532</b>	<b>\$574,950</b>	<b>\$4,004,000</b>

  

Permanent Sources	Total	Per Home	Committed
Serna Home Sales (Net of Subsidy)	\$5,136,419	\$321,026	\$0
Low Income Home Sales (Net of Subsidy)	\$9,807,113	\$408,630	\$0
Mod Income Home Sales	\$5,625,000	\$625,000	\$0
HCD Joe Serna Farmworker Housing	\$4,004,000	\$81,714	\$4,004,000
AHP/CalHome/NMTC	\$3,450,000	\$70,408	\$0
SB Co PLHA	\$150,000	\$3,061	\$0
<b>Total Sources</b>	<b>\$28,172,532</b>	<b>\$574,950</b>	<b>\$4,004,000</b>

EXHIBIT B- ATTACHMENT 2

Project Budget		
Soft Costs	Total Cost	Cost Per Home
Land	\$2,900,000	\$59,184
Reports/Consultants	\$43,055	\$879
Engineering	\$206,269	\$4,210
Architecture	\$154,100	\$3,145
Property Tax	\$193,000	\$3,939
Loan Interest	\$1,554,000	\$31,714
Loan Fees	\$337,414	\$6,886
Fees	\$2,863,210	\$58,433
Insurance	\$117,600	\$2,400
Supervision/Overhead	\$1,200,000	\$24,490
<b>Total Soft Costs</b>	<b>\$9,568,648</b>	<b>\$195,279</b>
Construction	Total Cost	Cost Per Home
Demo	\$106,784	\$2,179
Sitework	\$4,597,100	\$93,818
Self-Help Home Construction (40)	\$11,200,000	\$280,000
Contractor Built Home Construction (9)	\$2,700,000	\$300,000
<b>Total Construction</b>	<b>\$18,603,884</b>	<b>\$381,602</b>
<b>Total Cost</b>	<b>\$28,172,532</b>	<b>\$574,950</b>
<b>Self-Help Home Cost (Low Income)</b>	\$571,276	
<b>Contractor Built Home Cost</b>	\$591,276	

## EXHIBIT C – QUARTERLY STATUS REPORT



# Quarterly Status Report

## Permanent Local Housing Allocation

County of Santa Barbara  
Community Services Department

**Instructions:** Submit this status via Neighborly Software

<input type="checkbox"/> Quarter 1 7/1/25-9/30/25	<input type="checkbox"/> Quarter 2 10/1/25-12/31/25	<input type="checkbox"/> Quarter 3 1/1/26-3/31/26	<input type="checkbox"/> Quarter 4 4/1/26-6/30/26
Agency <u>People's Self Help Housing Corporation</u>		Contact Person <u>Kenneth Trigueiro</u>	
Project <u>Skylight Homes Down Payment Assistance Program</u>		Phone Number <u>805-781-3088</u>	
Contract # _____		Email Address <u><a href="mailto:KennethT@pshhc.org">KennethT@pshhc.org</a></u>	

### 1. PLHA Subrecipient Report

Generate a Subrecipient Report for the reporting period and attach any print-out to this report.

### 2. Accomplishments

#### Goals

	Goal	Quarter	Year-to-Date
Total unduplicated number of persons served	3-5		
Total unduplicated number of households served	1-2		

#### Performance Measures

	Goal	Quarter	Year to Date
Homebuyer Education Training	1-2 Applicants		
Receive and Process Loan Applications	1-2 Applicants		
Provide Closing Costs Grants	1-2 Homebuyers		
Close and Fund the Down Payment Loan	1-2 Homebuyers		
# of Extremely Low Income (0-30% AMI) Households assisted			
# of Very Low Income (max 50% AMI) Households assisted			
# of Households at or below 60% AMI assisted			
# of Low-Income Households (max 80% AMI) assisted			
# of Moderate-Income Households assisted (max 120% AMI or 150% AMI in high cost areas)			
Total Number of Seniors (65+) Assisted			
Total Number of Veterans Assisted			
Total Number of Disabled Persons Assisted			
Total Number of Families with Minor Children Assisted			
Total Number of Transition Youth (18-24 y/o) Assisted			
Total Number of Farmworkers Assisted			

#### Narrative

Describe the project’s progress in meeting the goals and performance measures as set forth in the Subrecipient Agreement. If the project is not performing as planned, provide an explanation.

3. Race & Ethnicity Data

	Quarter	Program-to-Date
	Total	Total
RACE		
White		
Black/African American		
Asian		
American Indian/Alaskan Native		
Native Hawaiian/Other Pacific Islander		
American Indian/Alaskan Native & White		
Asian & White		
Black/African American & White		
American Indian/Alaskan Native & Black/African American		
Other multi-racial		
Totals in RACE		
ETHNICITY1		
Hispanic or Latino2		
Not Hispanic or Latino		
Totals in ETHNICITY		

4. Project Funding

Report funding received for the **project** during the quarter and year-to-date by source.

Additional Funding Sources

	Amount	
Cal Home	\$	
Other Local Funds	\$	
Private Trusts and Foundation Funds	\$	
Donations	\$	
Other		
Total	\$	

5. Additional Comments

1 Totals in race and Ethnicity must be equal to each other. Please state a Race and Ethnicity for each client.  
2 Subset of total per racial category. Hispanic or Latino refers to a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

Provide any additional comments on areas of this report that need explanation.

6. Submission Certification

I certify that all information stated in and attached to this report is true and accurate.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name & Title: \_\_\_\_\_



## EXHIBIT E

### **Indemnification and Insurance Requirements (For Service Contracts Not Requiring Professional Liability Insurance)**

#### INDEMNIFICATION

SUBRECIPIENT 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. SUBRECIPIENT'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

SUBRECIPIENT 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

SUBRECIPIENT 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 SUBRECIPIENT, 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 \$2,000,000 per occurrence and \$4,000,000 in the aggregate.
2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if SUBRECIPIENT 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. **(Not required if SUBRECIPIENT provides written verification that it has no employees)**

If the SUBRECIPIENT maintains higher limits than the minimums shown above, the COUNTY requires and shall be entitled to coverage for the higher limits maintained by the



SUBRECIPIENT. 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 SUBRECIPIENT 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 SUBRECIPIENT'S insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used).
2. **Primary Coverage** – For any claims related to this Agreement, the SUBRECIPIENT'S insurance coverage shall be primary insurance as respects the COUNTY, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the COUNTY, its officers, officials, employees, agents or volunteers shall be excess of the SUBRECIPIENT'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. **Waiver of Subrogation Rights** – SUBRECIPIENT hereby grants to COUNTY a waiver of any right to subrogation which any insurer of said SUBRECIPIENT may acquire against the COUNTY by virtue of the payment of any loss under such insurance. SUBRECIPIENT agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the COUNTY has received a waiver of subrogation endorsement from the insurer.
5. **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 SUBRECIPIENT 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.
6. **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".
7. **Verification of Coverage** – SUBRECIPIENT 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 SUBRECIPIENT'S obligation to provide them. The SUBRECIPIENT 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.
8. **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.

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

10. **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. SUBRECIPIENT agrees to execute any such amendment within thirty (30) days of receipt.

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.

EXHIBIT F  
PROMISSORY NOTE AND DEED OF TRUST

PEOPLE'S SELF-HELP HOUSING CORPORATION

PROMISSORY NOTE

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

\$X

Date:

FOR VALUE RECEIVED, the undersigned, **BORROWER NAME** (the "Borrowers") hereby promises to pay to the order of People's Self-Help Housing Corporation ("Lender") at the following address 1060 Kendall Road, San Luis Obispo, CA 93401 or at such other place as the holder may from time to time designate by written notice to Borrower, in lawful money of the United States, the sum of X Dollars (**\$X**) with simple interest at the rate of **3** percent per annum on the unpaid principal balance from the date of this Note, until paid. The obligation of the Borrower with respect to this Note is secured by that certain Deed of Trust executed by the Borrowers concurrently herewith.

1. **Borrowers' Obligation.** This Note evidences the obligation of the Borrower to the Lender for the repayment of funds loaned (the "Loan") to finance the purchase of that certain real property (the "Property"), which has the address of **STREET,** **CITY,** California **ZIP CODE**,  
(Street) (City) (Zip Code)  
more fully described in the Deed of Trust.
2. **Repayment of Loan Principal and Interest.** No periodic payments are required hereunder. Borrower agrees to pay the unpaid principal balance, unpaid accrued interest, and any other amounts due under this Note upon the earlier of:
  - (a) **30 years from the date of this Note;** or
  - (b) Upon refinancing of any debt that is secured by a lien on the Property; or
  - (c) Upon sale, transfer, lease, or encumbrance of all or any interest in the Property without Lender's prior written consent, except for a transfer permitted in Paragraph 4; or

- (d) Upon the maturity date, or full repayment, of any debt that is secured by a lien on the Property that is senior to the Deed of Trust; or
- (e) Upon Borrower's failure to occupy the Property as Borrower's principal place of residence.

3. Permitted Transfers.

This Loan is not assumable except under the following limited circumstances:

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

4. Acceleration of Payment. The principal amount of this loan, together with any then outstanding accrued interest thereon shall become immediately due and payable, at the option of the holder and without demand or notice, upon the occurrence of any of the following events:

- (a) In the event of a default under the terms of this Note or the Deed of Trust;
- (b) In the event that the Borrower shall cease to occupy the Property as Borrower's principal place of residence; or
- (c) In the event of any sale, transfer, lease, or encumbrance of the Property without Lender's prior written consent in violation of Paragraph 4 of this Note.

5. Effect of Due-on Sale Clause. Failure of the holder to exercise the option to accelerate payment as provided in Paragraph 5 of this Note will not constitute waiver of the right to exercise this option in the event of subsequent cause for acceleration. Failure by Borrower to occupy the Property as Borrower's principal place of residence shall be considered an on-going event of default under this Note.

6. Place and Manner of Payment. All amounts due and payable under this Note are payable at the principal office of the Lender set forth above, or at such other place or places as the Lender may designate to the Borrower in writing from time-to-time.

7. Application of Payments. All payments received on account of this Note shall be first applied to accrued interest, if any, and the remainder shall be applied to the reduction of principal.

8. Attorney's Fees. The Borrower hereby agrees to pay all costs and expenses, including reasonable attorney's fees, which may be incurred by the Lender in the enforcement of this Note.

9. Default and Acceleration. All covenants, conditions and agreements contained in the Deed of Trust are hereby made a part of this Note. The Borrower agrees that the unpaid balance of the then principal amount of this Note, together with all accrued interest thereon and charges owing, shall, at the option of

the Lender or, if so provided in this Note and Deed of Trust executed by the Borrower, shall automatically, become immediately due and payable, and thereafter until paid bear interest at the rate of 10 % per annum, upon the failure of the Borrower to make any payment hereunder as and when due; upon the failure of the Borrower to perform or observe any other term or provision of this Note, or upon the occurrence of any event (whether termed default, event of default or similar term) which under the terms of the Deed of Trust, shall entitle the Lender to exercise rights or remedies thereunder.

10. Notices. Except as may be otherwise specified herein, any approval, notice, direction, consent, request or other action by the Lender shall be in writing and must be communicated to the Borrower at the address of the Property, or at such other place or places as the Borrower shall designate to the Lender in writing, from time to time, for the receipt of communications from the Lender. Mailed notices shall be deemed delivered and received five (5) working days after deposit in the United States mails in accordance with this provision
11. Prepayment Policy: Borrower may prepay this Note at any time without penalty.
12. Governing Law. This Note shall be construed in accordance with and be governed by the laws of the State of California.
13. Severability. If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.
14. No Waiver by the Lender. No waiver of any breach, default or failure of condition under the terms of the Note or Deed of Trust shall thereby be implied from any failure of the Lender to take, or any delay by the Lender in taking action with respect to such breach, default or failure or from any previous waiver of any similar or unrelated breach, default or failure; and a waiver of any term of the Note, Deed of Trust, or any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.
15. Successors and Assigns. The promises and agreements herein contained shall bind and inure to the benefit of, as applicable, the respective heirs, executors, administrators, successors and assigns of the parties.

Executed as of the date set forth above at \_\_\_\_\_, California  
(City)

\_\_\_\_\_  
**BORROWER NAME**

\_\_\_\_\_  
**BORROWER NAME**

Mailing Address for Notices:

**BORROWER STREET ADDRESS**  
**BORROWER CITY, STATE & ZIP**

**Recording requested by:**

Title Company  
TITLE CO ADDRESS  
TITLE CO CITY, STATE & ZIP

**When recorded return to:**

**Attn: Home Ownership Department**  
**People's Self-Help Housing Corporation**  
**1060 Kendall Rd.**  
**Santa Barbara, CA 93401**

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APN: APN #

## **PEOPLES' SELF-HELP HOUSING CORPORATION**

### **DEED OF TRUST**

This Deed of Trust is made on DATE, by BORROWER NAMES (the "Borrower") and TRUSTEE (TITLE CO) (the "Trustee"), whose business address is TITLE CO ADDRESS, in favor of People's Self-Help Housing Corporation ("Lender") or Assignee, whose address is 1060 Kendall Rd., Santa Barbara, CA 93401.

The restrictions contained in this Deed of Trust will automatically terminate if title to the mortgaged property is transferred by foreclosure or deed-in-lieu of foreclosure, or if the mortgage is assigned to the HUD Secretary.

**1. BORROWER, IN CONSIDERATION OF THE INDEBTEDNESS HEREIN RECITED AND THE TRUST HEREIN CREATED, HEREBY IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS** to Trustee in trust, with power of sale and right of entry and possession, all of Borrower's right, title and interest now held or hereafter acquired in and to the following: (a) all of that certain real property (the "Property") located at PROPERTY ADDRESS in the County of Santa Barbara, and the State of California, which is more particularly described as; Lot # of Tract 6033, in the City of Santa Maria, County of Santa Barbara, State of California, as per map filed in book X pages X through X inclusive of maps in the office of the County Recorder of said county; and (b) all buildings, improvements and fixtures now or hereafter erected thereon, and all appurtenances, easements, and articles of property now or hereafter affixed to, placed upon or used in connection with the Property, together with all additions to, substitutions for, changes in or replacements of the whole or any part of said articles of property; all of which are hereby pledged and assigned, transferred, and set over onto Trustee, and for purposes of this Deed of Trust declared to be part of the realty; provided, however, that furniture and other personal property of Borrower now or hereafter situated on said real property are not intended to be included as part of the Property.

**2. FOR THE PURPOSE OF SECURING:**

- 2.1.** Repayment of the indebtedness evidenced by that certain Promissory Note of the Borrower dated DATE, and entitled Peoples' Self-Help Housing Corporation Promissory Note (the "Note") of the Borrower in the principal amount of X Dollars (\$X) together with simple interest on such indebtedness according to the terms of the Note, and any and all amendments, modifications, extensions or renewals of the Note. (ADD DESCRIPTION OF 2<sup>ND</sup> NOTE IF THERE IS ONE)
- 2.2.** Payment of such additional sums, with interest thereon:

- (a) As may hereafter be borrowed from Lender by the then-record owner of the Property and evidenced by a promissory note or notes reciting that it or they are so secured and all modifications, extensions, or renewals of the Note(s); and
- (b) As may be incurred, paid, or advanced by Lender, or as may otherwise be due to Trustee or Lender, under any provision of this Deed of Trust and any modification, extension, or renewal of this Deed of Trust; and
- (c) As may otherwise be paid or advanced by Lender to protect the security or priority of this Deed of Trust.

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

### **3. BORROWER COVENANTS:**

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

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

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

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

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

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

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

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

#### **4. IT IS MUTUALLY AGREED THAT:**

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

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

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

**4.4. Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, arrangements or proceedings involving a bankrupt or decedent, foreclosure of any mortgage secured by the Property or sale of the Property under a power of sale of any instrument secured by the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearance, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs.

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

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

**4.6. Awards and Damages.** All judgments, awards of damages, settlements and compensation made in connection with or in lieu of (a) taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (b) any damage to or destruction of the Property or any part thereof by insured casualty, and (c) any other injury or damage to all or any part of the Property, are hereby assigned to and shall be paid to the Lender.



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

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

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

**4.9. The Lender's Rights to Release.** Without affecting the liability of any person for payment of any indebtedness hereby secured (other than any person released pursuant hereto), including without limitation any one or more endorsers or guarantors, and without affecting the lien hereof upon any of the Property not released pursuant hereto, at any time and from time to time without notice: (a) The Lender may, at its sole discretion, (I) release any person now or hereafter liable for payment of any or all such indebtedness. (II) extend the time for or agree to alter the terms of payment of any or all of such indebtedness, and (III) release or accept additional security for such indebtedness, or subordinate the lien or charge hereof; and (b) Trustee, acting pursuant to the written request of the Lender, may reconvey all or any part of the Property, consent to the making of any map or plot thereof, join in granting any assessment thereon, or join in any such agreement of extension or subordination.

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

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

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

- (d) A transfer to an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.

If, at any point prior to the repayment of the deed in full, the property is no longer the primary residence of the homeowner for any reason, repayment will be subject to Section 302(c)(6) of the PLHA Guidelines. Amounts repaid to County shall be deposited in City's PLHA account to be reused for additional down payment assistance consistent with PLHA Regulations and HCD Guidelines.

## 5. EVENTS OF DEFAULT

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

### 5.2. Acceleration and Sale.

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

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

(c) **Sale.** After delivery to Trustee of a Notice of Default and Demand for Sale and after the expiration of such time and the giving of such notice of default and sale as may then be required by law, and without demand on Borrower Trustee shall sell the Property at the time and place of sale fixed by it in said notice of sale, at public auction to the highest bidder for cash in lawful money of the United States of America, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale and from time to time thereafter may postpone such sale by public announcement

at the time and place fixed by the preceding postponement. Any person, including Borrower, Trustee or the Lender, may purchase at such sale. Upon such sale by Trustee it shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty expressed or implied. The recitals in such deed of any matters or facts shall be conclusive proof of their truthfulness. Upon sale by Trustee and after deducting all costs, expenses and fees of Trustee and of this Deed of Trust, Trustee shall apply the proceeds of sale to the payment of the principal indebtedness hereby secured, whether evidenced by the Note or otherwise, or representing advances made or costs or expenses paid or incurred by the Lender under this Deed of Trust, or the secured obligations or any other instrument evidencing or securing any indebtedness hereby secured and to the payment of all other sums then secured thereby, including interest as provided in this Deed of Trust, the secured obligations or any other such instrument, in such order as the Lender shall direct; and then the remainder, if any, shall be paid to the person or persons legally entitled thereto.

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

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

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

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

## **6. MISCELLANEOUS PROVISIONS**

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

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

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

- 6.4. **Terms.** The words “the Lender” means the present Lender, or any future owner or holder, including pledgee of the indebtedness secured hereby.
- 6.5. **Obligations of Borrower.** If more than one person has executed this Deed of Trust as “Borrower,” the obligations of all such persons hereunder shall be joint and several.
- 6.6. **Severability.** If any provision of this Deed of Trust shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.
- 6.7. **Indemnification.** Borrower will indemnify and hold the Lender, its officers and agents harmless against any and all losses, claims, demands, penalties and liabilities which the Lender, its officers or agents may sustain or suffer by reason of anything done or omitted in good faith pursuant to or in connection with this Deed of Trust and not assert any claim against the Lender, its officers or agents by reason of any action so taken or omitted. Borrower shall, at Borrower’s expense, defend, indemnify, save and hold the Lender, its officers and agents harmless from any and all claims, demands, losses, expenses, damages (general, punitive or otherwise), causes of action (whether legal or equitable in nature) asserted by any person, firm, corporation or other entity arising out of this Deed of Trust and Borrower shall pay the Lender upon demand all claims, judgments, damages, losses or expenses (including reasonable legal expense) incurred by the Lender as a result of any legal action arising out of this Deed of Trust.
- 6.8. **Notice.** Except for any notice required under applicable law to be given in another manner (a) any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by certified mail directed to the Property Address or any other address Borrower designates by notice to Lender as provided herein; and, (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender’s mailing address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall deem to have been given to Borrower or Lender when given in the manner designated herein.
- 6.9. **Beneficiary Statement.** Lender may collect a fee for furnishing the beneficiary statement in an amount not to exceed the amount as provided by Section 2943 of the Civil Code of California.
- 6.10. **Use of Property.** Borrower shall not permit or suffer the use of any of the Property for any purpose other than as a single family residential dwelling.
- IN WITNESS WHEREOF, Borrower has executed this Deed of Trust on the day and year set forth above. By signing below, Borrower agrees to the terms and conditions as set forth above.

MAILING ADDRESS FOR NOTICES:	SIGNATURE OF BORROWER(s):
<u>STREET MAILING ADDRESS</u>	_____
(Street) _____	BORROWER NAME
<u>CITY, STATE &amp; ZIP</u>	_____
(City) _____ (State) (Zip)	CO-BORROWER NAME

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 } ss.

On DATE OF NOTARY, before me, NOTARY NAME, Notary Public for said State, personally appeared **BORROWER NAMES**, 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.

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Signature of Notary

Place Notary Seal Above